WIENER STADTWERKE

2023 Financial Report

Contents

Wiener Stadtwerke at a glance

Key Figures – Highlights 2023

EUR m	2022	2023	Change in %
Revenue	7,306	**6,224**	-15
Adjusted EBITDA*	833	**1,038**	25
Adjusted profit for the year**	488	**763**	56
Investments	1,284	**1,719**	34
in property, plant and equipment and intangible assets	1,107	**1,286**	16
in financial assets	177	**434**	146
Capex ratio*** in %	15	**21**	+5.5 percentage points
Planned investments in property, plant and equipment and intangible assets from 2024 to 2028		**8,821**	
Total assets as at 31 Dec.	17,710	**18,473**	4
Non-current assets as at 31 Dec.	13,215	**14,525**	10
Capital and reserves as at 31 Dec.	7,773	**8,935**	15
Equity ratio as at 31 Dec. in %	43.9	**48.4**	+4.5 percentage points
Headcount**** avg. FTE	16,028	**16,793**	5
Apprentices	438	**484**	11

* Adjusted for one-off or rare expenses and income.
** In addition to adjusted EBITDA effects, adjusted for effects of impairment tests and other one-off or rare financial expenses and income.
*** Capex ratio = (intangible assets + property, plant and equipment) / revenue x 100.
**** Employees at WSTW Group level (consolidated and non-consolidated companies) incl. apprentices.

8,821 EUR m

+15% planned investments in property, plant and equipment and intangible assets from 2024 to 2028

16,793

(+765) employees

48.4 %

(+4.5 percentage points) equity ratio strengthened further

1,286 EUR m

(+16%) investments in property, plant and equipment and intangible assets

Dear residents of Vienna, dear readers,

The Wiener Stadtwerke Group is the driving force behind Vienna's urban development. We see ourselves as a driving force in making Vienna climate-ready by 2040 and maintaining its high quality of life. With our comprehensive commitment in areas such as energy, energy grids, mobility and innovation, we are at the forefront of Vienna's climate revolution. Affordability and climate protection must go hand in hand. We are therefore investing almost EUR 9bn in the expansion of infrastructure in the next five years alone. This will serve to ensure that the people of Vienna can continue to live well, afford mobility and energy and at the same time protect the environment.

Our goal is to make Vienna a great place to live by providing clean energy, efficient public transport and services that make everyday life easier, accessible to everyone – now and in the future. Our investments are crucial to keep the city running and at the same time to enable a socially just and climate-friendly future for everyone in Vienna. Supply security in all areas is something we are fully committed to.

Why are we emphasising this now?

Because good management and the great task outlined above must go hand in hand. And because we need to achieve positive results in order to reach our ambitious goals. With these financial statements, there is no doubt that we have succeeded in doing this in a challenging economic environment. As a central partner for climate protection and municipal services, we cover the entire value chain of public infrastructure. With almost 17,000 employees, we are one of the country's most important employers.

With these thousands of people at our side, we ensure that we offer reliable and affordable services. We create sustainable quality of life and are able to put our plans for the city and the people of Vienna into practice as planned.

Let's look at the specific figures:

The Group's revenue fell by 15% to EUR 6.2bn year-on-year. The winter was comparatively mild. Gas prices fell, meaning that energy revenues fell by more than a fifth. As part of this, the cost of materials and cost of purchased services in the Group fell from EUR 5.1bn to EUR 4.0bn. Electricity revenues were up on the previous year, mainly as a result of a higher output in the renewable sector and due to the energy crisis contribution being reported under cost of materials.

The other divisions reported positive or stable development. Despite lower conveyance rates, the Energy Grids division increased its sales by 16%, particularly from gas. The growth was driven by grid loss compensation and increased regulatory recognition of costs. Thanks to increasing passenger numbers, the Transport division also recorded double-digit sales growth of 14%. This means that revenues exceeded the pre-pandemic level for the first time. In the Funeral Services and Cemeteries division, revenues were just below the previous year's level. The Car Parks division grew by 9% thanks to significant growth in short-term parking operations.

Operating profit (EBIT) rose by 35% year-on-year to EUR 659m. The increase is mainly attributable to increased energy-related revenues in the production sector. Wien Energie Vertrieb GmbH & Co KG improved the result thanks to the reversal of provisions and an increased contribution margin from the energy business. Government grants also had a positive effect on the result. A year-on-year dividend increase from the stake in Verbund contributed to an increase in the financial result to EUR 103m. As a result, profit for the year, adjusted for special effects, climbed by 56% to EUR 763m.

The Management Board: Peter Weinelt, Monika Unterholzner and Roman Fuchs (from left to right)

As announced, we massively expanded our investments again in 2023, increasing these by 34% to more than EUR 1.7bn. Environmentally friendly investments increased by 20% to EUR 1.18bn. We are still able to satisfy the majority of the required funds with the operating cash flow. We continued to receive considerable government grants for the Transport division.

In addition to our billion-euro investments in the city's infrastructure, we are also pushing ahead with other issues: We are expanding our customer service, increasing our attractiveness as an employer and improving our operational efficiency. Further digitalisation will also help us here.

We would like to thank you, the representatives of the City of Vienna, our business partners and all citizens of Vienna, for your trust – and for your continued support this year.

Vienna, May 2024

Peter Weinelt
Chief Executive Officer

Monika Unterholzner
Deputy Chief Executive Officer

Roman Fuchs
Deputy Chief Executive Officer

In conversation – the new management team

The first 100 days are complete. A good time for answering some initial questions.

There are now three of you in the management team. Why has an extra member been added now?

Peter Weinelt: For a company of our size, having three people in the team puts us in a good position. We are one of the largest companies in Austria, with a complex portfolio. And we are facing huge challenges, especially when it comes to climate neutrality. If we want to make the mobility and energy revolution a reality by 2040, those of us at the head of the Group must be decisive and agile.

Does having more decision-makers at the top make us more agile?

Monika Unterholzner: Yes. We are very happy with our current three-person setup. Each of us is already familiar with the topics that are material to the Group and with the Group's agenda, so we do not lose any time with onboarding. At the same time, we all bring different experiences, perspectives and strengths to the table, and these give us a feeling of assurance when making important decisions. At the end of the day, this serves the people of Vienna.

Roman Fuchs: I probably do not need to emphasise that the growing regulatory environment makes finance and reporting increasingly demanding. But still, we consolidate five different businesses areas, one of which – Energy – is particularly complex. And new requirements for non-financial reporting (CSRD) are now being added. This brings with it extensive information obligations and will take up considerable amounts of capacity in the coming years.

"I want us to be the driving force in making the city climate-ready by 2040."

Peter Weinelt,
Chief Executive Officer

You have restructured the Group levels. Why is this?

Peter Weinelt: So that we can achieve our objectives, we will take on a greater steering role within the Wiener Stadtwerke Group as a management team in the future. We have restructured the Group management team, and have more clearly defined collaboration with the Group companies.

Monika Unterholzner: In concrete terms, this means that we have identified the greatest challenges for our Group as a whole. As of 1 February 2024, there is now a new management level below the Management Board, with Chief Officers in precisely those areas that need to be managed more tightly. These managers work closely with the management boards of the Group companies.

> "For the mobility revolution – a major goal for us – this means focusing on innovative solutions for public transport."

Monika Unterholzner,
Deputy Chief Executive Officer

What is especially important to you in your new role?

Peter Weinelt: We have some major challenges ahead of us. I want us to be a driving force in making the city climate-ready by 2040, while maintaining the high quality of life here. Every decarbonisation project put into action makes us that much more independent of fossil energies and fuels – in both the energy and transport sectors. What is important here that we can only achieve the climate revolution hand in hand with the city and, above all, with the people of Vienna. When it comes to restructuring the energy system, we have to think decades ahead. This means that all sectors – heating, cooling, electricity and mobility – have to be made equally climate neutral. And we have to set the course for this today. This is a complex undertaking and one that we are driving forward and putting into action one step at a time.

Monika Unterholzner: This gives me the perfect segue into the two issues that are very close to my heart: innovation and digitalisation. The terms are associated with great potential that can give us a considerable boost both internally and externally – for example, internally by increasing efficiency, and externally by increasing customer convenience. We see innovation not as something we develop in a quiet room, but as a daily reality in the heart of the city. It only comes about through collaboration.

For the mobility revolution – a major goal for us – this means focusing on innovative solutions for public transport that is accessible to everyone. At the same time, we are reducing pollutant emissions in the city with future-proof city logistics, helping to make it greener.

"Our stable figures are the foundation on which we will build a sustainable Vienna."

Roman Fuchs,
Deputy Chief Executive Officer

Roman Fuchs: Our company uses the city's money to benefit the people of Vienna and its surrounding areas. We are responsible for presenting our business activities as transparently as possible. We have done our job only when we have been able to answer all questions about our figures comprehensibly.

The fact that we can only carry out our billion-euro investments if we have a solid rating and good creditworthiness is particularly important to me. We can only achieve this by being a reliable partner on the financial market – green promissory notes are key here.

Peter Weinelt, Chief Executive Officer

Peter Weinelt has been responsible for steering Wiener Stadtwerke since 1 January 2024. He heads up the Energy, Energy Grids and HR areas. Peter Weinelt studied energy technology at Vienna University of Technology and started his career at Wienstrom/Wien Energie Stromnetz, where he served as managing director between 2006 and 2012. After holding further positions, including as CEO of Wiener Netze, he moved into Group management as Deputy Chief Executive Officer in 2016.

Monika Unterholzner, Deputy Chief Executive Officer

Monika Unterholzner has been a member of the Management Board since 1 January 2024. She is responsible for the Mobility, Funeral Services, Cemeteries, IT and Innovation areas. Monika Unterholzner studied commerce at Vienna University of Economics and Business and started her career at the European Commission. After further positions at the Vienna Business Agency and Hafen Wien, she joined the Wiener Stadtwerke Group in 2013, where she first led WIPARK, and then Wiener Lokalbahnen GmbH from 2017 to 2023.

Roman Fuchs, Deputy Chief Executive Officer

Roman Fuchs has been a member of the Management Board since 1 January 2024. He leads the Finance, Real Estate and Legal areas. Roman Fuchs is a business economist. After starting his career at CA-Leasing, he moved to Macquarie Bank Ltd. in London in 2001. In 2009 he joined Wiener Stadtwerke Holding AG, where he took over the management of the Group Finance department in 2014. He led WIPARK Garagen GmbH between 2017 and 2023.

2023 Management Report for the Group

Standards and directives

All data and bases of calculation in this operating review are in accordance with international accounting standards (the International Financial Reporting Standards, IFRS).

Monetary values are presented in millions of euros (EUR m). Disclosures in millions of euros may be subject to rounding differences.

1 Principles of the Wiener Stadtwerke Group

1.1 Business activities

The Wiener Stadtwerke Group is a modern infrastructure service provider and plays the largest role in terms of climate protection in Vienna and the surrounding area. It is one of Austria's biggest conglomerates and employers, of major significance for the Austrian economy. Its business operations cover the divisions Energy, Energy Grids, Transport, Funeral Services and Cemeteries, and Car Parks. The Energy and Energy Grids divisions are made up of Generation, Distribution and Grid Operation departments which ensure reliable electricity, gas and district heating and cooling supplies. Wiener Stadtwerke services also include public transport (Wiener Linien and Wiener Lokalbahnen), funeral and cemetery management, and car park services (WIPARK). These reliable services help to maintain the high quality of life offered in Vienna and this has been confirmed in various studies.

In most cases, Wiener Stadtwerke Group companies must compete in markets that are simultaneously liberalised and regulated. For example, the sales markets of Wien Energie GmbH and its subsidiary Wien Energie Vertrieb GmbH & Co KG are fully exposed to competition, but Wiener Netze's electricity and gas network tariffs are set by the national regulator, E-Control Austria (ECA).

Energy

As Austria's largest regional energy supplier, Wien Energie supplies some two million people and around 230,000 commercial buildings and industrial plants in and around Vienna with electricity, natural gas, district heating, cooling, and innovative energy services. Wien Energie generates electricity and heat from renewable energy sources, such as solar power, wind power, hydropower and biomass, from energy-from-waste plants, and high-efficiency combined heat and power (CHP) plants. Wien Energie is also active in the telecommunications and electromobility sector, and provides other energy and infrastructure-related services. Wien Energie is wholly owned by Wiener Stadtwerke GmbH. We actively contribute to shaping the sustainable future of energy through innovation and research.

Energy Grids

Wiener Netze GmbH is Austria's largest combined system operator. Its grids connect over two million people in Vienna, parts of Lower Austria and Burgenland and supply them with heat, light and energy – 24 hours a day, 365 days a year.

Wiener Netze is responsible for grid strategy and grid planning, and builds, expands and operates Vienna's energy grids. It is also responsible for figures and data, takes care of integrated security management and is organising the transition to smart metering. As a company, Wiener Netze offers a wide range of grid-specific services, including substation and transformer maintenance and conducting safety inspections of gas systems. In the event that the electricity, gas or district heating systems do experience disruption, round-the-clock teams are deployed immediately.

Transport

Wiener Linien is Vienna's leading transport operator, and reports directly to the City of Vienna on public transport matters. Besides operating underground, tram and bus lines, it carries out a wide range of traffic management functions including service and interval scheduling, route and stop planning for all transport modes, sales and marketing, and operational control. In addition, it is responsible for providing the infrastructure and vehicle fleets required for services, and for maintaining all systems.

This remit enables the company to provide an integrated public transport network in Vienna, focusing in particular on ensuring the best possible levels of efficiency and utilisation of optimisation potential. At the same time, it is tasked with offering passengers good value for money whilst maintaining and enhancing service quality. In order to develop contemporary, urban mobility for customers as simply as possible, Wiener Linien continues to provide information and coordination services in a wide range of areas and is responsible for planning and continuously expanding the public transport network. Major focus areas for the coming years are the construction of the U2xU5 intersection, the introduction of fully automated underground trains, expanding the tram network and decarbonising the bus fleet.

A mobility app (WienMobil) also offers customers a digital all-in-one mobility solution for urban public transport. In addition, WienMobil stations are gradually being put into operation. Not only do these mobility stations cover various sharing services (e.g. electric cars, electric bikes, cargo bikes), but there are also bicycle storage boxes and electric charging points at Wiener Linien stations and stops.

Wiener Lokalbahnen GmbH (WLB) operates the Badner Bahn regional train system between Vienna's State Opera House and Josefsplatz in Baden. This is one of the most important commuter connections in the southern environs of Vienna. Badner Bahn is integrated into the Verkehrsverbund Ostregion (Eastern Region Transport Association – VOR). With the 2020 timetable change, which took place on 3 December 2020, the new Badner Bahn transport services agreement (new VDV) came into force. This agreement regulates the operation of the Badner Bahn and an increase in service frequency for the next 15 years. The Wiener Lokalbahnen division also provides transport and private travel services for people with restricted mobility through the subsidiary Wiener Lokalbahnen Verkehrsdienste GmbH (WLV). In addition to school days out and regular trips run by the public sector, these services also cover recreational trips commissioned by customers themselves. Furthermore, WLV operates the on-call bus service Rufbus, as well as other bus routes, on behalf of Wiener Linien and is constantly improving its range of services. In order to continuously expand its business areas and maximise potential, WLV also offers delivery and courier services with its minibuses and special fully electric delivery vehicles. In recent years, delivery services and on-demand passenger transport have been added to the core business area of travel services, and synergies within the Wiener Stadtwerke Group have been harnessed. Wiener Lokalbahnen Cargo GmbH (WLC), also a subsidiary of Wiener Lokalbahnen, organises intermodal block train shipments across Europe. It is active as a shunting service provider and operates its own training facility for railway professions at Hafen Wien.

Funeral Services and Cemeteries

Bestattung Wien GmbH is the largest funeral home in Austria – and in Europe. A traditional company, it has organised more than two million funerals and international repatriations since it was established, with funeral services ranging from intimate services among close family through to large state funerals. Bestattung Wien GmbH operates 23 funeral homes in Vienna. The company's specially trained staff provide thorough advice, and arrange customised funeral services in accordance with the wishes of the bereaved. The range of services offered by Bestattung Wien GmbH extends from the collection of the deceased, the comprehensive organisation of the funeral and holding the funeral service through to advice on funeral provision. It also offers special services including natural burials, memorial diamonds, traditional horse-drawn hearses, death masks, the lying in state of the deceased in a church and burials at sea.

Friedhöfe Wien GmbH's business activities are split into the four areas of cemeteries, cemetery gardening, the stonemasonry workshop at Vienna's Central Cemetery and the crematorium at the Feuerhalle Simmering cemetery. In the cemeteries division, grave usage rights are offered for various types of burial plots (coffin and urn plots). To enable us to keep in step with the trend of urn burial and natural burial, various common graves are also offered (tree plots, lawn plots, shrub plots, urn garden plots, forest burial, family and friendship trees, rainwater urns, and Vienna natural graves), as well as urn plots for joint human–animal burials. Our cemetery gardening services include grave maintenance, grave decoration and floristry products (flowers for funerals and special occasions). The stonemasonry workshop carries out extensive activities in connection with the construction and maintenance of grave plots. The crematorium performs cremations on behalf of funeral homes and hospitals, and as part of body donation programmes.

Car Parks

The company is tasked with operating and managing multi-storey and open-air car parks of all kinds, as well as planning and running projects related to parking space management and the construction of multi-storey car parks. WIPARK does not maintain any branches other than the car park locations.

1.2 Corporate strategy

The Wiener Stadtwerke Group is a cornerstone of the Viennese economy, and an attractive employer for a workforce of about 16,000. The company makes a significant contribution to the economic development of Vienna and helps to safeguard the city's world-renowned high quality of life. Wiener Stadtwerke carries out its responsibilities as a corporate citizen with a focus on economic effectiveness and operational efficiency. Only a financially sound business can deliver energy supply security, provide the people of Vienna with sustainable, high-quality products and services, and make far-sighted investments in future-proof infrastructure.

As a diversified group, Wiener Stadtwerke is in part subject to highly challenging legal and trading environments. Because of this, Wiener Stadtwerke GmbH manages its subsidiaries according to targets and performance indicators that are tailored to each individual operation.

To help meet these requirements, long-term financial stability and support for Vienna becoming a smart climate city are enshrined in the Wiener Stadtwerke Group's corporate strategy as central goals. Meeting these goals will both lay the groundwork for essential investments in energy, energy grids, transport, IT, car parks, and funeral services and cemeteries, and play a major part in increasing the – already outstanding – quality of life in Vienna. In particular, Wiener Stadtwerke will seek to implement the City of Vienna's Smart Climate City strategy by taking action to upgrade urban infrastructure, combat climate change and promote innovation.

Wiener Stadtwerke sees itself as a corporate group focused on climate protection and wants to increasingly express this to internal and external stakeholders. With this in mind, the Group's strategy is always being updated, and focuses on climate protection. Together, the Wiener Stadtwerke Group is careful in what it does and galvanises climate protection efforts through sustainable products and services. Here, too, the customers' needs are at the heart of all of our efforts. The Wiener Stadtwerke businesses are all geared to the Group's common aim of acting as a one-stop provider of infrastructure services in the Vienna metropolitan region. This role as a central point of contact and single-source service provider in the greater Vienna area is being reinforced by closer cooperation and leveraging synergies within the Group, optimisation of internal processes and efficiency, and efforts to embed a performance-driven ethos in the corporate and leadership culture.

Wiener Stadtwerke intends to remain an attractive employer and, together with its workforce, it seeks to continue playing a pivotal role in turning Vienna into a smart climate city, and to act as an innovative, reliable and future-oriented partner that the entire population can rely on to provide urban infrastructure and attractive products and services.

1.3 Development of the economic environment

1.3.1 Economic environment

Austria's economic output in 2023 – a year that saw a recession – declined by 0.8% and 0.7% according to respective forecasts made by the Austrian Institute of Economic Research (WIFO) and Institute for Advanced Studies (IHS) in December. Domestic gross domestic product therefore developed to a significantly worse extent than the euro area (+0.6% – WIFO) and worse than Germany (-0.3% – WIFO). The downturn was particularly considerable in trade, industry and transport services. Accommodation, gastronomy, financial and insurance services developed positively in 2023.[1]

The aftermath of the energy price shock, combined with the global weakness in production and in the trading of goods, is leading to a marked decline in economic performance. The purchasing power of households is under strain from inflation, which is currently at 7.9% for 2023, and is leading to a stagnation in consumer spending.[2]

Tourism is defying this economic weakness and high inflation and is proving to be a pillar of Austrian economic development. The number of overnight stays in the 2023 summer season (May to October) was only 3.9% higher than in the previous year. With 80.9 million overnight stays from May to October, the threshold of 80 million overnight stays was exceeded for the first time and surpassed the record year of 2019 (78.97 million overnight stays).[3] Despite a temporary slowdown, the outlook for winter tourism is positive.[4]

Development on the labour market showed a 2.9% increase in unemployment in 2023 compared to the record year of 2022. Most of this increase is down to designated refugees or displaced persons from Ukraine.[5]

The Harmonised Consumer Price Index (HICP) inflation rate declined slightly, falling from 8.6% in the previous year to 7.7% in 2023. The decline is mainly due to the contribution of energy, as the other components show higher inflation rates than in the previous year. Energy prices on the international wholesale markets declined in 2023. Electricity prices have halved compared to the previous year, while gas prices have tripled. Long contractual commitment periods mean that there has been a delay in passing on these prices and therefore this could only be seen in the second half of 2023. Over the course of the year, the inflation rates of industrial goods and foods also show a significant decline, which is expected to continue in the following year. The falls in energy prices and in prices on the agricultural market are expected to lead to a further decline in consumer prices.[6]

The ECB's key interest rate hike, which began in the previous year, continued at the beginning of 2023. In February, the ECB raised the key interest rate by 0.5%, bringing the interest rate in the euro area to 3%. This was done to combat inflation, which was well above the long-term target of 2%. Another interest rate hike took place in March, when the ECB raised the key interest rate by 0.5% again as inflation was 8.5% in February. In May, the ECB announced its seventh consecutive rate hike. This time, the key interest rate was raised by 0.25% to 3.75%, after inflation in the euro area was 7% in April. Further interest rate increases of 0.25% took place in June, July and September. Following ten consecutive interest rate hikes, the key interest rate had reached 4.5% at the end of the year. Due to falling inflation in the euro area – which stood at 2.4% in November – no further interest rate hikes took place in 2023.[7]

The currently uncertain economic backdrop, the current situation on the liberalised energy market and ambitious climate and energy targets all pose tough tests for Wiener Stadtwerke. These challenges can be overcome by working relentlessly to develop innovative new services and products, providing optimum care for existing customers, and constantly boosting efficiency.

1 https://www.wko.at/statistik/prognose/text-PDF.pdf?_gl=1*8yarh9*_ga*MTUyMjc0MTg0Mi4xNjc0NTc3MTU5*_ga_4YHGVSN5S4*MTY3NDU3NzE1OC4xLjEuMTY3NDU3NzE2MS41Ny4wLjA – accessed 18 January 2024.
2 https://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=71307&mime_type=application/pdf – accessed 19 January 2024.
3 https://www.statistik.at/fileadmin/announcement/2023/11/20231128AnkuenfteNaechtigungenOktober2023.pdf – accessed 19 January 2024.
4 https://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=71307&mime_type=application/pdf – accessed 19 January 2024.
5 https://www.ams.at/content/dam/download/arbeitsmarktdaten/%C3%B6sterreich/berichte-auswertungen/001_spezialthema_1223.pdf – accessed 19 January 2024.
6 https://www.oenb.at/dam/jcr:170d7b1b-6aea-4c8a-b926-13fbb8af72f3/oenb-report-2023-7-wirtschaftsprognose-fuer-oesterreich.pdf – accessed 19 January 2024.
7 https://www.dertreasurer.de/news/asset-management/zinswende-ticker-fed-ezb-und-boe-lassen-leitzinsen-unveraendert-24791/ – accessed 22 January 2024.

1.3.2 Legal environment

Legal backdrop
The Legal, Compliance and Contract Award department coordinates a Group-wide network for legal matters, which ensures that the Wiener Stadtwerke Group's high legal standards are met.

In order to successfully address the ever-changing legal environment, the relevant legal departments regularly evaluate and offer their insights into draft bills and ordinances, provide their legal expertise to the Group and address legal queries from the Wiener Stadtwerke Group. Employees in these departments apply their knowledge to advise other departments across all areas of the company and support these in fulfilling their duties.

In the 2023 financial year, in addition to normal business operations, a revolving credit agreement with an international banking consortium and a credit framework agreement with the City of Vienna were concluded for margin financing.

Data privacy
Data privacy is an important topic for Wiener Stadtwerke. The Group directive for the data protection organisation establish the principles for processing personal data within the Group. The processing of data will be supplemented by a process for data breaches relevant to the Group. Data protection topics that affect several Group companies will be coordinated regularly by the data protection officers within the Group companies. New IT systems will be checked for compliance with data protection legislation before they are rolled out. Mandatory data protection training is carried out once per year for all employees.

In the S/4 HANA programme, information lifecycle management (ILM) was used to develop a deletion policy in the last year, which was subsequently launched. The deletion policy for Group-wide applications is constantly being aligned within the Group. A Group-wide statement on generative AI has been published. Currently, a Group directive regarding data classification is being developed, on the basis of which the Group companies can issue corresponding handling instructions. New analysis tools are expected to be introduced in future in line with a uniformly structured process, which will be developed by the end of the year.

1.3.3 Environment

Energy

In 2023, due to geopolitical conditions and the ongoing war in Ukraine, consumers and businesses were faced with price increases in almost all sectors of the economy and day-to-day life, including energy, and with rising interest rates. Sustainability, climate protection and consumer protection predominated within the energy-policy and economic environment in Europe and Austria. The Austrian federal legislature also came to the fore with, in some cases overdue, legislative packages on essential framework conditions for the energy industry.

EU energy and climate policy

Renewable Energy Directive – RED III
The amendment to the Renewable Energy Directive (Renewable Energy Directive III – RED III) was announced on 31 October 2023 and entered into force on 20 November.[8] With this amendment, the European Union has set out additional requirements for further advancing the development of renewable energies within the EU. Most of the regulations in the areas of transport, industry, buildings and heating and cooling are to be implemented by 21 May 2025, while those relating to permit-granting procedures are to be implemented by 1 July 2024. RED III is intended to support the achievement of the goals under the Green Deal and has set new targets for the expansion of renewable energies (an increase to at least 42.5% of final energy consumption by 2030, but aiming for an increase to 45%). The aim is for the share of renewable energies used to heat and cool buildings to rise to at least 49% across Europe by 2030. RED III obligates Member States to designate priority areas for renewable energy by 21 February 2026, with public participation (strategic environmental assessment). Permit-granting procedures for the development of renewable energy generation plants, grids and energy storage systems in these priority areas (no more than twelve months) and outside these priority areas (no more than two years) are now to be shortened permanently. For geothermal heat pumps and, in principle, solar energy systems, the permit-granting procedure is limited to three months.[9] In future, distribution system operators and transmission system operators will have to publish information on the renewable share and carbon emissions of their supply areas.

8 DIRECTIVE (EU) 2023/2413 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652, OJ L 2413, 31/10/2023, p. 1.
9 National measures, e.g. to speed up the environmental impact assessment process in Austria, were adopted in March 2023: Änderung des Umweltverträglichkeitsprüfungsgesetzes 2000 (Amendment of the Environmental Impact Assessment Act 2000), FLG I No. 2023/26.

EU electricity market design reform

On 14 March 2023, the EU Commission presented a proposal for a reform of the design of the electricity market[10] and for better protection against market manipulation in the wholesale energy market.[11] The legislative package is to be adopted quickly, preferably before the EU elections in 2024. The reason for the rapid reform efforts is primarily the energy crisis triggered by the war in Ukraine, with the overarching aim of reducing the negative consequences of extraordinary price fluctuations on markets across Europe and thus also the impact on energy prices for consumers. This also includes the possibility for the state to assume market price risks through the instrument of energy contracts for difference between electricity producers and EU Member States. In particular, the reform package includes amendments to the Electricity Regulation,[12] the Electricity Directive[13] and the REMIT Regulation.[14] Specifically, these include measures for incentives for longer-term contracts, for energy from renewable sources, rules for the sharing of energy from renewable sources, long-term contracts for consumers, new support schemes for load management and storage, the protection of vulnerable, indebted consumers, provision for regulated retail prices to be passed on to households and SMEs in the event of a crisis, and an obligation of Member States to designate last resort suppliers.

EU emissions trading reform

An emissions trading system reform, which came into force in May 2023, will extend this system to include the transport sector and buildings from 2027.[15] The revenue is intended to be used for a Social Climate Fund.[16] At national level, the EU Carbon Border Adjustment Mechanism (CBAM) was implemented in December 2023. As the name suggests, CBAM sets a standard carbon border adjustment for imports of certain goods from third countries with carbon-intensive industries once the pricing phase begins on 1 January 2026.[17]

Extension of EU emergency regulations

In 2023, the EU adopted emergency measures following the Russian war of aggression against Ukraine. The intention of these measures was to promote solidarity between member states, further accelerate the deployment of renewable energies and protect EU citizens from excessively high energy prices. The Council has extended the validity of these emergency regulations[18, 19, 20] for a further twelve months.

Austrian energy and climate policy

Renewable Energy Expansion Act and Austrian Grid Infrastructure Plan

The Erneuerbaren-Ausbau-Gesetz[21, 22] (Renewable Energy Expansion Act – EAG), which was adopted back in July 2021, aims to support the expansion of renewable energies in such a way that the total Austrian electricity consumption can be fully covered from renewable energy sources nationwide from 2030 onwards. To this end, the EAG defines concrete expansion targets (annual increase in renewable electricity production by a total of 27 TWh by 2030, of which 11 TWh comes from photovoltaics, 10 TWh from wind power, 5 TWh from hydropower and 1 TWh from biomass), lays the foundations for introducing market premiums to promote the production of electricity from hydropower, wind power, photovoltaics, solid biomass and biogas, and sets out the framework conditions for investment subsidies. This also includes support mechanisms for renewable gas production plants and electrolysis plants. According to the EAG, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) must draw up an integrated Austrian Grid Infrastructure Plan (ÖNIP). The ÖNIP is an overarching strategic planning tool and is intended to enable an overall view of the infrastructure requirements of the future energy system. The BMK has submitted a draft for comment on the expansion and renovation of the energy transmission infrastructure for 2030 and the achievement of climate neutrality by 2040.[23]

10 Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1227/2011 and (EU) 2019/942 to improve the Union's protection against market manipulation in the wholesale energy market, COM (2023) 147 final.
11 Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design, COM (2023) 148 final.
12 Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast), OJ L 158, 14/06/2019, p. 54.
13 Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast), OJ L 158, 14/06/2019, p. 125.
14 Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (original version), OJ L 326, 08/12/2011, p. 1.
15 Council Document 6210/23, reg. a) Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757, b) Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the amount of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading scheme until 2030 – Letter sent to the Chair of the European Parliament Committee on the Environment, Public Health and Food Safety (ENVI); 2021/0211(COD) and 2021/0202(COD), 08/02/2023.
16 Council Document 6207/23, Proposal for a Regulation of the European Parliament and of the Council establishing a Social Climate Fund – Joint letter sent to the Chairs of the European Parliament Committee on the Environment, Public Health and Food Safety (ENVI) and the Chair of the Committee on Employment and Social Affairs (EMPL), 2021/0206(COD), 08/02/2023.

Energy Efficiency Act (EEffG)

The amendment to the Energieeffizienzgesetz[24] (Federal Energy Efficiency Act), implemented changes to the EU Energy Efficiency Directive 2012/27/EU[25] (EED I) as amended by Directive 2018/2002/EU[26] (EED II). The changes will impose concrete energy efficiency and energy savings obligations on the federal government. A significant new addition is the abolition of the supplier obligation, which will instead be replaced by strategic measures to achieve the objectives. Energy suppliers must set up free-of-charge advice centres for households. Companies that have supplied 35 GWh to households must also set up an advice centre on energy consumption, energy saving measures, energy costs, and energy price developments.

Gas stockpiling and strategic gas reserves

The storage obligation of gas suppliers to ensure supply to protected customers such as households and social institutions has been extended and in future is to be guaranteed for 45 days between 1 October and 1 March. When using quantities of gas from non-Russian sources, the period can be reduced to the previous level of 30 days. A stockpiling standard for gas-fired power plants (including high-efficiency combined heat and power (CHP) plants) has been established. The national strategic gas reserve has been extended until 1 April 2026.[27]

Electricity Industry Act (ElWG)

Since 12 January 2024, the draft of a new Elektrizitätswirtschaftsgesetz (Electricity Industry Act – ElWG) has been under pre-parliamentary review.[28] The package is intended to replace the aging Elektrizitätswirtschafts- und -organisationsgesetz (Electricity Act – ElWOG) and to enshrine European legislation, such as the EU's Internal Electricity Market Directive and the Renewable Energy Directive, in national law. The primary objective of the ElWG is to create, from an electrical and economic perspective, the foundations for a fully renewable electricity system. The legislative package also includes regulations on energy poverty and an amendment to the Energie-Control-Gesetz (Energy Control Act – E-ControlG). The draft provides for new consumer protection rules for end customers, changes in system usage charges through the introduction of new tariff categories, the systematic separation of grid connection and grid access as well as "flexible network access", more transparency regarding grid capacities, regulation of certain energy services, introduction of new market roles and forms of trade, energy storage regulation, meter point regulation, modification of the authorisation procedure for balance group managers, new direct connection concepts, additional rules and mechanisms for supply security and the tightening of penalties, and new responsibilities of authorities.

Weather conditions

According to Geosphere Austria's preliminary climate report, 2023 was the warmest year in its 256-year record, tied with 2018. January, June, July, September and October were among the ten warmest of the respective series of measurements. The temperature in 2023 was largely above average. In regional measurement, the measuring station in Vienna recorded a new station record – since records began in 1775 – with an annual average temperature of 12.5 C. The previous record of 12.4 C was achieved in 2018 and 2019. There were very dry and very wet periods in 2023, with some extremely rainy weather conditions. Overall, 16% more precipitation fell than in an average year. Relatively cloudy and sunny months alternated in the past year. In total, 2023 brought 3% fewer hours of sunshine than an average year. The last time that there were so few hours of sunshine was in 2014 (-8%).

During the reporting period, total heating degrees – the metric normally used in the energy sector for temperature-driven energy demand – in Wien Energie's supply area were 15.5% below the average for the past 30 years.

17 Änderung des Emissionszertifikategesetes 2011 (Amendment to the Emission Certificates Act 2011); CBAM-Vollzugsgesetz 2023 (Austrian CBAM Enforcement Act 2023 – CBAM-VG 2023), FLG I 2023/196.
18 COUNCIL REGULATION (EU) 2023/2919 amending Regulation (EU) 2022/2576 as regards the prolongation of its period of application, OJ L 2919, 29/12/2023.
19 COUNCIL REGULATION (EU) 2023/2920 amending Regulation (EU) 2022/2578 as regards the prolongation of its period of application, OJ L 2920, 29/12/2023.
20 Council document 16270/23 (en) on COUNCIL REGULATION amending Regulation (EU) 2022/2577 laying down a framework to accelerate the deployment of renewable energy, 2023/0445(NLE), 19/12/2023.
21 Erneuerbaren-Ausbau-Gesetzespaket (Renewable Energy Expansion Act Package – EAG-Paket) (original version), FLG I 2021/150.
22 EAG, as last amended by FLG I 2023/198.
23 BMK, Austrian Integrated Grid Infrastructure Plan (Integrierter österreichischer Netzinfrastrukturplan – NIP) https://www.bmk.gv.at/themen/energie/energieversorgung/netzinfrastrukturplan.html – last accessed 27 January 2024.
24 Amendment to the Federal Energy Efficiency Act, FLG I 2023/59.
25 DIRECTIVE 2012/27/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (EED I), OJ L 315, 14/11/2012, P. 1.
26 DIRECTIVE (EU) 2018/2002 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 amending Directive 2012/27/EU on energy efficiency (EED II), OJ L 328, 21/12/2028, p. 10.
27 Änderung des Gaswirtschaftsgesetzes 2011, des Erdölbevorratungsgesetzes 2012 und des Elektrizitätswirtschafts- und -organisationsgesetzes 2010 (Amendment of the Gas Act 2011, the Crude Oil Stockpiling Act 2012 and the Electricity Act 2010), FLG I 2023/145.
28 Ministerial draft – Federal Act that enacts a Federal Act on the Regulation of the Electricity Industry (Electricity Industry Act – ElWG) and a Federal Act Defining Energy Poverty for Statistically Recording and for Determining Target Groups for Support Measures (Energy Poverty Definition Act – EnDG), as well as amending the Energy Control Act, 310/ME XXVII. GP.

Price movements

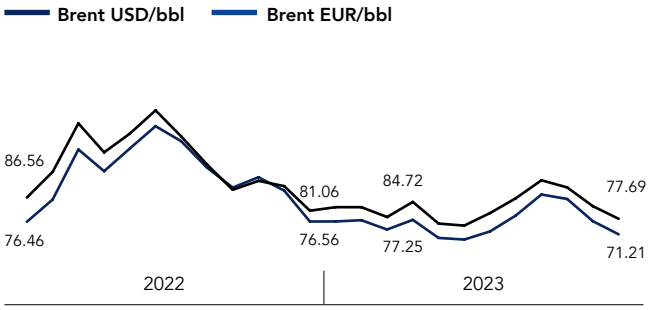
Crude oil price movements

Oil prices showed a relatively stable sideways move in the first quarter of 2023, which was supported by positive signals from global economic centres. Volatility increased over the course of the year, however. Although output cuts were announced by OPEC+ states in April, there was initially no significant price increase as global recession concerns continued to have an influence on the market. It was only at the beginning of the third quarter that a clear upward trend in oil prices began, after Saudi Arabia and Russia took additional measures to reduce their oil exports. The good economic performance in China and the USA also had a price-increasing effect on the price of oil. This upward trend was broken in the fourth quarter of the year, however, and oil prices fell back down to the level seen at the beginning of the year. Although there were fears that the conflict in the Middle East would have a price-driving effect on the oil market, this failed to materialise. Instead, existing concerns surrounding demand and a wait-and-see stance on the market pushed oil prices further down. The average euro price for a barrel of Brent Crude Oil in 2023 was 18% lower than in 2022.

Natural gas price movements (EUR ct/kWh)

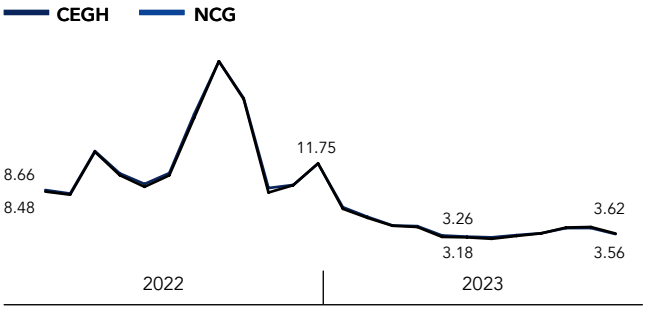
Following the extraordinary price explosion in 2022, there was a period of easing on the gas market in 2023. Since the beginning of the year, gas prices have shown a persistent downward trend. This is mainly down to high wind power production, continuous LNG deliveries and the continuously well-filled gas storage tanks, which had a stabilising effect on prices. Short-term price increases in the second and third quarters of the year were caused by rising LNG demand in Asia and growing competition between the European and Asian markets. These increases proved to be unsustainable, however. The high storage levels and regular gas deliveries stabilised prices and, thanks to the long summer, even more gas could be stored at many times of day. In the fourth quarter, there were temporary price increases due to the uncertainties caused by the outbreak of the conflict in the Middle East. Despite these developments, the gas market remained calm and unstrained towards the end of the year. The European natural gas storage facilities were filled to 86% at the end of 2023.

Oil price development:



Source: Thomson Reuters (ICE monthly average)

Gas price development:



Source: Thomson Reuters (EEX NCG) and Wien Energie Energiewirtschaft

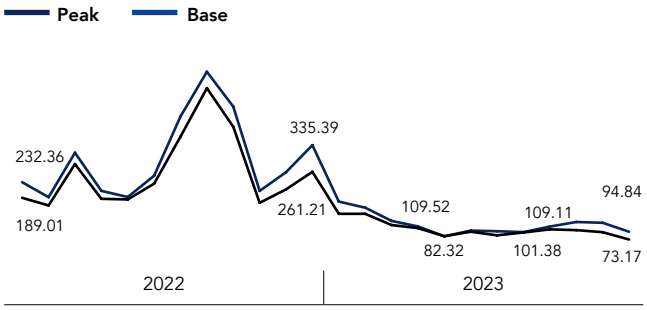
Electricity price movements (EUR/MWh)

The situation on the European electricity markets calmed down significantly in 2023 compared to the previous year. Since the beginning of the year, electricity prices have declined continuously. At the beginning of the year, this decline was due to persistently mild temperatures and high levels of wind power production. Short-term price increases due to colder weather conditions and competition for LNG with Asia had only a temporary effect on prices. Falling coal, gas and CO_2 prices, as well as unusually mild temperatures, dampened prices. A slight price increase was recorded in the summer months as a result of a short-term increase in CO_2 and gas prices. As there were no significant changes in the availability of European power plants, the price of electricity remained broadly stable. Compared with the previous year, prices have fallen by an average of 61%. As the year came to an end, average monthly prices were at EUR 73/MWh (base) and EUR 95/MWh (peak).

Price movements of CO_2 emissions allowances (Emission Certificate Act, EZG 2011 in EUR/t)

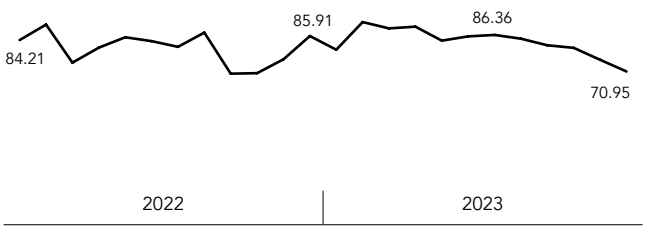
The price of CO_2 allowances and European Union Allowances (EEA) showed volatile development in the first few months of 2023. The initial price increase was quickly interrupted by reduced liquidity in the market and the tense situation on the financial markets. The reform of emissions trading approved by the EU Parliament in April resulted in a temporary price increase. However, the cautious forecasts for the industrial economy and the comparatively weak energy markets pushed the price down again. During the third quarter, these factors led to a comparatively stable sideways movement of the CO_2 price. From September onwards, a predominantly negative trend continued due to the decline in carbon emissions in electricity production and the continuous expansion of renewable energies. The EUA rate therefore remained closely correlated with other fossil-based raw materials. Overall, the annual average price level remained at the same level as in the previous year.

Electricity price development:



Source: Base/Peak (EEX market price monthly average)

CO_2 emission allowances:



Source: Thomson Reuters (ICE monthly average)

Energy Grids

Electricity Act (ElWOG)

In connection with the increased costs for the sourcing of grid losses, just before the end of 2022 support from federal funds was decided on for the first half of 2023. This was increased significantly in January 2023 and ultimately extended to the whole of 2023. These funds directly support the purchase of grid losses and thus reduce the expenses for the grid operators. As a result, Energy Control Austria (ECA) had to reissue the grid operators' cost notices and amend the Systemnutzungsentgelte-Verordnung (System Charges Ordinance). This has also been done with support from federal funds taken into account, which is why only lower network loss costs are charged to customers from 1 March 2023.

However, for the time being, Austrian Power Grid (APG) continued to procure and charge for the costs without taking the support into account, as the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and the Federal Ministry of Finance (BMF) have been asked to conclude individual contracts with all of Austria's network operators for the payment of funds. These contracts were available in October 2023 and were quickly concluded by network operators. As a result, the resulting differences were compensated, without taking into account financing costs arising from the delayed payment of the subsidies.

Electricity Industry Act (ElWG)

The electricity market has changed significantly since the adoption of the third internal energy market package in 2009 and the subsequently enacted ElWOG 2010. As the energy system continues to decarbonise and new technologies are developed, a process of further decentralising energy production is taking place, creating new market players. Implementing Directive (EU) 2019/944, a new Electricity Industry Act (ElWG) will aim to strengthen the rights of consumers and promote their active participation in the energy market. The possibility already created as part of the Erneuerbaren-Ausbau-Gesetzespaket (Renewable Energy Expansion Act Package) to generate energy in energy communities on a decentralised basis, and to consume this energy or to sell it, is being extended by the introduction of the "self-service provider", which can also sell self-generated electricity from renewable sources to end customers via peer-to-peer contracts. Supply contracts with dynamic electricity tariffs are also intended to promote active participation in the electricity market by adapting consumption to market signals.

Renewable Heat Act

This act underwent a review procedure in mid-2022 and then passed almost unchanged in the Council of Ministers at the beginning of November 2022. The resolution in the National Council was adopted as of 15 December 2023, but has not yet been published in the Federal Law Gazette. Contrary to expectations, however, no general 2040 ban was issued for the operation of natural gas heating systems, but "only" a ban on the provision of heat generated using fossil fuels in new buildings. The decarbonisation of the building sector by 2040 is to be made possible by an increased and improved support regime for the conversion to environmentally friendly systems.

Fluorinated Gas Regulation

The trilogue meeting of 5 October 2023 reached a provisional agreement on the F-gas Regulation that is still to be formally confirmed by the European Council and the European Parliament. A complete ban on the commissioning of medium-voltage switchgear using fluorinated gases (F-gases) will be gradually introduced by 2030, and a ban on high-voltage switchgear of this kind will be introduced by 2032.

Electricity system charges – appeals against cost review notices

Wiener Netze lodged appeals against the electricity cost review notices for 2014 to 2018. The dispute relates to its treatment in the benchmarking exercise, as well as the capital structure regarding the non-influenceability of pension obligations. The appeals regarding the 2014 to 2017 tariff years were dismissed by the Federal Administrative Court. The ruling for 2018 was still pending. Wiener Netze submitted an appeal to the Supreme Administrative Court regarding the decision of the Federal Administrative Court. In April 2023, the Supreme Administrative Court rejected Wiener Netze's appeals as unfounded and affirmed the decisions of the Federal Administrative Court. As a result, the Federal Administrative Court ruled in the same manner for the year 2018. The proceedings are therefore all completed, however they will not have an effect on past or future system charges, as accounting and budgeting were carried out in accordance with the principle of prudence.

Transport

At EU level, 2023 was marked above all by digitalisation and the opening up of data. For its part, Wiener Linien made a strong contribution here and through the International Association for Public Transport (UITP).[29] The underlying Intelligent Transport Systems Directive is an important step towards extending multimodal digital transport solutions. Wiener Linien participated proactively in the discussion process and took a stance on the matters discussed. Due to the large variety of content, work on a new legal basis to promote multimodal digital mobility services will not continue during this legislative period.

In addition, the revision of the Guidelines Concerning the Regulation on Passenger Transport Services by Rail and Road has been completed and problematic interpretations for urban transport have been removed.

The planned changes to the Driving Licences Directive, which would particularly affect employees of Wiener Linien with a Category C driving licence, represent a significant change for the company. The minimum age for bus drivers is to be reduced to 21 with the option for the Member States to reduce the age even further. The negotiations, which continued in 2023, are expected to be completed in the first quarter of 2024.

The upcoming Fachkräfteverordnung (Skilled Workers Regulation) will include bus drivers, tram drivers and underground train drivers in the list of shortage occupations. This should facilitate the search for employees outside of Austria, making it easier both in the current acute labour shortage and with regard to the future increased demand that is expected by the mobility revolution.

WLB also supports the expansion of the mobility offering in the VOR and offers such as the KlimaTicket that aim to entice more passengers onto trains and buses. However, additional revenue from this is only to be expected to a limited extent for WLB due to the gross-contract basis. WLB is also positive about the efforts of the public sector to create more choice for the "last mile" of travel, and proactively offers services such as easymobil stations with sharing possibilities.

Funeral Services and Cemeteries

In 2010, the Funeral Services and Cemeteries Division was reorganised in order to separate the area of operations that is exposed to competition (funeral services) from the infrastructure side (cemeteries).

The range of services offered by Bestattung Wien GmbH covers both upstream areas (e.g. funeral planning) and downstream areas (support for bereaved relatives). In this context, the company offers a service to unsubscribe the deceased from memberships, along with free grief seminars for relatives. The company has always made every effort to enhance the profession. At the same time, the topic of death should be freed of any taboos through education, campaigns and PR work. While the focus at Bestattung Wien GmbH is always on providing information in a respectful manner, the Funeral Museum deliberately takes a more relaxed approach to the topic of death in order to appeal to younger members of the population.

29 UITP: Union Internationale des Transports Publics.

The business activities of Friedhöfe Wien GmbH develop in line with the number of people who pass away in Vienna. Mortality rates in Vienna have fallen sharply over the past few decades. However, the current forecasts predict a further reduction in the coming years, after which there will be a return to the current level. Urbanisation is reinforcing the trend for many burials to be carried out in the deceased's country of origin rather than in Vienna. So far, the number of grave use rights has been little influenced by the economic environment, but by the changing culture surrounding remembrance and cemeteries. Negative factors include the long-term decline in the importance attached to end-of-life ceremonies and practices, and the increasing range of alternative services that can be offered in view of the growing number of cremations (e.g. people taking urns home, forest burials outside Vienna, scattering ashes in rivers and so on). New trends that are not yet in demand, such as human composting and resomation (or water cremation), could also lead to a fall in demand in the future. Families becoming smaller is also causing family graves to be abandoned. In order to counteract this trend, Friedhöfe Wien is continuously optimising its services – by making use of digitalisation and optimising administrative processes, for instance – and is actively developing the cemetery culture. The value of cemeteries as places of coming together, relaxation, culture and nature is brought to the fore through numerous measures and activities.

Car Parks

In Vienna, measures to reduce traffic are being taken and planned in order to create more living space for citizens. Following the introduction of the comprehensive short-stay parking zone in Vienna in March 2022, measures to restrict traffic in particular have been planned for the 1st district, although reducing traffic is also an issue in various other districts. In principle, it can be assumed that the reduction of parking space will have a positive effect on business. The current challenges in the real estate sector have no direct impact on operations, but will complicate portfolio growth in the new-construction sector. WIPARK is also increasingly focussing on the use of car parks for various mobility and logistics purposes.

1.4 Employees

The Wiener Stadtwerke Group's 16,793 employees (FTEs as an annual average) make a vital contribution to safeguarding Vienna's high quality of life.

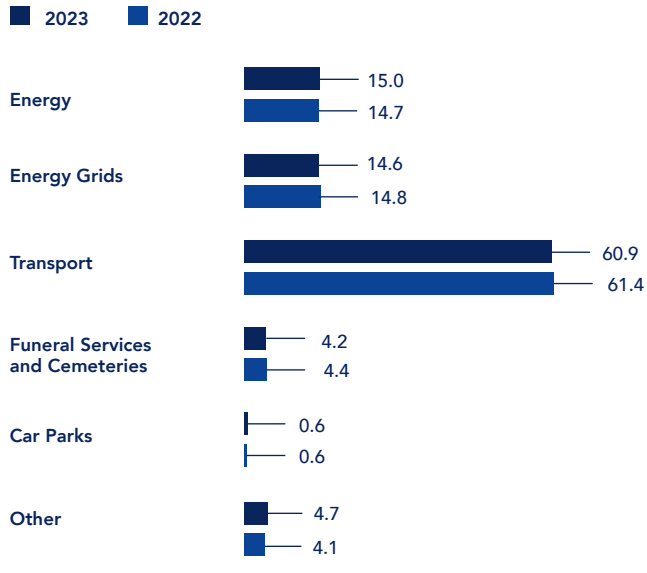
Headcount

Avg. FTE	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Local government employees of consolidated companies[1]	4,755	**4,350**	-405	-9%
Employees of consolidated companies (subject to collective agreements)	10,200	**11,179**	+979	10%
WSTW Group	**14,955**	**15,529**	**+574**	**4%**
Apprentices	423	**467**	+44	10%
Total WSTW Group[2]	**15,379**	**15,997**	**+618**	**+4%**
Local government employees of non-consolidated companies[1]	1	**1**	0	0%
Employees of non-consolidated companies (subject to collective agreements)	634	**779**	+145	23%
WSTW Group	**16,013**	**16,776**	**+763**	**5%**
Apprentices	15	**17**	+2	14%
Total WSTW Group[2]	**16,028**	**16,793**	**+765**	**5%**
Women as % of workforce	20.7	**21.9**	+1.2	+6%
Staff turnover in %[3]	10.0	**9.8**	-0.2	-2%
Accident frequency (reportable accidents per 1,000 employees)	18.1	**16.1**	-2	-11%
In-service training days (excl. apprentices)[4]	51,165	**86,764**	+35,599	+70%

[1] Public servants and contract staff.
[2] Excluding staff on parental leave, and military and civilian national service.
[3] WSTW overall Group staff turnover (including employees subject to collective agreements, permanent civil servants, contract staff and apprentices), not including retired civil servants.
[4] Excluding e-learning courses for 2022; including e-learning courses from 2023.

The key figures were calculated without including GWSG employees. Rounding differences not eliminated.

Headcount (in %)



The chart above relates exclusively to employees of the WSTW Group (excluding apprentices).

Apprenticeships are go!
As of September 2023, the Wiener Stadtwerke Group had welcomed 215 new apprentices, bringing the total number of apprentices currently in training to 576. Today, training is also being given in the fields of stonemasonry, cooling technologies and electrical engineering for renewable energies.

Central Apprenticeship Management is responsible for coordinating and developing apprenticeships throughout the Group, and our Central Recruiting function is also based here. In order to successfully address the shortage of skilled workers and the challenges of the climate crisis, the range of apprenticeships offered within the Wiener Stadtwerke Group is continuously being adapted and revised. This also means providing our trainers with the necessary education to keep apprenticeship training at the highest level.

The proportion of women in manual and technical trades was increased to 35% in 2023. In this way, the Wiener Stadtwerke Group is a pioneer and continues to place great importance on inspiring women to pursue technical occupations. For this reason, we have launched a partnership with the Austrian Public Employment Service (AMS) that provides a broad taster programme for young women who are looking for a job.

For the third year in a row, the Wiener Stadtwerke Group apprentice programme was awarded the Gold Lehlingsmarketing Award. The 2022/2023 apprentice programme was awarded the Bronze HR Award in the Employer Branding category.

Staff development
The Group's staff development department is responsible for three closely related areas that are strategically aligned with the existing HR strategy and the 2040 climate neutrality framework strategy for Vienna: staff development, recruitment and employer branding. Above all, the employer branding positioning and strategy serve as the starting point for all actions and aim to tackle the major challenges presented by the shortage of skilled workers and climate change by bringing together the combined strengths from across the Group. Targeted, evidence-based discussions with relevant core target groups across the Group are based on the figures from the team responsible for strategic HR planning and are key to the selection and designing of offers and services in all three disciplines. For example, Central Recruiting was set up in a target group-oriented manner and sub-divided to cover the areas of IT, commercial and technical recruitment.

The range of services includes measures to boost the appeal of the Group as an employer, the implementation of Group-wide staff marketing measures, central recruitment for management and expert positions while defining, measuring and maintaining the highest quality standards and levels of transparency, the ongoing development of the Group recruitment tool, as well as the development of Group-wide staff development measures, such as intra-Group leadership (including up-and-coming leadership) development programmes, the development of the skills of specialists (including Competence Connected programme, process and project management, and agile and soft-skills methodologies) and skills development in order to establish collaboration and new working processes within the Group.

Networked working and learning approaches can be tested at the new Talent Hub premises because many cross-cutting issues such as accessibility have been incorporated into the concept of new learning. Here, applicants also find a location that represents the Wiener Stadtwerke Group and its Group companies and reflects the Group's positioning as an employer.

Making specialists and managers aware of their duty to take on responsibility is a permanent part of our day-to-day work.

Health and safety
Protecting employee health and safety is one of the Wiener Stadtwerke Group's core objectives. In some cases, the wide-ranging action taken on workplace health and safety goes far beyond the statutory requirements. The Wiener Stadtwerke Group sees this primarily as an aspect of its social responsibility.

At the same time, the Wiener Stadtwerke Group firmly believes that a healthy and well-protected workforce that is fit for work makes a substantial contribution to the company's commercial success. In order to safeguard the health of employees in the long term, a new "Strategic Health Management" function has been launched. The objective is to systematically develop a healthy, resilient organisation and to anchor health as a matter of management and culture within the Wiener Stadtwerke Group. This enables structured networking opportunities and the structured transfer of knowledge, and identifies synergies in relation to (future) health topics in order to then roll out specially designed initiatives.

The Occupational Health Management function deals with the Group's strategic objectives and in particular pursues the following Group objectives:

- Supporting, improving and maintaining employees' ability to work
- Reducing absences due to illness and the number of occupational accidents
- Improving employee health literacy by implementing appropriate health promotion measures
- Gradually reintegrating employees who have been on long-term sick leave

Since the areas of activity within the Wiener Stadtwerke Group are very diverse, the individual Group companies are responsible for implementing these three pillars. This makes it possible to address the various needs and requirements in the most suitable manner. Group management provides support in implementing and adhering to the jointly defined standards. A Group-wide occupational health management working group has been established for this purpose. Having health and safety contacts – who together form the Health and Safety Advisory Board – established firmly in the Group structure will help in the achievement of these objectives.

The Wiener Stadtwerke Group offers all employees and their relatives free, anonymous mental-health support in difficult work and private situations. The external counselling centre at Health Consult can be reached easily by telephone. Internally, company doctors and occupational psychologists are available to offer advice.

With regard to occupational safety, focus has been placed on accessibility and emergency facilities have been adapted accordingly. For example, the assembly points for those with restricted mobility have been signposted and are equipped with hearing protection in case longer periods are necessary here. Emergency call stations have also been marked with Braille.

Diversity, inclusion and accessibility

Wiener Stadtwerke places great importance on diversity, equality, inclusion and accessibility, and these are strategically important issues for the Group. This is taken into account with the organisational embedding of the two areas of competence "Diversity and Gender Balance" and "Accessibility and People with Disabilities" in the Change Management and Management Board Corporate Culture division. These areas focus on strategically advancing the topics towards a common goal and in line with the Group's vision. This structural, Group-wide embedding is ensured by a Group-wide Diversity Committee with representatives from all Group companies, a strategy for diversity and inclusion, and dedicated Group accessibility directive, with the role of the accessibility officers regulated within these.

Diversity, equality, inclusion and accessibility are always taken into account and work is constantly being done to strengthen diversity in all its facets and to keep enhancing products, services, processes and structures in terms of inclusion and accessibility. As Vienna's largest infrastructure service provider, it is the Wiener Stadtwerke Group's responsibility to always focus on our customers and to offer products and services that are appropriate for their individual situations, and to do so in a way that is inclusive and accessible. Wiener Stadtwerke also takes this responsibility seriously within the Group itself.

With a clear zero-tolerance attitude towards sexual harassment, bullying and discrimination in all their forms and a corresponding support framework for those affected, we are promoting a non-discriminatory working environment as the basis for diversity and inclusion that is put into practice every day. This is clear from the staff development initiative, which provides various training sessions, seminars and courses for managers and employees, including as part of specific mentoring programmes. Targeted measures are also taken within the Group's apprenticeship management processes. A strong focus is also placed on hiring people with disabilities, including by collaborating with external organisations and establishments. Looking to the future, the aim is to make further improvements in the areas of diversity, equality, inclusion and accessibility as part of the Wiener Stadtwerke Group's corporate and social responsibility.

1.5 Compliance

As a state-owned company, the Wiener Stadtwerke Group has a duty to uphold the values of integrity, reliability, transparency and a sense of responsibility. With this in mind, a Group-wide compliance management system (CMS) was implemented several years ago. The CMS is evaluated at regular intervals by the Wiener Stadtwerke GmbH Compliance Officer in consultation with the compliance officers of the Group companies, and is constantly updated and improved. The system is also subject to regular independent audits of its effectiveness. The Management Board and Supervisory Board receive written compliance reports, as well as reports on a case-by-case basis as required. A Group-wide whistleblowing system that meets all of the legal requirements has been set up, and it is used by employees, customers and suppliers. In the 2023 financial year, a standardised risk assessment was carried out across the Group and risk reduction measures were implemented based on the risks identified. Employees also received face-to-face and online training across the Group. Fine-tuning of the CMS was also a focus of activities during the 2023 reporting period. Compliance with the statutory regulations relevant to the Group is monitored and controlled by the compliance function in cooperation with other relevant departments. New legal measures for protecting whistleblowers were implemented across the Group and supplemented by communication measures.

1.6 Research and development

Future-proofing

The quality of life in the city is the absolute best in the world. The Wiener Stadtwerke Group plays a significant role in this. Along with all of its subsidiaries, the Group keeps Vienna and the surrounding region running and successfully provides innovative impetus in all of its business segments – and above all in energy and mobility. The Wiener Stadtwerke Group has always been committed to the principle of continuous innovation in order to provide customers with future-proof offers around the clock, whether it be new products, services, business models or even processes and procedures. The core business is constantly being developed and modernised, and new solutions researched, tested and incorporated into the Wiener Stadtwerke Group portfolio.

Fields of innovation

Our path to the future is being laid through an openness towards and an interest in new technologies. The Wiener Stadtwerke Group conducts research into and works on a broad range of topics – be it augmented reality, artificial intelligence, city logistics, 3D printing, the circular economy, electromobility, geothermal energy, energy communities, the Internet of Things, hydrogen, multimodal mobility, robotics, drones, smart grids and smart meters, platforms, data analytics, or storage technologies. Systematic Group-wide trend scouting continuously searches the global market for the latest developments, assesses them and brings this knowledge to the company as inspiration. Our innovative efforts are supported by strategic partnerships with companies, universities, research institutions and start-ups.

Empowerment

Launched in 2012, Wiener Stadtwerke's innovation fund ("FTI fund" for short) aims to support and accelerate innovative and/or research-intensive projects and provide start-up financing. In 2023, the FTI fund was endowed with a total of EUR 3m, with a total of 21 project proposals being approved for (partial) funding.

Wiener Stadtwerke innovation fund

	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
FTI fund budget (EUR m)	3.5	**3.0**	-0.5	-14
Number of FTI fund projects approved:				
Consolidated companies	23	**17**	-6	-26
Non-consolidated companies	3	**4**	+1	+33
FTI projects (WSTW Group)	**26**	**21**	**-5**	**-19**

Outlook

2023 was another year of progress. The Group is determined to also increase its innovation efforts in the coming years in order to promote environmentally friendly and sustainable urban development. Ongoing innovation remains a central part of the corporate strategy for meeting the ever-increasing challenges of a changing world. Investments in research and development, sustainable technologies and talent development will allow us to continue to be an innovative pioneer.

Highlights

In order to make use of the creativity and digital skills of Wiener Stadtwerke Group apprentices, the first Group-wide **online hackathon for apprentices** was held in 2023. 40 apprentices from six different apprenticeship programmes within Wiener Linien, Wiener Netze and WienIT put their ideas into practice and programmed various app prototypes in just a short amount of time. The hackathon offered the young employees the opportunity to contribute their ideas and expand their digital skills. Out of a total of 18 projects, three winners were selected, whose solutions ranged from a digital learning game to a digital apprentice diary.

At the end of May 2023, the **Featuring Future Conference with BOKU** (the Vienna University of Natural Resources and Life Sciences) was held, with around 500 people attending in person and via live-stream. Under the motto "Energy and Mobility: The Revolution", experts from Austria and abroad discussed a wide range of topics, such as alternative mobility concepts, renewable technologies, efficient use of resources and consumer behaviour. The Wiener Stadtwerke Group was a main sponsor for the first time and was involved in the programme alongside experts from a wide range of specialist areas.

In early June 2023, Wiener Stadtwerke was once again a partner of the **Smart City Summit**, which the Vienna Business Agency organised as part of ViennaUP, Europe's largest decentralised start-up festival. Experts, including some from the ranks of the Wiener Stadtwerke Group, dealt with the question of how quality of life can be maintained for future generations.

With **University Meets Industry** (uniMind), the University of Vienna has created a forum for lifelong learning through which a closer network between companies and the University of Vienna will be established. uniMind aims to encourage companies to enter into dialogue with the University of Vienna and to exchange views on current issues from the areas of science and practical applications. Wiener Stadtwerke acts as a promoter of this research and knowledge partnership. Interactive workshops and lectures were held under the umbrella theme "Participation", one of which was hosted by Wiener Stadtwerke.

In November 2023, the Wiener Stadtwerke Group launched the **Future Pioneers Community** to strengthen the exchange of knowledge and networking among all future thinkers, designers, and trend and innovation enthusiasts within the Group. This digital community and platform aims to promote company-wide knowledge sharing, make innovative topics and projects visible, offer mutual support, learn from like-minded people, and be inspired.

With its economic and innovation strategy **VIENNA 2030**, the City of Vienna has defined six areas in which a location already has special competencies and strengths and where Vienna wants to be a world leader. Since autumn 2019, this strategy has been implemented in the form of "lead projects". Many of these innovative lead projects come from the ranks of the Wiener Stadtwerke Group, such as the Öffi-Packerl (Public Parcel Transport) project, the large-scale heat pump at the Simmering sewage plant, the Competence Centre for Electric and Hydrogen Propulsion, the Smart Grid Lab, the multifunctional SeeHub office car park in Aspern, E-Taxi 2.0 project, or the Climate Lab in Spittelau.

2 Report on economic position

2.1 Business performance

2.1.1 Non-financial performance indicators

Energy

Generation

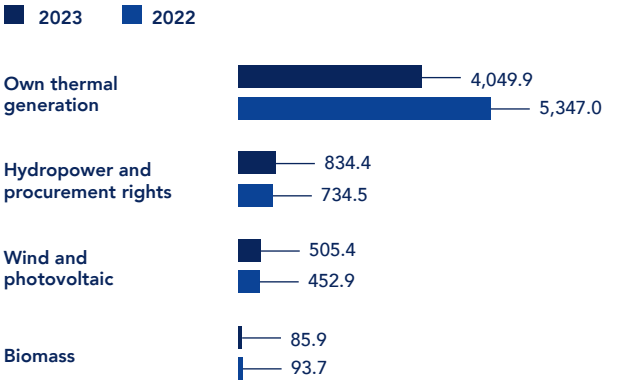
in GWh	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Electricity, consolidated companies	6,359.0	**5,199.1**	-1,159.9	-18.2
Heat, consolidated companies	5,146.3	**4,594.1**	-552.2	-10.7
Total generation, WSTW Group	**11,505.3**	**9,793.2**	**-1,712.1**	**-14.9**
Electricity, non-consolidated companies	269.2	**276.4**	+7.2	+2.7
Heat, non-consolidated companies	111.7	**117.4**	+5.7	+5.1
Total generation, WSTW Group	**11,886.3**	**10,187.0**	**-1,699.2**	**-14.3**

Sales

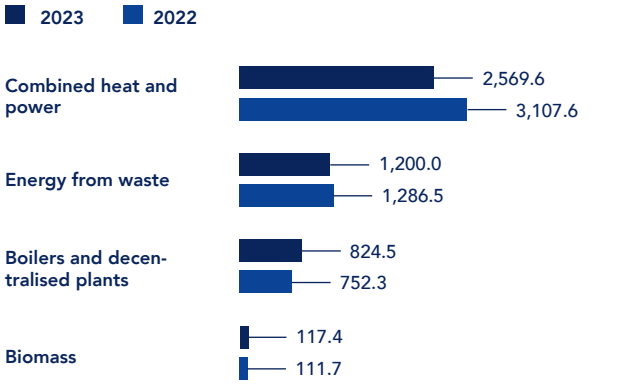
in GWh	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Heat, consolidated companies	5,791.8	**5,427.4**	-364.4	-6.3
Total sales, WSTW Group	**5,791.8**	**5,427.4**	**-364.4**	**-6.3**
Electricity non-consolidated companies*	10,078.7	**9,034.3**	-1,044.4	-10.4
Natural gas non-consolidated companies*	5,872.9	**5,276.1**	-596.9	-10.2
Total sales, WSTW Group	**21,743.5**	**19,737.8**	**-2,005.7**	**-9.2**

* Includes data from Wien Energie Vertrieb GmbH & Co KG and Energieallianz Austria GmbH.

Electricity generation (in GWh)



Heat generation (in GWh)



Due to unfavourable market conditions and lower heat demand – and the resulting lower heat generation volume – thermal electricity generation was below the previous year's level. The non-consolidated subsidiary Wien Energie Bundesforste Biomasse Kraftwerk GmbH & Co KG generated 8.4% more electricity than in 2022 through greater numbers of district heating connections. Electricity generated from hydropower was 13.6% higher than last year's level. The decisive factors here were better water conditions and the Mühlbach hydroelectric plant, which was acquired in the second half of the year. The amount of electricity generated from wind power increased by 10.4% compared to the previous year due to the full operation of the Trumau wind farm, which went into operation at the end of 2022. In 2023, solar output climbed by 16.2% year-on-year. A large number of photovoltaic systems were commissioned.

Total heating degrees were 5.9% down in 2023. District heating sales decreased as a result of higher temperatures.

Energy Grids

Regulated transmission

in GWh	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Electricity	10,647.3	**10,224.2**	-423.1	-4.0
Natural gas	20,918.4	**17,526.7**	-3,391.7	-16.2
Total transmission	**31,565.7**	**27,750.9**	**-3,814.8**	**-12.1**

Electricity transmission
The total transmission volume declined compared with the previous year. The lower transmission volume in grid level 3 is mainly due to the major customer Borealis. The decline in transmission at grid levels 4 to 7 is predominantly due to the high energy prices and the associated savings, as well as mild climatic conditions during the reporting period.

Gas transmission
The natural gas volume conveyed to Wien Energie GmbH power stations and to boilers and waste (EfW) plants is mainly determined by Wien Energie GmbH's power plant deployment plan. The volume conveyed to third parties (predominantly tariff customers) is below the planning assumptions mainly due to the mild weather and the significant increase in energy prices.

Transport

Passengers

million	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Wiener Linien	747.4	**792.0**	+44.7	+6.0
Wiener Lokalbahnen (rail)	12.6	**15.8**	+3.2	+25.7
Total	**760.0**	**807.9**	**+47.9**	**+6.3**

Seat kilometres

million	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Wiener Linien	20,696.5	**20,553.5**	-143.0	-0.7
Wiener Lokalbahnen	591.3	**614.5**	+23.2	+3.9
Total	**21,287.8**	**21,168.0**	**-119.8**	**-0.6**

Rounding differences not eliminated

Passengers and types of tickets
2023 saw a stark year-on-year rise in ticket sales of 13.8%. Overall, revenues increased by 8.6%. The KlimaTickets product category (KlimaTicket Österreich and VOR KlimaTicket MetropolRegion) saw strong revenue participation of around 14% (previous year: around 8%), which is particularly pleasing as this meant that our plan was exceeded on the whole. The number of annual pass holders also includes nearly 137 thousand annual passes for seniors. In addition, there are almost 189 thousand KlimaTickets (2022: 153 thousand), with the KlimaTicket Österreich accounting for 151 thousand (2022: 125 thousand) and the VOR KlimaTicket MetropolRegion accounting for 38 thousand (2022: 28 thousand). Overall, annual passes (including KlimaTickets) have seen an increase of around 6% compared with the previous year.

Seat kilometres
Wiener Linien seat kilometres decreased by 0.7% compared with the previous year. The year-on-year decrease is due to the temporary optimisation of the timetables for trams and buses from the beginning of January to the end of August.

Modal split
The impact of the pandemic decreased for the first time in 2023, with the mobility behaviour of the Viennese population (almost) returning to normal. With regard to the modal split for 2023, public transport increased once again (32%; previous year: 30%), although it still did not return to the pre-Covid-19 level. The proportion of pedestrians fell by 3 percentage points and now stands at 32%, but is still significantly higher than before the pandemic. The share of private motor vehicles used in proportion to overall mobility behaviour remained stable at 26%.

Funeral Services and Cemeteries

Number of funeral services

	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Burials	4,222	**3,672**	-550	-13.0
Cremations	3,441	**3,322**	-119	-3.5
Public health funerals	1,002	**1,099**	+97	+9.7
Third-party services	2,212	**2,211**	-1	-0.0

Number of cemetery services

	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Coffin burials	7,795	**7,327**	-468	-6.0
Urn burials	4,803	**4,721**	-82	-1.7
Grave tenure renewals	30,569	**30,571**	+2	+0.0
Cremations	6,902	**6,835**	-67	-1.0

Funeral services
Bestattung Wien's "main case" service category – burials and cremations – registered a year-on-year decrease of 669 ceremonies or 8.73% to 6,994 (previous year: 7,663). The main reason for this is likely a lower mortality rate, which is underlined by the fact that Friedhöfe Wien GmbH also reported correspondingly lower funeral numbers. The number of service packages provided on behalf of third-party funeral directors was essentially unchanged at 2,211 (previous year: 2,212). As a result, the development of the "main case" service category continues to demonstrate a certain loss of market share, which has been the case for a number of years. This market share is calculated from the number of funerals reported each year by Friedhöfe Wien GmbH.

Cemetery services
Compared with the previous year, there was especially a decrease in coffin burials at the cemeteries managed by Friedhöfe Wien GmbH. In the performance data, the number of grave tenure renewals was at around the same level as in the previous year. Various measures are being taken to counteract the impact of the social change that is leading to the loss of the significance of burial sites for families and bereaved friends and relatives. The decrease in the number of cremations carried out is largely due to orders from the Medical University of Vienna, which began to award about half of its transport and cremation orders to another provider towards the end of the year. In recent years, up to 1,200 cremations were commissioned each year by the Medical University of Vienna.

Car Parks

	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Parking spaces owned and leased	14,083	**13,891**	-192	-1.4
Average entries by short-stay parkers per month	146,834	**156,626**	+9,792	+6.7
Average long-stay parkers per month	10,453	**10,207**	-246	-2.4

The reduction in parking spaces is due to the return of a leasehold car park. Furthermore, the number of parking spaces has fallen as the renovation of the Naschmarkt/ Kühnplatz and Freyung car parks has meant that parking spaces have been widened to improve customer comfort.

The average number of short-stay parking transactions per month increased year-on-year and is correlated to short-stay parking income. The increase in short-stay parking transactions is reflected in the entire car park portfolio. The number of long-stay parkers is below the previous year's figure. This decline is mainly due to having few car parks.

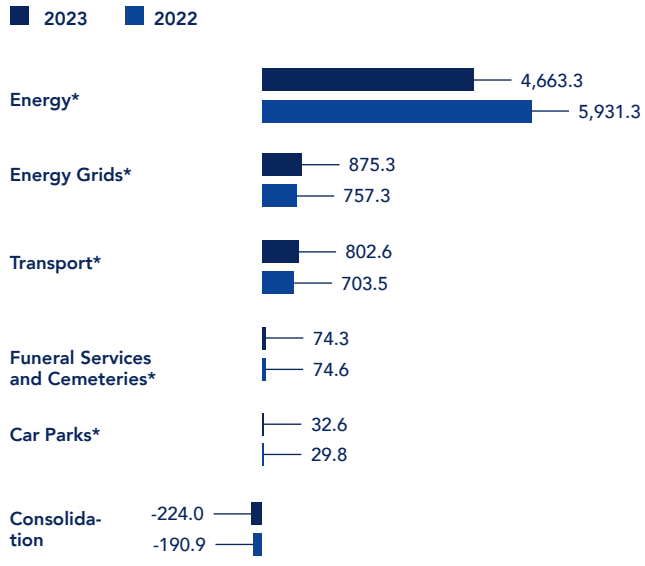
2.1.2 Consolidated statement of profit or loss (summary)

Consolidated statement of profit or loss (summary)

EUR m	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Revenue	7,306	**6,224**	-1,082	-15
Other operating income	657	**758**	101	15
Cost of materials and cost of purchased services	-5,135	**-3,998**	1,137	22
Personnel expenses	-1,166	**-1,334**	-168	-14
Other operating expenses	-693	**-814**	-121	-18
Net gains on investments accounted for using the equity method	-130	**202**	331	255
EBITDA	**840**	**1,038**	**198**	**24**
Depreciation and amortisation	-350	**-377**	-28	-8
Impairment losses and reversals	-1	**-1**	0	-28
Operating profit (EBIT)	**489**	**659**	**170**	**35**
Finance income	110	**312**	202	185
Finance costs	-114	**-209**	-95	-83
Financial result	**-4**	**103**	**108**	**2,415**
Earnings before tax (EBT)	**485**	**763**	**278**	**57**
Current tax expense	9	**-1**	-10	-108
Profit for the year	**494**	**762**	**268**	**54**
Adjusted EBITDA[1]	**833**	**1,038**	**205**	**+25**
Adjusted profit for the year[2]	**488**	**763**	**275**	**+56**

[1] Adjusted for one-off or rare expenses and income.
[2] In addition to adjusted EBITDA effects, adjusted for effects of impairment tests and other one-off or rare financial expenses and income.

Revenue breakdown (in EUR m)



* Divisional breakdown before consolidation.

Revenue

Energy

Compared to the previous year, revenue fell by 21.4%. This was mainly due to lower gas sales, which, in turn, was due to lower structuring and optimisation requirements and lower prices. Conversely, this also resulted in significantly lower material costs. Furthermore, revenues also fell in the heating and cooling sales segment, as it was also necessary to react to falling purchase prices here. Electricity revenues were above the previous year's figure, mainly as a result of a higher output in the renewable sector and due to the energy crisis contribution being reported under cost of materials.

Energy Grids

Wiener Netze's revenue in its role as system operator is calculated in line with regulatory requirements. The improvement compared to the previous year was primarily due to the increase in the net loss tariff, which is also reflected in cost of materials and therefore has no effect on results. There was also a higher recognition of capex (capital expenditure) costs and higher recognised costs from the regulatory deferral account.

Transport

The increase in revenues in 2023 meant that the pre-pandemic level was exceeded for the first time. Compared with the previous year, sales increased in almost all ticket categories, especially for the KlimaTicket Österreich and VOR KlimaTicket MetropolRegion tickets.

Wiener Lokalbahnen GmbH's sales increased by almost 30%, with higher revenues generated under the Badner Bahn transport services agreement, train services and bus services.

Revenues also increased at Wiener Lokalbahnen Cargo GmbH.

Wiener Lokalbahnen Verkehrsdienste GmbH's year-on-year revenue increase is due to the improved order situation, the new "on-demand" business area and tariff adjustments.

Funeral Services and Cemeteries

Revenue is largely dependent on the mortality rate in Vienna and the position of competitors in the city's funeral industry. As the number of funeral services is 669 lower than in the previous year, total revenues from funerals and cremations are also lower. Income from the reversal of accrued grave charges was higher in 2023. Revenue from cremations is only slightly up despite tariff increases. A major reason for this is the fall in the number of orders from the Medical University of Vienna. Revenue from burials and use of chapels of rest and cold rooms have fallen due to the lower number of orders, which is due to lower mortality on the one hand but also to worse economic situations among the population.

Car Parks

At the beginning of the year, catch-up effects following the pandemic were recorded in short-stay parking revenue compared to the previous year. Stable, positive development was observed from the second quarter until the end of the year. The Votiv car park was only partially usable from May to September 2023 due to a fire. Long-stay parking revenue also increased compared to the previous year. From October 2023, the new Walter Jurmann-Gasse leasehold car park generated additional revenue compared to the previous year. The Biologie site discontinued operations in December 2023.

Cost of materials
The cost of materials declined significantly year-on-year. This was due in large part to lower gas procurement costs, which resulted from prices on the markets falling again in 2023 after the exorbitant increase in the previous year. The management of the energy portfolio led to lower material costs in contrast to revenue. There were also lower expenses for own electricity demand and for balancing energy. This was counteracted by the recognition of the energy crisis contribution under cost of materials.

Personnel expenses
Personnel expenses developed in line with pay increases, adjustments in line with collective wage agreements, expenses resulting from employee benefit provisions, and developments in the number of employees.

Other operating expenses
The increase is primarily due to a higher usage levy, higher expenses for maintenance and third-party services, higher legal and consultancy expenses, and higher IT expenses.

Net gains on investments accounted for using the equity method
The result from companies accounted for using the equity method is mainly driven by the result of Wien Energie Vertrieb GmbH & Co KG. This improvement is due to the reversal of provisions and the increased contribution margin from the energy business. The assumed result of Verbund Innkraftwerke GmbH also rose. The earnings contribution of Energieallianz Austria GmbH had a negative impact on earnings.

Operating profit (EBIT)
The Group posted an operating profit of EUR 659.1m in 2023, compared with EUR 489.4m in the previous year. The improved result in the financial year is mainly due to the energy market-related income from the production sector.

Financial result
A higher dividend from the stake in Verbund led to an improvement in earnings. The increased interest rate level led to higher interest expenses, with increased interest income partly compensating for this.

Adjusted profit for the year
The profit for the year adjusted for extraordinary effects increased mainly due to energy-related income. Material one-off expenses and income were adjusted, as were effects from asset valuation and the sale of property and land.

2.1.3 Consolidated statement of financial position

Consolidated statement of financial position – assets

EUR m	31 Dec. 2022	31 Dec. 2023	Year-on-year change +/-	Year-on-year change +/-%
Property, plant and equipment	4,750	**5,084**	333	7
Intangible assets	201	**220**	19	9
Investments accounted for using the equity method	243	**177**	-66	-27
Non-current financial assets	6,051	**6,936**	885	15
Other non-current assets	891	**1,068**	178	20
Non-current regulatory assets	1,079	**1,040**	-39	-4
Non-current assets	**13,215**	**14,525**	**1,310**	**10**
Inventories	465	**497**	31	7
Trade receivables	669	**375**	-294	-44
Other current financial assets	1,620	**936**	-684	-42
Other current assets	321	**256**	-64	-20
Current regulatory assets	112	**126**	14	13
Cash and cash equivalents	1,308	**1,757**	450	34
Current assets	**4,495**	**3,948**	**-547**	**-12**
Total assets	**17,710**	**18,473**	**763**	**4**

Consolidated statement of financial position – equity and liabilities

EUR m	31 Dec. 2022	31 Dec. 2023	Year-on-year change +/-	Year-on-year change +/-%
Equity	**7,773**	**8,935**	**1,162**	**15**
Non-current borrowings	898	**1,174**	276	31
Employee benefit provisions	3,800	**4,461**	661	17
Other non-current provisions	14	**47**	33	245
Other non-current liabilities	814	**842**	28	3
Deferred tax liabilities	406	**324**	-82	-20
Non-current liabilities	**5,931**	**6,848**	**916**	**15**
Current financial liabilities	2,332	**887**	-1,445	-62
Trade payables	765	**756**	-8	-1
Other current provisions	50	**18**	-32	-63
Other current liabilities	858	**1,029**	170	20
Current liabilities	**4,006**	**2,691**	**-1,315**	**-33**
Total equity and liabilities	**17,710**	**18,473**	**763**	**4**

The Wiener Stadtwerke Group's total assets rose by around 4% in 2023 to EUR 18,473.2m. As is to be expected for an infrastructure service provider like Wiener Stadtwerke, property, plant and equipment is the largest asset item; at the end of the reporting period this item amounted to EUR 11,678.5m, around +4.9% higher year-on-year (previous year: EUR 11,131.4m). Investment grants of EUR 6,594.8m (previous year: EUR 6,380.9m) were used to offset property, plant and equipment, thereby reducing the presentation in the statement of financial position. Property, plant and equipment represents approximately 28% of total assets.

The carrying amount for investments accounted for using the equity method decreased by EUR 65.7m. This is mainly due to the negative valuation effects from the joint venture Energie-Allianz Austria GmbH.

For non-current financial assets, the increase results primarily from the valuation of the stakes in EVN and Verbund. Both securities increased in value compared with the previous year. Under other non-current assets, there was an increase in the claim to reimbursement for the plan assets.

The reduction in current financial assets is due to a decrease in trade receivables and other receivables from initial margins – collateral for opening trading positions on the energy exchanges.

The equity of the Wiener Stadtwerke Group, which is wholly owned by the City of Vienna, increased by +14.9% in the 2023 financial year. The improvement is mainly due to the net income for the financial year. Furthermore, other comprehensive income that is positive on the whole led to a further improvement in equity.

Employee benefit provisions were EUR 4,460.6m, or approximately 24.1% of total assets, up by +17.4% on the previous year. This increase is primarily due to the decrease in discount rates and high salary and pension settlements. The majority of the provisions are for pension obligations. Under the Wiener Stadtwerke – Zuweisungsgesetz (Vienna Public Enterprises Secondment Act), the Group must reimburse Vienna City Council in full for the pension expenses incurred for employees assigned by it to Wiener Stadtwerke, with the exception of Wiener Linien staff. This gives rise to an indirect pension obligation on the part of the Group.

Non-current liabilities rose as a result of new long-term financing. Current borrowings fell primarily due to the no-longer-required financing that was taken out in the 2022 financial year as a result of increased liquidity requirements due to turbulence on the energy markets and the associated obligation to make margin payments.

2.1.4 Investments

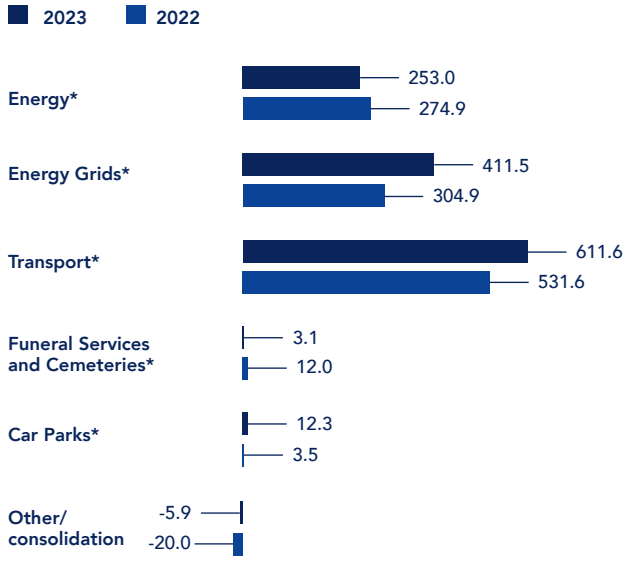
Investments

EUR m	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Property, plant and equipment	1,039	**1,201**	162	+16
Intangible assets	68	**85**	17	+25
Total non-current assets	**1,107**	**1,286**	**179**	**+16**
Total financial assets	177	**434**	257	+146
Total gross investment	**1,284**	**1,719**	**436**	**34**
Grants (IAS 20)	-491	**-545**	-54	-11
Total net investment	**793**	**1,174**	**381**	**48**
Capex ratio* in %	15	**21**	+5.5	Percentage points
Environmentally friendly investments	**983**	**1,181**	**+197**	**+20**

* Capex ratio = (intangible assets + property, plant and equipment) / revenue x 100.

In 2023, the Wiener Stadtwerke Group invested a total of EUR 1,719.4m, of which EUR 1,200.9m or 69.8% was spent on property, plant and equipment and a further 25.2% was spent on financial assets. In 2023, the capex ratio rose by +5.5 percentage points compared with the previous year. During the year, more than 91.8% of investments in fixed assets were used for environmentally friendly projects.

Investment in property, plant and equipment and intangible assets (in EUR m)



* Divisional breakdown before consolidation.

Energy

In 2023, Wien Energie GmbH invested a total volume of EUR 299.6m, thereby exceeding the previous year's figure by 22.4%. Investments in intangible fixed assets were 14.4% higher than the previous year's level and mainly comprised investments in software developments and in rights of use assets for telecommunications networks. At around 65.8%, the majority of total investments was in property, plant and equipment. The increase in investments in property, plant and equipment compared to 2022 is due to the expansion of renewable energy generation plants (especially photovoltaic plants, hydropower and renewable heat) as well as investments in district heating and cooling plants and in existing plants. Investments in financial assets nearly doubled in 2023 compared to the previous year due to the acquisition of shares in Wiener Erdgasspeicher GmbH.

Energy Grids

Investments in grids have increased – particularly in relation to property, plant and equipment – and relate mainly to investments in the Electricity division.

Transport

During the reporting period, about 49% of total investment (excluding financial assets) was accounted for by expansion of the underground network. The current financial structure is based on the public transport services agreement between the City of Vienna and Wiener Linien GmbH & Co KG, which came into effect on 1 January 2017. Under these arrangements, investment finance takes the form of capital grants, and the remainder of the money required for operations is covered by compensation from the City of Vienna to the company for its public service obligations. The capital grants include amounts received by the City of Vienna from the Austrian federal government as subsidies for underground construction projects and as allocations for investment in public transport (Section 23(2) Finanzausgleichsgesetz [Austrian Fiscal Equalisation Act]). In addition, income from payroll taxes is transferred to the company in the form of capital grants for underground line construction.

At Wiener Lokalbahnen, investments were made in intangible assets, and especially in the further development of the easymobil app and the S4/HANA transition. In the case of property, plant and equipment, further investments were made in relation to the acquisition of the new TW500. In addition, particularly noteworthy here are investments in the Leesdorf depot and the Plants Service Centre construction projects. With regard to infrastructure, investments were made for the bridge renovation in Maria Enzersdorf and the electronic signalling control centre in Traiskirchen.

Funeral Services and Cemeteries

In 2023, investments were made in software solutions – especially in the online sector. These include the further development of online funeral services, apps for customers and undertakers, and a staff planning tool with EBA extension. In cemeteries, after the process began in the previous year, the old gardening software GAM was fully replaced by the new software FLORA. Investments were also made in expanding the cemetery software and in an online undertaker registration solution.

Car Parks

In 2023, investment increased year-on-year. In the area of property, plant and equipment, the general renovation of the Freyung and Naschmarkt/Kühnplatz car parks are particularly noteworthy. Other investments included the conversion to LED lighting and the installation of KNX controllers. Software costs for Wiener Stadtwerke's Group-wide S/4HANA project are reflected under intangible fixed assets.

Other/consolidation

This item includes eliminations of intra-Group investments.

2.1.5 Consolidated statement of cash flows (summary)

Consolidated statement of cash flows

EUR m	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Cash flow from net income	973	**947**	-25	-3
Change in working capital	-1,292	**1,571**	2,863	+222
Cash flow from operating activities	**-319**	**2,519**	**2,838**	**+890**
Cash flow from investing activities	**-391**	**-609**	**-218**	**-56**
Cash flow from financing activities	**1,734**	**-1,408**	**-3,143**	**-181**
Total cash flow	**1,024**	**502**	**-523**	**-51**

Cash flow from net income remained at the previous year's level. The improved operating profit and the increased dividends are offset by the adjustments to non-cash income from investments accounted for using the equity method.

The change in working capital in 2023 resulted in net cash inflows, which chiefly reflected a reduction in the margins to be paid at Wien Energie GmbH. This resulted in a positive net cash inflow from operating activities totalling EUR 2,518.6m.

The cash flow from investing activities was the result of substantial investment by Wiener Stadtwerke. The Wiener Stadtwerke Group predominantly finances its investments in property, plant and equipment from government investment grants, which mostly go to the Transport division. These investment grants are reported under cash flow from investing activities, and have the effect of reducing cash outflows from investment activities.

Cash flow from financing activities mainly reflects the cash outflow from short-term debt repayments, in line with the improvement in operating cash flow.

2.2 Sustainability and the environment

Sustainability as a core company value

In a clear commitment to its responsibility for the environment and society, the Wiener Stadtwerke Group makes a significant contribution to promoting sustainable development in Vienna and beyond. For the Group, sustainability is a fundamental corporate value and a task for all of society, spanning economic, environmental and social areas. As Austria's largest municipal infrastructure service provider, the Group sets great levers in motion and makes significant investments to ensure environmentally friendly and sustainable urban development.

Key future projects

The Group's contribution covers various areas, from the expansion of renewable energies to energy efficiency measures and the promotion of sustainable mobility. These efforts are not only important for the Group, but also contribute significantly to the creation of a liveable city. Major future-focused projects include the ongoing U2xU5 expansion of the Wiener Linien public transport system, Wien Energie's proactive photovoltaic strategy, and intra-company cooperation towards the production of green hydrogen for mobility of the future – to name just a few. In 2023, numerous measures were also implemented in the areas of accessibility and inclusion, equality and diversity, occupational health and safety, and further training.

Alignment with EU Taxonomy and CSRD

One of the core elements of the European Green Deal is the Corporate Sustainability Reporting Directive (CSRD), which ensures that non-financial corporate performance is reported in a transparent way. The CSRD will be mandatory for the Wiener Stadtwerke Group with effect from the 2025 financial year. A comprehensive, Group-wide project was launched at an early stage in order to ensure compliance with the requirements of the Directive when it comes into force – at the latest. The project, which ran for nearly two years, involved an intensive examination of the issues that are important for the stakeholders and the Group, the creation of structures and responsibilities with a focus on ESG, greenhouse gas accounting, climate risk analysis, and the taxonomy eligibility of the Group's key economic activities. The project was successfully completed at the end of 2023 and many of the steps and tasks are now being put into practice. In the years to come, the consistent examination of responsible corporate governance and its many facets will sustainably transform the corporate structures and processes of the Wiener Stadtwerke Group. These will set the course for a Wiener Stadtwerke Group that will continue to be successful into the future.

Accelerating environmental projects

In 2023, the Wiener Stadtwerke Climate Fund continued to support numerous smaller-scale measures introduced by Group companies to protect the environment and the climate. In total, twelve environmental projects received a share of the Climate Fund's EUR 1m endowment to help get their work off the ground.

Wiener Stadtwerke Climate Fund

	2022	2023	Year-on-year change +/-	Year-on-year change +/-%
Climate Fund budget (EUR m)	1.0	**1.0**	0	0
Number of projects approved:				
Consolidated companies	20	**11**	-9	-45
Non-consolidated companies	2	**1**	-1	-50
Total projects (WSTW Group)	**22**	**12**	**-10**	**-45**

Projects supported by the Climate Fund

Automated QR code solution for electronic business cards

The experts at Digi.Lab, which is part of WienIT, have developed a mobile application that allows QR codes to be generated automatically. Those using the application can manage their own data, so can determine which data is transmitted via the contact card. A specific QR code format can be recognised as a contact card using a smartphone camera and then added to the user's contacts in their phone. This can help to significantly reduce the number of conventional business cards produced within the Group and conserve valuable resources.

New recycling centre in Simmering

Wiener Netze distributes electricity, gas, district heating and telecommunications and is constantly building or renovating this network infrastructure. Nearly 85% of the materials exchanged during the revitalisation process are recycled. The new recycling centre in Simmering represents another step towards the economical use of resources and a circular economy. Waste streams are recorded digitally, with waste pre-sorted on the construction sites and prepared for removal in skips. QR codes on the skips can be used to quickly fill out documentation in a comprehensive, accurate and legally compliant way when the skips arrive at the Wiener Netze site.

Outdoor biodiversity gallery at the cemetery

A large number of animals live on the area occupied by the 46 cemeteries managed by Friedhöfe Wien. The number of animals living there is being researched by a project team from the University of Vienna together with Friedhöfe Wien as part of the "Biodiversity at the Cemetery" project. To make the research findings visible to the population, an outdoor gallery was installed at the Vienna Central Cemetery in autumn 2023. The gallery shows the diverse wildlife living on cemetery land and is intended to demonstrate just how important it is that cemeteries be kept as green and as untouched as possible. The structures can be reused and will also be used for another exhibition in 2024, when the Vienna Central Cemetery will mark its 150th anniversary.

Energy

The company has a code of conduct that holds both it and its more than 2,000 employees to exacting social and ethical standards. Wien Energie strives to actively protect the climate and to put measures in place to ensure that Vienna remains the world's most liveable city. Key to this undertaking is the balancing of environmental, social and economic interests. Wien Energie is making significant contributions to decarbonising Vienna by 2040, and is investing around EUR 1.3bn in climate protection, supply security and the expansion of renewable energies.

Decarbonisation study and internal climate roadmap
Wien Energie is a key player in the City of Vienna's goal to achieve climate neutrality by 2040 and to reduce greenhouse gas emissions. The decarbonisation study conducted in 2021 set out scenarios for how Vienna's energy system could be decarbonised. The assumptions of the study for the heating sector were updated in the fourth quarter of 2023 to provide more precise information for the efficient implementation of political targets. The projections of the updated study include an increase of around 3.5 TWh in the utility energy demand in the heating sector by 2040 compared to the 2021 decarbonisation study, which will require an increased expansion of district heating and microgrids.

Wien Energie used the findings of this study to put together a detailed climate protection roadmap that contains specific actions and intermediate objectives for achieving climate neutrality within the company. Seven areas of action have been defined for achieving Wien Energie's climate goals.

The following measures should be implemented for net zero emissions by 2040:

- Expansion of the renewable electricity portfolio
- Provision of sustainable, integrated and needs-based heating and cooling solutions by decarbonising district heating (including exploiting geothermal energy and expanding large-scale heat pumps), expanding decentralised heating solutions and extending highly efficient district cooling
- Identification of potential for environmentally friendly energy-from-waste (EfW) plants and opportunities to reuse captured carbon as part of the circular economy
- Expansion of sustainable hydrogen production and the associated fuelling station infrastructure, and ensuring that the technological requirements are met for using green gases in Wien Energie's power stations
- Expansion of the smart charging infrastructure for electromobility in the public sphere, in residential construction and for commercial customers
- Support of collaborative innovation and research projects that focus on emissions reduction, with both start-ups and large businesses
- Continuous implementation of digitalisation and efficiency-improvement projects in order to ensure that energy is used optimally in a way that saves resources

Renewable heat and cooling generation
In 2023, Wien Energie pushed ahead with the expansion of district heating and connected 10,000 households to the district heating network. In total, Wien Energie now supplies district heating to 460,000 households and around 8,000 business customers. In 2023, the most powerful large-scale heat pump system in Europe was connected to Vienna's grid. The plant uses the treated waste water from the adjacent sewage plant for heat generation. Furthermore, the addition of hydrogen to the gas turbine in the high-efficiency combined heat and power (CHP) plant at the Donaustadt power station was tested for the first time in 2023.

Energy Grids

Sustainable mobility concept

The expansion of the electric vehicle fleet was given a boost in 2023, being extended to the commercial vehicle sector. This relates both to Wiener Netze's own vehicles and to vehicle fleets managed by Wiener Stadtwerke companies. Wiener Netze is also highly integrated in the implementation of hydrogen infrastructure, which is essential to the pioneering and innovative upgrade of Wiener Linien to a sustainable mobility company. From the current perspective and after trials in daily use, system-critical vehicles (e.g. in the fault services division) will not be converted to electric drive.

Sustainable use of energy

The measures developed for the improvement of energy efficiency and the broadening of the expansion of renewable energy were also implemented again in 2023. The further conversion to LED lighting systems enabled noticeable efficiency gains. Using the energy management system meant that 240 MWh of thermal energy could be saved by detecting malfunctions in heating systems. At the same time, potential areas for photovoltaics were identified at all Wiener Netze sites, thereby ensuring continued swift expansion in line with the Smart City Vienna Framework Strategy. In future, excess current peaks will also be used for hydrogen production or as a renewable form of energy for operational processes. Both the production of electricity at the sites and the purchasing of electricity are exclusively from renewable energy sources and are therefore carbon neutral. Wiener Netze's detailed carbon and energy footprint can be used in the future to record and evaluate further measures for the gradual reduction of carbon emissions.

Vienna – a smart city

The EU's climate protection goals have been significantly accelerated under the Green Deal, which stipulates that greenhouse gases are to be reduced by 50–55% by 2030. Reworking the Smart City Vienna strategy in 2019 in partnership with Wiener Netze saw the City of Vienna's targets realigned to the international 2005 baseline for comparability. Concrete targets for 2030 and 2050 were defined as part of this. Similar targets are in place for the per capita material consumption footprint and the transport sector. Various energy efficiency and material reduction projects at Wiener Netze are dedicated to reaching these targets.

Considerate construction – planning and processes that protect the environment

With some 4,200 construction projects per year across the entire area of supply, sustainability also requires good planning and coordination with the City of Vienna, its municipal departments and the authorities. Collaborating closely means that a large number of unnecessary excavations can be prevented. If all companies coordinate themselves more efficiently when it comes to construction activities on public roads, then works on underground cables, channels and pipes, and also on the rail network, can be optimised and ultimately reduced.

Transport

For Wiener Linien, an important goal is to make its future construction sites more sustainable from an environmental perspective. The aim is for carbon emissions from construction sites in urban areas to be reduced as far as possible. To this end, in 2023 Wiener Linien conducted an EU-wide market survey on sustainability in tram superstructures, evaluated sustainability criteria from the findings and recommended them for future tenders.

80% of Wiener Linien passengers already travel using electricity on the underground and the trams. Wiener Linien is consistently expanding its electric fleet, with 60 large electric buses set to supplement the bus fleet in the future. What is more, by 2025 nine bus routes will be converted to be serviced by battery-powered vehicles. In contrast to many other electric buses, Wiener Linien's buses do not require diesel auxiliary heaters. In order to make the best possible use of energy, the air conditioning units on the buses are equipped with a heat pump function.

The solar power strategy was launched in collaboration with Wien Energie back in 2021. The strategy enabled the companies to identify 20 roof spaces on underground stations and training workshops that can be fitted with solar power stations by 2025. The photovoltaic installations will produce up to 5,000 MWh of solar-generated electricity per year. After the three facilities built in 2022, five additional facilities followed in 2023 (Kaisermühlen U1 station, Wasserleitungswiese underground station, Siebenhirten electromobility centre, training workshop, and Erdberg underground station). There are plans to build a total of 15 further photovoltaic installations at various locations in 2024.

The brake energy project feeds brake energy from underground trains into the internal A/C network or makes it available to approaching trains. A total of six installations have already been put into operation and around 8.5 GWh of electricity per year has been redirected into the stations. This is the same as the electricity consumption of 2,135 households, on average. Two further installations were added in 2023 (at Aderklaaer Straße and the Schottenring station). A further installation is planned for the Matzleinsdorfer Platz station and will be completed by 2028. Three installations on the U3 are still under evaluation.

Social sustainability is of central importance to Wiener Linien. Accessibility measures are being implemented across all departments. For example, new underground trains and trams will be equipped with wheelchair spaces and additional folding ramps.

Wiener Linien is one of the first public transport companies in the world to design its emergency call systems in line with the multi-sense principle, which allows deaf passengers and those with speech or learning difficulties to make an emergency call via a touchscreen. The first of these units are already in operation, and a total of 550 emergency call systems in underground stations and lifts will be replaced with accessible emergency call systems by 2026.

With the entry into force of the Straßenfahrzeug-Beschaffungsgesetz (Road Vehicle Procurement Act – SFBG), since August 2021 WLB has been converting its fleet to electric vehicles in order to meet statutory and EU requirements for carbon neutrality. As part of this, two electric service vehicles have been ordered and are expected to be delivered in 2024. No new petrol or diesel vehicles will be procured from 2025, unless there are no zero-carbon alternatives for special vehicles.

Funeral Services and Cemeteries

For decades, Bestattung Wien GmbH has been using electric hearses in order to avoid disturbing the peace during funerals. The rest of the fleet is also being gradually converted to low-emission vehicles.

Since November 2022, Bestattung Wien GmbH has been using the sustainable mushroom coffin from the start-up Loop Biotech. The coffin, made from mushrooms, biodegrades in 45 days and is able to transform the human body and the toxins it contains into vital nutrients for the soil.

The environmental focuses for Friedhöfe Wien GmbH are biodiversity and climate protection/microclimates. Cemeteries can be a big help to the urban microclimate by acting as part of fresh air corridors and cold air source areas, as well as by offering a refuge for flora and fauna in urban areas. For example, deer, badgers, hamsters, owls, bats and many bee colonies live in Vienna's Central Cemetery.

A number of landscape gardening measures have been taken at the cemetery in Neustift to enlarge animal habitats. There are tracts that cater to the needs of bats, reptiles, songbirds and butterflies. This area has been made more visible and appealing as a nature trail since 2019.

Vienna's Central Cemetery contains some 120,000 m² of natural meadows. Across all of the city's cemeteries, the natural meadows cover an area of 135,000 m². Bee colonies have already been successfully established at a number of cemeteries.

Water and energy consumption are still major topics. The expansion of wastewater systems has been completed following an initial review of the options available. Inzersdorf was the last cemetery to be equipped with a wastewater system. Smart meters have been installed at several cemeteries for the early detection of water losses due to burst pipes, for example.

The relevant environmental topics (water, waste, air and noise) were covered in the "Gemeinsam.SORGSAM." ("Taking Care. Together.") communication campaign, which was publicised at the cemeteries in April 2020. On park benches and bins and at taps and organic waste collection points, signs call upon all visitors and tradespeople to remember their active contribution to protecting the environment within the cemeteries – specifically regarding waste, water and noise. A number of small actions that have big impacts are being implemented. These included the Friedhöfe Wien gardening team transitioning to refillable, glass candle holders and having tree cuttings and green waste from all 46 cemeteries transported to Municipal Department 48 for conversion into compost and bark mulch.

Car Parks

A smart energy management system has already allowed significant savings to be made. With almost 500 public charging stations, WIPARK is already helping to shape Vienna's environmentally friendly mobility revolution. New charging stations have gradually been expanded and old charging infrastructures refurbished. A total of six photovoltaic systems are operated in cooperation with Wien Energie. As part of this, four rooftop photovoltaic systems have been installed on plots S and Q at the Leopoldau site, one photovoltaic carport has been built at the Neulaa site, and one façade photovoltaic system has been mounted at the Westbahnhof site. Another important matter when it comes to the environment is the continuous expansion of bicycle storage space. In recent years, rising demand has been seen for this in car parks. In cooperation with our customers, projects are being continuously evaluated, checked for implementation and made a reality.

WIPARK provides its customers with safe, high-quality and increasingly accessible parking spaces. Park-and-ride facilities and the construction of affordable collective residential car parks in urban development areas are helping to reduce the pressure of parking on the roads. In particular, underground parking spaces allow public areas to be reclaimed by creating room for green spaces, playgrounds and pedestrian zones.

3 Opportunities and risks

3.1 Risk management and internal control system

3.1.1 Risk management system

The Wiener Stadtwerke Group takes a proactive approach to risk and opportunity management (hereinafter referred to simply as "risk management") in order to identify, assess and adequately manage potential risks and opportunities. In this context, we follow the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) as revised in 2017, as well as ISO 31000 and MaRisk, in order to ensure that our risk management process is both robust and focused on strategic objectives.

The 2017 COSO Framework forms the backbone of our risk management strategy. It emphasises the integration of corporate strategy and risk management, enabling us to identify risks at an early stage and align them with our strategic objectives.

This rulebook and its guidelines constitute a mandatory **minimum standard** in their specific implementation within the Group. Furthermore, depending on the requirements of their business activities, individual Group companies focus on specific, more in-depth and more stringent risk management regulations that usually come from the banking sector.

The **aim** of risk management is to proactively identify, assess and manage uncertainties in order to ensure that corporate objectives are achieved. By systematically analysing potential risks, Wiener Stadtwerke is not only able to minimise possible negative impacts on its finances, reputation and operational processes, but is also able to identify and exploit opportunities to promote sustainable growth and competitiveness. Risk management thus creates a framework that enables companies to respond flexibly to dynamic market conditions, improve their decision-making and strengthen the trust of their stakeholders.

In this context, a standardised and **multi-dimensional risk-bearing capacity concept** has been introduced throughout the Group. A multi-dimensional risk-bearing capability approach provides a holistic perspective for organisations to assess their capacity for risks while seizing opportunities. By taking a variety of dimensions into account (capitalisation, liquidity and key performance indicators), the Group companies can gain a more comprehensive insight into their risk-bearing capacity and make better-informed decisions with regard to optimising their risk profile. This kind of approach allows the companies to be prepared not only for current risks but also for potential future risks and ensures that risk-bearing capacity is consistent with overarching business objectives. This promotes a proactive approach to risk and helps the organisation ensure long-term stability and resilience.

Risk identification and assessment: Risks (and opportunities) are defined as potential deviations from targeted figures in relation to specific indicators, with the most important being the profit for the year, the net cash flow, equity and key liquidity figures. Every identified risk is assigned to a person who is responsible for assessing, managing and monitoring that risk. Scenarios are used to describe risks when these are analysed and assessed. They are then quantified as broadly as possible on the basis of the potential impact and probability of occurrence. At the same time, the possible opportunities (positive deviations from target figures) are assessed.

Risks that cannot be quantified are listed as qualitative risks. Quantitative and qualitative risks are both documented in the same risk management software.

Risk reporting: A workflow-based risk management tool that employs integrated risk management methodology is used to aggregate the overall risk position of the Wiener Stadtwerke Group. Additionally, general risk management guidelines are discussed and decided upon within a risk management committee. The risk management committee is made up of risk controllers from the Group Management Board and the Group companies. The results of the Group-wide risk aggregation process are included in the quarterly risk management report. The Supervisory Board is regularly briefed on the risk management situation. Risk management plays a central role in economic and multi-year planning.

Establishing risk measures: Risk management involves establishing appropriate measures, with the aim of preventing or reducing risk or transferring it to third parties. To determine the appropriate measures, departments carry out cost-benefit analyses in order to review and implement these. Measures are monitored as part of the quarterly analysis process and are adapted to the new risk situation, if necessary.

Risk monitoring and control: Ongoing surveying, identification and assessment of the risks to which the Group is exposed lays the groundwork for the regular risk reporting. Furthermore, the concept, appropriateness and effectiveness of the risk management system are regularly evaluated, monitored and checked.

3.1.2 Internal control system (ICS)

The internal control system (ICS) within the Wiener Stadtwerke Group encompasses **all of the process-related monitoring measures** across the various organisations. It is based on the systematic and documented recording of the workflow organisation with processes, the identification and evaluation of established process risks, the definition of compensating measures and the implementation of checks on the functionality and effectiveness of compensating measures.

The ICS is decentrally organised within the Wiener Stadtwerke Group companies and falls under the responsibility of the management of the company in question.

A Group directive sets the **minimum standard** for the ICS in order to ensure a uniform understanding of the roles and responsibilities within the ICS and to define the ICS regulatory process.

The ICS regulatory process stipulates that the management boards of the Group companies must ensure that there is transparent documentation of controls carried out and that the ICS is therefore effective.

The **duty to report** to the various management boards and the Group ICS coordination function (which then reports to the Group Management Board) at regular intervals ensures that the ICS conforms to the standards. Continued refinement of the ICS is carried out through internal agreement with the risk management, compliance, IT security and crisis management functions and in agreement with the Group companies.

Risk reporting
Ongoing surveying, identification and assessment of the risks to which the Group is exposed lays the groundwork for the regular internal risk reporting. Reporting on quantitatively assessed risks is embedded in the financial reporting, which is performed by the management control function (integrated reporting).

For future movements in the Group companies' key financial indicators, risk management processes aggregate the worst-case and best-case scenarios on the basis of the individual risk identified. These are presented in the control reporting.

An annual risk and opportunity review is carried out as part of the budget/actual comparison. This means that the original risk and opportunity assessments from the previous year, which were also the basis of the corporate planning, are compared with the actual values. The insights gained feed into the adjustment of the risk catalogue to changed circumstances. The updated risk catalogue is one of the cornerstones of the business planning.

Discussion and coordination of the main opportunities and risks also form part of the annual business planning retreat at each Group company. The aim is to take an all-round view of the risks and opportunities that are to be expected in coming years, so as to take proper account of them in the corporate planning. This gives rise to action plans and closer monitoring of the budget items concerned.

Responsibility for ensuring adherence to the risk management process lies with the risk controllers at each Group company. These controllers report directly to management and the Group risk management function on an ongoing basis. The risk management function then reports to the Wiener Stadtwerke GmbH Management Board.

Compliance with the statutory regulations relevant to the Group is monitored and controlled. The reliability of the financial reporting is assured, as the accounting processes at Wiener Stadtwerke are governed by Group-wide directives and standards.

3.1.3 Tax control system (TCS)

In 2021, a tax control system (TCS) was also implemented in addition to the internal control system. The TCS refers to all measures (processes and process steps) that ensure that the taxation basis for each form of taxation is recorded in the correct amount and that any taxes due are paid on time and for the correct amount.

The structure and content of the TCS conform with the provisions of the Austrian Tax Control System Auditing Ordinance (SKS-Prüfungsverordnung) and the guidelines set out by the Austrian Chamber for Tax Consultants and Public Accountants (KWS) in relation to the drafting of an expert report on a tax control system pursuant to Sections 153b(4) (4) and 153f(5) of the Austrian Federal Tax Code (Bundesabgabenordnung – BAO) in its applicable version. The TCS is implemented in line with guidelines that are standardised across the Group and are set out in a Group directive.

The TCS is audited every three years by an external assessor. The last audit was completed by means of an expert report in July 2021. An external audit is currently in progress and will be completed in July 2024 at the latest.

The tax control system helps to reduce the Group's financial risks, finance-law risks, reputational risks and business risks.

3.2 Commentary on material individual risks

The risk landscape for Wiener Stadtwerke is divided into seven risk groups. The most significant risks in these groups are as follows:

Strategy/environment
The Wiener Stadtwerke Group operates within the context of political and legal frameworks. These frameworks could change at short notice at any time and may change the wider context of strategic decisions and/or call the company's strategic trajectory into question. This would include unexpected costs, unplanned cessation or postponement of projects, or being confronted with new strategic challenges that would have to be resolved.

In order to pre-empt these risks, the Group continually analyses the environment in which it finds itself. The Group Management Board and the Group companies also keep in regular contact with the relevant political contacts and regulatory organisations. This enables the Group Management Board to maintain a comprehensive overview, including of potential changes, and to adapt to circumstances as necessary.

Market and procurement
Market risks include price and competition risk in retail markets. In various services sectors, but particularly in the areas of energy and mobility, it may be that the competitive situation intensifies and the pressure on performance and prices increases.

Wiener Stadtwerke counters these risks by developing new products and services, by maintaining an active, customer-centred sales strategy and by entering into collaborative agreements.

The Group's procurement activities take fluctuations in the prices of electricity, gas and CO_2 into account. In the interests of professional risk management, the Wiener Stadtwerke Group manages these price risks by means of appropriate hedging transactions, such as derivative financial instruments. These include forwards, futures and swaps.

Finances and investments
This risk class mainly deals with managing risks related to short-term and long-term financial investments. The primary focus is on the Group's fiscal stability and, in particular, ensuring the Group's liquidity.

To manage its short-term liquidity, the Group operates a Group-wide cash pooling arrangement, which helps to ensure that short-term resource requirements can be met at all times. A conservative approach is taken to long-term financial investments, in line with the pension fund regulations. These investments are managed by a separate asset management function within the Group's management. This asset management function has a standing monthly meeting with the Management Board and the risk management function.

The business processes that form the basis for these financial investments are audited once per year by an external certified accountant. Corresponding risk indicators are measured on a regular basis. Limits ensure that timely corrective measures can be taken. Exposure to the default risk of banks, as indicated by their ratings, is curtailed by diversification based on set limits.

Investment risk encompasses all the risks arising from equity holdings, such as the risk of dividends being lower than expected and of a decline in the value of an investment. In order to pre-empt these risks, all investments are monitored on an ongoing basis. In the event of unexpected developments, the Group management will enter into direct dialogue with the concerned parties.

Plant and operational safety
The Wiener Stadtwerke Group has extensive and, in some cases, complex plant installations at its disposal. The proper functioning of these installations may be impacted to a lesser or greater extent, depending on the circumstances. The extremely high reliability of technical infrastructure is critical to Wiener Stadtwerke's business success. For this reason, this issue is of great importance in terms of risk management.

In order to minimise the risks, the Group and its corporate entities regularly carry out maintenance and investment programmes. In its day-to-day operations, the Group takes steps to ensure that it conforms to very high technical standards as well as precisely defined maintenance and quality checks. The Group has technical redundancies in place in the critical services sectors. The risks associated with plant and operational safety are also insured against by means of relevant insurance contracts

Human resources/organisation
Demographic changes mean that a company's staff is increasingly becoming a critical performance indicator. Growing competition on the employment market may result in Wiener Stadtwerke being unable to fully meet its recruitment needs in terms of new talent and specialists, or being unable to meet these needs at all. For this reason, Wiener Stadtwerke is expediting its employer branding initiatives.

As a responsible employer, Wiener Stadtwerke places great importance on monitoring staff risks. These risks are managed by means of an employee development programme implemented Group-wide that incorporates a range of activities, such as performance reviews designed to optimise staff development and maximise employee satisfaction.

IT
Having business processes that run smoothly across the Group is directly reliant on having a reliable IT system. If systems go down, whether in part or in full, this can significantly impact business processes.

The Group has its own, extremely capable IT function that ensures the technical stability of business processes and provides support for these. The function also applies a range of IT management techniques to ensure high IT availability. This includes a back-up data centre that can immediately take over the necessary tasks in the event of an IT system failure.

Legal/data protection
The Group is exposed to a wide range of legal risks in the course of its business activities. These risks may lead to litigation that could in turn subject the Group to economic, operational or reputational damage.

The Group's legal departments employ renowned experts who continuously deal with the key legal topics of relevance to the Group, the industry and the associated markets. They also develop policies for addressing any identified risks.

As a responsible business, Wiener Stadtwerke pays close attention to the topic of data protection. The data protection officers at the Group companies work with the relevant divisions to ensure that data protection breaches are avoided.

Furthermore, as at 31 December 2023 there were no identifiable risks for the Group management that, individually or in combination with other risks, could pose a threat to the equity ratio.

3.3 Opportunities

3.3.1 Opportunity management

The Wiener Stadtwerke Group has a clear responsibility to society – its primary duty and greatest interest is to securely fulfil the supply mandate to the citizens of the City of Vienna and the surrounding area.

Beyond this mandate, the Group strives to make use of its entrepreneurial opportunities in the interests of Vienna's citizens. In this way, the Group ensures its commercial stability and expands its room for manoeuvre in implementing the concepts that continue to enhance the quality of life of those living in Vienna's metropolitan region and advance the achievement of climate neutrality by 2040.

3.3.2 Commentary on opportunities

Opportunities in energy
The energy sector is still facing significant changes due to technological developments (e.g. use of green hydrogen, carbon capture), regulatory changes (e.g. EU market design reform, tightening of European emissions trading) and political changes (including Russia's war of aggression against Ukraine, armed conflicts in the Middle East). In order to remain competitive in this changing environment, Wien Energie is seeking to strengthen its market position in worthwhile segments by enhancing its own competitive advantages and expand its position as a key partner in shaping the heating and mobility revolution in Vienna. In order to bolster Wien Energie's competitive advantages, it is necessary to reflect on our own skills and on investments in partnerships, if important levels of value creation cannot be played out in a self-sustaining way. Wien Energie has recognised that this is an opportunity in particular for making decarbonisation a reality, and it has, for example, established the joint venture "Venergi" with Ramboll and the joint venture "deeep" with OMV. Furthermore, Wien Energie is operationalising the

conceived strategy for the heating revolution and is continuing to invest in innovative neighbourhood solutions while consistently decarbonising district heating, including through geothermal energy, the utilisation of waste heat, and carbon capture at energy-from-waste (EfW) plants.

The company will rise to the challenge presented by the rising demand for green electricity by expanding renewable electricity generation in Austria and abroad. It is supporting the decarbonisation of the transport sector through the expansion of the charging infrastructure for electric vehicles and the construction of hydrogen fuelling stations for buses, lorries and other vehicles. The generation of high-efficiency combined heat and power (CHP) plants will be taken further in the direction of climate neutrality through the gradual incorporation of green hydrogen as a substitute for natural gas. In addition, Wien Energie will make profitable use of the potential of the circular economy, especially in the areas of carbon capture and phosphorus recycling and through recyclable procurement and by extending the service lives of renewable systems. To identify further opportunities arising from the volatile environment in which we find ourselves, Wien Energie has developed a strategic vision of the future that comprises multiple scenarios. These were used to identify robust opportunities that are likely to occur in each scenario.

Opportunities in mobility
Mobility needs are increasing. This will lead to more private cars on the roads, with the result that these may eventually be congested with traffic. This further increases the attractiveness of public transport.

Measures, such as the introduction of the Austria-wide KlimaTicket, will make public transport significantly more attractive. If the increase in demand is to be met, it is necessary to make investments, such as those in the new U2xU5 intersection, the tram route extensions and the expansion of WienMobil.

With the current government agreement, the City of Vienna presented its Smart Climate City strategy, which also covers mobility, and positions Wiener Linien as a central player in its implementation. This opens up opportunities for new innovative business models (including data management and city logistics as a solution to the "last mile" issue). In order to achieve the ambitious modal split targets for ecomobility, Wiener Linien is focusing not only on network expansion and reliable service provision, but also on improving the quality of the mobility offering and stakeholder management in order to reduce the number of private motor vehicles.

Wiener Lokalbahnen will also play a role as it increases capacities on the Badner Bahn by reducing the intervals between trains and introducing new, more comfortable coaches. WLB is also endeavouring to move towards becoming a comprehensive mobility service provider by establishing on-demand services and the associated software.

Opportunities in freight transport
As a railway company, Wiener Lokalbahnen Cargo considers itself to have a vital role to play in the fight against climate change. A key option for reducing the emissions of freight traffic – particularly of road-based freight traffic – is to move this from the roads to the railways. Railways mostly transport cargo using electricity and in an energy-efficient manner. The higher the proportion of renewable energies in the mix (and the trend is certainly moving in this direction), the more environmentally friendly the transport. Customers are increasingly asking whether additional green energy can be purchased. One of the greatest opportunities lies in the fact that investments in and promotions of railway freight traffic are under way in the sector. These will lend weight not only to plans to move freight traffic from the roads to the railways but also to the associated emission reduction targets of the European Union and the Austrian federal government. To this end, WLC has positioned and proven itself within the Wiener Stadtwerke Group as an important partner in crisis management and in securing internal logistics chains in the energy sector. In this way, WLC makes a significant contribution to the supply security for Vienna.

4 Outlook

4.1 General

The Wiener Stadtwerke Group continues to be faced with changes in the overarching conditions on the European energy market. At the forefront are highly fluctuating gas and energy prices and the need for the rapid transformation of energy systems. The stated aim is to create independence from fossil fuels and to establish a climate-neutral energy system for the greater Vienna area. The Wiener Stadtwerke Group has a pivotal role to play in making Vienna climate neutral by 2040. The Group has put together a clear corporate strategy for achieving this goal, which is divided into the three major sectors of electricity, heating and mobility. In the face of harsh conditions in the energy sector, the Wiener Stadtwerke Group will maintain its efforts to leverage efficiencies, in order to ensure a strong financial basis for future challenges. The Group is also continually building up its service character and is relying more heavily on digitalisation. Thanks to clear priorities, the Group's ability to advance major growth, innovation and climate-protection projects will be undiminished.

At the same time, in the coming years, the Wiener Stadtwerke Group will increasingly address the shortage of skilled workers. Around a third of the workforce will retire over the next ten years, and the skills needed – particularly in the IT and public transport sectors – will no longer be available on the labour market to the same extent as in the past. The focus here is on the employer brand and directly addressing and recruiting the skilled workers we are lacking.

4.2 Central projects

The following major Group-wide initiatives are worthy of mention:

Hydrogen as a future technology
The hydrogen pilot project that was launched in 2020 is progressing well. The Wiener Stadtwerke Group offers everything from a single source when it comes to hydrogen, and Wien Energie has completed construction of the first electrolysis plant for hydrogen. An operational trial is currently being carried out at the Donaustadt power plant. As part of this trial, a mixture containing up to 15% hydrogen is being used in the converted gas turbine. From 2025, ten Wiener Linien hydrogen buses will be in regular operation. In this way, the Group is able to cover all processes along the value chain and also aims to become a pioneer in this area throughout Austria.

Heating through geothermal energy
The green future is underground. Wien Energie uses thermal water deposits at a depth of over 3 kilometres for this very purpose. The start of the geothermal offensive will be made at the plant in Aspern, which is expected to be connected to the grid as early as 2026 and will heat around 20,000 households with green geothermal energy. The thermal water deposit under Vienna is large enough to supply up to 125,000 of Vienna's households with district heating from deep geothermal energy by 2030.

SAP S/4HANA
Digitalisation of the Group is not only necessary for customers – it is also necessary for the Group's internal structures. The SAP S/4HANA project is helping to digitalise the Wiener Stadtwerke Group. The "One Fit Processes" project, which is now complete, enabled the Group to identify processes that can be standardised across the Group using digital tools. This enterprise resource planning (ERP) platform will replace the current SAP R/3 system throughout the Group by the end of 2025 for key business processes such as procurement, maintenance and finance.

4.3 Development in the Group divisions

Key projects and targets in the Group's various divisions are discussed below.

Energy

The Russian war of aggression against Ukraine has had a significant impact on the course of economic events and on the energy market since 2022. This will continue in 2024. Further military conflicts in the Middle East are causing additional uncertainties in supply chains, for example as a result of restrictions on oil and natural gas supplies. Nevertheless, energy and raw material prices have fallen steadily since mid-2022, and futures market prices for natural gas and electricity are now only slightly above the level seen in early 2022. Costs for essential components within the energy revolution, such as photovoltaic modules, are also decreasing. What is more, technologies such as perovskite-silicone tandem cells are becoming increasingly efficient and offer an alternative for regions with little usable surface area. The initial cost of utility-size four-hour battery storage is also at a record low of USD 135/MWh; this is due, among other things, to falling prices of lithium carbonate. Wien Energie must therefore continue to adapt to a changing environment. However, thanks to stable economic activity, consistent preventive measures and a clear strategic orientation, Wien Energie has previously been able to guarantee reliable supply to its customers despite uncertain circumstances.

It is assumed that, due to the war in Ukraine and the increasingly noticeable effects of the climate crisis, the energy market will continue to be subject to high volatility. In particular, this can also affect generation plants and thus the core business of energy suppliers. Wien Energie is responding with a climate risk assessment that ascertains the specific risk of various plants for the impacts of climate change and establishes dedicated countermeasures on this basis. The dwindling gas supplies from Russia to Europe make it necessary to diversify sources of supply. In the future, Austria will also have to source more liquefied natural gas from the Gulf States or the USA, for instance. While inflation in the euro area will decrease in 2024, it will remain at a high level, in part due to an overheated labour market and the worsening shortage of skilled workers. In Austria, the projected increase in the consumer price index has fallen from 7.4% in 2023 to 4.1% in 2024. Wages will continue to rise, however. In the long term, electricity demand will increase significantly due to increasing electrification in industry, space heating, business and mobility. The turmoil on the energy markets led to reforms of the EU energy market. The aims of these reforms are primarily to improve consumer protection, promote green electricity and create planning certainty for businesses. These aims are to be achieved, for example, by means of two-way contracts for difference (CFDs), in which the state establishes a corridor for exercise prices. This will mean that electricity generators and consumers will have more planning certainty.

In 2024, developments in the global environment will continue to run counter to each other in the context of the energy transition. In order to ensure security of supply, the demand for fossil fuels will reach record levels in the year ahead. This will mainly be driven by the high gas demand for power generation in Asia. Coal consumption will grow for the fourth year in a row in 2024, but is likely to peak in the next few years. At the same time, the expansion of renewable energy will be accelerated. In 2023, more than 400 GW of power was added worldwide for the first time thanks to photovoltaics and wind power. In 2024, this figure is to be exceeded by a further 10%. The REPowerEU plan has set out a number of measures to help implement renewable energy projects more efficiently. These include the simplification of permit-granting procedures. Flexibility options are becoming increasingly important for being able to cope with the increased expansion on the grid side. Technologies such as battery storage units, gas power plants, (international) interconnectors and, in the Austrian context, pumped-storage power plants in particular all have a major role to play. In the future, the provision of flexibility on the demand side, for example through the smart use of the potential offered by electromobility, heat pumps and home storage, will be indispensable for the energy system. Such demand-side solutions are characterised by lower costs compared to production-side flexibility, which is due, for example, to lower costs for grid expansion and for fuels. The use of green gases will also be expanded, with 35bn m^3 of green gases to be produced in the EU area by 2030.

The North Sea and the states that border it are essential to the achievement of the European Green Deal. The North Sea itself acts as a massive energy ecosystem that offers choices for the expansion of renewable energies, especially offshore wind power. In order to achieve the targets, artificial energy islands are being created, upon which the electricity produced by the wind turbines will be converted into green hydrogen. Another building block within the North Sea ecosystem is carbon capture and storage (CCS). Norway is a pioneer in carbon storage at decommissioned oil and gas production facilities, for instance through the Northern Lights project. As a relatively flat body of water with optimal wind conditions, the North Sea offers ideal conditions for all of the technologies listed above. This is why many of the states that border this sea are looking into the area, too, and are setting up their own initiatives for this. For example, the EU has adopted the North Sea Strategy 2030 and the United Kingdom has established the North Sea Transition Authority. As part of such projects, the nine states bordering the North Sea want to add 120 GW of offshore wind power by 2030, as well as other initiatives.

In Austria, the Erneuerbare-Wärme-Gesetz (Renewable Heat Act – EWG) provides new impetus for the heating revolution. This legislative package is less significant than previously assumed, however, and only includes changes for new construction. The act stipulates that, with effect from 2024, no fossil-fuel heating systems, e.g. oil or gas, may be installed. The support fund for the exchange of heating will also be increased by EUR 1.3bn. The Erneuerbares-Gas-Gesetz (Renewable Gas Act – EGG) is intended to stimulate the transition from fossil-based natural gas to renewable gases such as biomethane or green hydrogen. This bill aims to replace at least 7.7% of the volume of gas sold, or 7.5 TWh, with renewable gases and intends to ensure this by means of a fine of EUR 200/MWh.

At a European level, the Carbon Border Adjustment Mechanism (CBAM) in particular will have a major impact on industry. In line with the aims of trading in CO_2 emission allowances (European Union Emissions Trading System – EU-ETS), the intention is to prevent the shifting of carbon emissions or the replacement of EU products with more carbon-intensive imports from countries with less stringent climate requirements. The EU ETS has been tightened further and, in ETS-2, will also include heating and transport from 2027 onwards. The intention is to reduce the amount of available CO_2 emission allowances by around 60% by 2030 compared to 2005. Therefore, both the CBAM and the EU-ETS are central components of the EU's Fitfor55 package.

In Germany, ambitious plans for the reform of energy supply are being presented. A key component of this is the German Power Station Strategy, which should have been finalised in the summer of 2023 but is now expected in the second quarter of 2024. Within the framework of its Power Station Strategy, Germany wants to replace the elimination of controllable base loads at nuclear and coal-fired power stations with flexible hydrogen-ready hybrid gas power stations, H2 sprinters and biomethane peakers. This is to be ensured by means of tenders under the German Erneuerbaren-Energien-Gesetz (Renewable Energy Sources Act – EEG), a separate tender for hydrogen-ready gas power stations and also an auction under the German Kraft-Wärme-Kopplungsgesetz (Combined Heat and Power Act – KWKG). In this way, approximately 24 GW of controllable, hydrogen-ready power stations are to be connected to the grid by 2035. Hydrogen is also a key issue at grid level. In 2023, a concrete plan for the German hydrogen core network was presented, which will comprise an important part of the European Hydrogen Backbone (EHB) initiative and will stretch 9,700 kilometres by 2032. The European hydrogen transport infrastructure is also crucial for the Austrian supply of green hydrogen, with full connections expected to be established in the mid-2030s.

With regard to the circular economy, the EU's Single-Use Plastics Directive will bring about changes to waste management. The legislation bans the sale of plastic items that are only used once or for a very short time in EU markets. However, the discussion about carbon capture, usage and storage (CCUS) in Austria is more important for the incineration carried out by Wien Energie. Until now, the storage of captured carbon dioxide (CO_2) has been banned in the domestic market. However, CCUS is the only possible way to completely decarbonise Wien Energie's energy-from-waste (EfW) plants. The resale of captured CO_2 – especially when this is biogenic – also creates business opportunities for energy suppliers and waste disposal companies. The chemical industry is a good example of a target market here.

Technical advances and the promotion of CO_2 pricing will multiply the amount of CO_2 captured in such projects. The First Movers Coalition, a group of multinationals from economic sectors that are difficult to decarbonise, place great stock in CCUS, alongside hydrogen and ammonia.

In response to the US Inflation Reduction Act (IRA), which targets the energy transition and a more sustainable development of US industry primarily through subsidies, the EU presented its Green Deal in particular but also announced support under the Recovery and Resilience Facility. This hopes to prevent important industries and technologies from migrating overseas. Another challenge for Europe is its positioning in the ever-growing system competition between China and the USA. China is currently taking the lead in many green tech sectors, such as the production of wind turbines, photovoltaics, batteries and electric cars. For example, with more than 500,000 fully electric vehicles sold, the Chinese car manufacturer BYD has replaced the US manufacturer Tesla as the largest seller of electric vehicles. China is also expanding its already strong market position in the photovoltaics and batteries markets, supported by falling costs at high volumes. In 2030, for example, China will represent around 70% of the world's battery generation capacity, while Europe and the USA together will account for 20%.

China will continue to invest massively in its infrastructure for the extraction of rare earth elements and critical minerals for the green transformation. Europe relies on these raw materials to drive forward its own decarbonisation. Bans on the export of critical minerals from China would have a significant impact on Europe and, above all, the automotive industry and jeopardise Europe's path to decarbonisation. On the other hand, there is already a high level of dependence on Chinese products, which Europe wants to reduce. Imports of cheap Chinese end products, such as electric cars, may relieve demand among European consumers but they weaken the status of domestic industry so can lead to unemployment. For the EU and its member states, finding the balance in the trilemma between cheap Chinese products, reliance on Chinese raw materials and the acceleration of decarbonisation through Chinese imports is therefore of great importance going into the future.

Energy Grids

Smart metering
Smart meters are a key element in the expansion and modernisation of power grids. Wiener Netze's smart meter programme began in 2017 with the award of the contract to the consortium of Siemens, Landis+Gyr and Iskraemeco. Since then, some challenges, such as the Covid-19 pandemic and the shortage of components on the global market, had to be overcome. The rollout was able to take place without interruption in 2023, with the maximum rollout volume averaging 8,750 assemblies per week. At the end of the year, just over 1.2 million smart meters had been fitted. The target for the end of next year is a rollout quota of 95% in line with the IME Regulation. This corresponds to around 1.5 million smart meters rolled out.

Electricity grid
In the electricity grid division, the expansion of the digitalisation of medium-voltage operating equipment continues to progress. The strategic expansion of automated, smart transformer stations, as well as remotely detectable overcurrent indicators on inaccessible overhead line sections, is accelerating the fault-clearance measures in the event of electricity grid unavailability and will be further promoted. The implementation of the concept for digitalising the low-voltage grid is to be discussed on the basis of implementation across a pilot area and, through the theoretical knowledge gleaned in the ASCR, is expected to lead to nationwide implementation in the medium term. The focus is on the interfaces for linking measurement, control and communication. In order to meet the legal and regulatory requirements, grid monitoring is therefore also being implemented at the low-voltage level.

The well-known long-term grid expansion projects – including upgrades of old medium- and high-voltage systems, the modernisation of substations based on older safety standards, and adaptation and optimisation measures in accordance with the target network plan – are currently going ahead at full steam. The construction of five new transformer stations at strategically important nodes and the targeted connection of renewable generation plants to the grid, such as wind and photovoltaic plants, is intended to ensure the implementation of the energy revolution in the distribution grid.

Low-impedance neutral earthing was started in 2018 and successfully implemented over the following few years. By 2027, 29 substations in the 10-kV medium voltage range will be converted. The concept for the 20-kV medium-voltage level is also in its final phase.

Gas grid
The need for developments in relation to natural gas will remain a factor wherever natural gas as an energy source cannot yet be immediately replaced. This is particularly relevant for the generation of higher temperatures for operational process applications in the production, commercial and industrial sectors. In the residential sector, alternative energy systems (district heating or systems such as heat pump applications and energy networks) are increasingly being used, meaning that new gas-based connections are only being implemented to a very limited extent.

With regard to the energy revolution in Vienna, the long-term outlook envisages a complete phasing-out of the gas infrastructure in the residential building sector. Under the "Away from gas" programme launched by the City of Vienna, more than 500,000 apartments are to be converted to a sustainable heating system by 2040, and the district heating network is to be expanded. Efforts are being made to carry out a comprehensive withdrawal from the use of gas in the "pioneering areas" of Rossau (1090), Gumpendorfer Straße (1060), Alliiertenviertel (1020) and Huber-Block (1160).

With regard to climate protection measures, Wiener Netze is reviewing the gas grid with a view to potentially focusing on and adjusting the high-pressure distribution network (grid level 2) with regard to the use of hydrogen. Dedicated working groups exist for this complex topic and are constantly reviewing the latest findings with regard to the suitability of the piping systems.

District heating grid
Wiener Netze is responsible for the installation and maintenance of the district heating grid. The ongoing expansion of the network is mainly driven by the demand for housing and associated educational and service facilities. Accordingly, moves to open up new areas, increases in the density of existing parts of the network, and expansions in step with new housing are undertaken at strategic interconnection points. Ensuring sufficient grid capacities is key when establishing new connections. Any subsequent improvements or changes must also be taken into account during the initial

planning stages. The simulation of the digital grid calculation supports all projects and tests hydraulic grid compression and expansion variants.

Investments are planned in potential connection areas and the upstream network infrastructure in order to ensure a sustainable heat supply. Current projects being implemented on behalf of Wien Energie are the aforementioned "pioneering areas" and new grids in the urban development areas of "Donaufeld Ost" and "Nordwestbahnhof". 2024 will also see progress made on the Ottakring district heating circuit in order to improve thermal capacities and increase the security of supply in western Vienna.

Further grid investments will also still be necessary in the future due to the further decarbonisation requirements in relation to district heating. In December 2023, a large-scale heat pump at the Simmering sewage plant was commissioned together with the necessary grid connections to the primary grid for supplying 56,000 households in Vienna. In addition to the expansion of heat pumps, the use of geothermal energy also plays an important role. The aim is to supply up to 125,000 households in Vienna with district heating from deep geothermal energy by 2030.

Transport

Investments of approximately EUR 802.8m are planned for 2024 (excluding financial investments), of which approximately EUR 450.2m will be dedicated to new underground construction work. On the one hand, the focus is on the ongoing procurement of vehicle equipment for all departments (Type X trains, Flexity, zero-emission buses, etc.), the associated redesigning of various train stations for exclusive servicing by low-floor trains (Remisen 2.0) and the development and reconstruction of the Kagran train station, the continued modernisation of the U4 line from Hütteldorf to Heiligenstadt, and the replacement of the signalling control centres on the U6 line. Furthermore, investments are also planned for the renewal of tramlines and tracks in the underground train network and for new line layouts (e.g. lines 12, 18 and 27), including in connection with the U2xU5 intersection. The largest construction projects in new underground construction over the next few years are the U2 extension from Rathaus to Matzleinsdorfer Platz, the U2 extension from Matzleinsdorfer Platz to Weinerberg, the reconstruction of the U2 main line and the new construction of the U5 station Frankhplatz and the adaptation of the control centre.

With regard to the underground network, in 2023 the first phase of construction of the U2xU5 intersection will see further tunnelling work started and continued. The tunnel boring machine is expected to start preparing the segmental tunnel linings in the area near the U2 line in September 2024. The structural work for preparing the inner shells in the shafts and tunnels will be continued and the construction work (e.g. steel construction) at the U5 will begin. The submissions for the second phase of construction for the U5 line are expected to take place in September 2024. At the same time, there are further calls for tender for services and building appraisals along the route. For the U2, as well, the calls for tender for the building condition assessments and the planning services will be carried out and further measures for building site exploration along the route will begin.

As part of NEU4, additional reinforced concrete girders will be installed in the areas from the Schwedenplatz station through to the Roßauer Lände station between June and September 2024, which is why the section between the Schottenring and Schwedenplatz stations will have to be closed in July and August 2024. In the Längenfeldgasse area, a green façade will be constructed and general refurbishment works are to be carried out at the Kettenbrückengasse and Margaretengürtel stations. All modernisation work – including the NEU4 project – is to be completed by the end of 2025.

With regard to trams, the ageing of the track network, the dense nature of timetables and weightier vehicle generations make additional track construction projects essential – this is the only way to eliminate low-speed areas on Wiener Linien's tram and underground networks in a targeted and efficient manner. In 2023, as part of the financing negotiations, the City of Vienna made an additional budget available for 2024 and 2025 and announced it for the following years so that the necessary track modernisation could truly get under way. 2024 will primarily be about building up personnel and capacity resources, with large-scale renovation projects to be implemented from 2025 in addition to the regular maintenance programme.

In 2024, the further delivery lots of the tender for up to 60 electric buses will be issued. Furthermore, in the first quarter of 2024, routes 71A and 71B – which are served by a total of seven battery-powered buses – are to be completely electrified and the e-competence centre in Siebenhirten will be opened.

WLB expects an increase in revenue, for the most part from the Badner Bahn transport services agreement. On the one hand, the TW500 will be used even more here, which indicates higher compensation and, on the other hand, the kilometre rates will be indexed once again. An expected (inflation-related) cost increase will lead to expenses increasing to almost the same extent, meaning that the relative increase in operating performance will remain well below the increase in revenue.

For transport services, the growth trend will be continued by the new business segments and newly acquired partners. Regarding on-demand transport, two locations have already been expanded and a pilot route extended. Furthermore, the contract for an apprentice shuttle for Wien Energie has been extended for another four years. For the on-call bus service Rufbus, 13 of 18 on-call bus routes were extended for three additional operating years at the beginning of 2024. A further on-call bus route will enter operation in September 2024. In addition, preparations are already being made for the commissioning of the new bus route on 1 January 2025. As a result, a total of 17 buses are being procured for the bus route.

Funeral Services and Cemeteries

The revenue development of Bestattung Wien GmbH is essentially aligned with the number of deaths in Vienna, which has been stagnating at best for a number of years now. The increasing number of funeral homes in a limited market leads to merciless competition and losses in the number of ceremonies carried out. The intention is that the multi-brand strategy, coupled with increased online activity, will counteract this permanent reduction in market share. Digitalisation is particularly important in all areas of the company.

In the Cemeteries division, business operations depend on the number of deaths, as well as general willingness to maintain graves. Contrary to the forecasts from previous years, the latest estimates from Statistics Austria suggest that the mortality rate will decline until 2027. After this time, the number will only rise slowly, reaching either the current level or surpassing it. Together with the number of alternative cremation-related offerings, which has been rising for years, this will increase sales and cost pressure.

In order to secure income, we will continue to bolster Friedhöfe Wien GmbH's position as an important part of the city. In order to keep our offering affordable, further organisational optimisations are being implemented; these have come from the possibilities presented by digitalisation.

We are carrying out numerous activities that emphasise our value as "More than just a burial site!". We invite people to see the cemeteries not just as places for saying goodbye, but to rediscover them as places where living creatures make their homes. In 2024, this will be emphasised by numerous events from the fields of culture, art, exercise and health, and sustainability to celebrate the 150th anniversary of the Vienna Central Cemetery. Our relevance for the climate will be further expanded as far as we are able to do so. Unsealing, tree planting and green-space design are all being promoted.

Digitalisation is opening up new opportunities for customers. Digital graves are being further expanded and customers are encouraged to use them. Business customers will benefit from a partner portal that will be going live and will guarantee service regardless of time and location. The level of automation can also be significantly increased as a result of this.

The number of cemeteries managed internally is increasing. In 2023, three further cemeteries were taken under internal management. The number of tradespeople – especially gardeners – interested in managing a cemetery is falling. As a result, the cemeteries are preparing to be taken over, which presents both an organisational challenge and an opportunity.

Lower revenue due to falling mortality must be offset to some extent by other, new sources of income. Some new opportunities have already been opened up in recent years, such as the sale of articles in the cemetery shop, offering guided tours of the cemeteries or the option to rent electric bikes.

Car Parks

Stable sales development is expected for the coming financial year. In order to ensure the quality and the earnings potential of its car parks, the focus in the next few years will continue to be on renovation projects. WIPARK invests in particular in modernising its own car parks in the city centre as these make a significant contribution to the result.

The digital product OSCAR was introduced at the end of 2021 for short-stay parking customers, with the aim of increasing customer loyalty and optimising customer service. After steady growth, the functionalities for customers will continue to be expanded further as part of an overall digitalisation concept.

Vienna, 22 March 2024

The Management Board

Peter Weinelt
Chief Executive Officer

Monika Unterholzner
Deputy Chief Executive Officer

Roman Fuchs
Deputy Chief Executive Officer

2023 Consolidated Financial Statements

1 Consolidated statement of profit or loss

Statement of profit or loss

EUR m	Notes	2022	2023
Revenue	8.1	7,306	**6,224**
Other operating income	8.2	657	**758**
Cost of materials and cost of purchased services	8.3	-5,135	**-3,998**
Personnel expenses	10.1	-1,166	**-1,334**
Other operating expenses	8.4	-693	**-814**
Net gains on investments accounted for using the equity method	7.3	-130	**202**
EBITDA		**840**	**1,038**
Depreciation and amortisation	9.4	-350	**-377**
Impairment losses and reversals	9.5	-1	**-1**
Operating profit (EBIT)		**489**	**659**
Interest income	11.1	14	**66**
Other financial income	11.1	96	**246**
Interest expense	11.1	-84	**-192**
Other finance costs	11.1	-30	**-16**
Financial result		**-4**	**103**
Profit before tax		**485**	**763**
Current tax expense	13	9	**-1**
Profit after tax		**494**	**762**
Profit for the year		**494**	**762**

2 Consolidated statement of comprehensive income

Other comprehensive income

EUR m	Notes	2022	2023
Profit for the year		**494**	**762**
Remeasurements of employee benefit provisions	10.2	1,375	**-545**
Measurement of equity instruments	11	-1,457	**893**
Other comprehensive income from investments accounted for using the equity method		1	**0**
Items that will not be reclassified to profit or loss		**-80**	**348**
Measurement of debt instruments	11	-83	**37**
Measurement of cash flow hedges	11.7	120	**241**
Recycling of cash flow hedges	11.7	418	**-46**
Other comprehensive income from investments accounted for using the equity method	12	-726	**-263**
Items that will be reclassified to profit or loss		**-271**	**-31**
Other comprehensive income before tax		**-351**	**317**
Income tax relating to items that will not be reclassified to profit or loss	13	-71	**75**
Income tax relating to items that will be reclassified to profit or loss	13	77	**8**
Tax effects relating to components of other comprehensive income		**7**	**82**
Other profit after tax		**-344**	**400**
Total comprehensive income		**150**	**1,162**

3 Consolidated statement of financial position

Consolidated statement of financial position – assets

EUR m	Notes	31 Dec. 2022	31 Dec. 2023
Property, plant and equipment	9.1	4,750	**5,084**
Intangible assets	9.2	201	**220**
Investments accounted for using the equity method	7.3	243	**177**
Non-current financial assets	11.3	6,051	**6,936**
Other non-current assets	8.8	891	**1,068**
Non-current regulatory assets	8.5	1,079	**1,040**
Non-current assets		**13,215**	**14,525**
Inventories	8.6	465	**497**
Trade receivables	8.7	669	**375**
Current financial assets	11.3	1,620	**936**
Other current assets	8.8	321	**256**
Current regulatory assets	8.5	112	**126**
Cash and cash equivalents	11.2	1,308	**1,757**
Current assets		**4,495**	**3,948**
Total assets		**17,710**	**18,473**

Consolidated statement of financial position – equity and liabilities

EUR m	Notes	31 Dec. 2022	31 Dec. 2023
Equity	**12**	**7,773**	**8,935**
Non-current borrowings	11.4	898	**1,174**
Employee benefit provisions	10.2	3,800	**4,461**
Other non-current provisions	9.6	14	**47**
Other non-current liabilities	8.10	814	**842**
Deferred tax liabilities	13	406	**324**
Non-current liabilities		**5,931**	**6,848**
Current financial liabilities	11.4	2,332	**887**
Trade payables	8.9	765	**756**
Other current provisions	9.6	50	**18**
Other current liabilities	8.10	858	**1,029**
Current liabilities		**4,006**	**2,691**
Total equity and liabilities		**17,710**	**18,473**

4 Consolidated statement of changes in equity

EUR m	Share capital and shareholder contribu-tions	Capital reserves	Employee benefit provision reserve	Cash flow hedge reserve	Financial instruments meas-urement reserve	Reserve from other results from investments accounted for using the equity method	Retained earnings	Total
As at 1 Jan. 2022	**500**	**2,327**	**-609**	**-401**	**4,341**	**621**	**861**	**7,639**
Profit for the year	0	0	0	0	0	0	494	**494**
Other comprehensive income	0	0	1,199	432	-1,434	-542	0	**-344**
Reclassification	0	0	0	0	-10	0	10	**0**
Dividends	0	0	0	0	0	0	-16	**-16**
As at 31 Dec. 2022	**500**	**2,327**	**590**	**31**	**2,896**	**79**	**1,350**	**7,773**
As at 1 Jan. 2023	**500**	**2,327**	**590**	**31**	**2,896**	**79**	**1,350**	**7,773**
Profit for the year	0	0	0	0	0	0	762	**762**
Other comprehensive income	0	0	-420	153	879	-213	0	**400**
Reclassification	0	0	0	0	-14	0	14	**0**
As at 31 Dec. 2023	**500**	**2,327**	**170**	**184**	**3,726**	**-134**	**2,126**	**8,935**

5 Consolidated statement of cash flows

EUR m	Notes	2022	2023
Operating profit (EBIT)		489	**659**
Depreciation, amortisation and impairment/write-ups of intangible assets, property, plant and equipment, and right-of-use assets	9.1/9.2/9.4	351	**379**
Non-cash income from investment accounted for using the equity method	7.3	130	**-202**
Net gains on disposal of non-current assets		-5	**-6**
Change in long-term provisions	9.6	-121	**-148**
Other non-cash expenses and income		26	**39**
Interest received	11.1	22	**72**
Dividends received	11.1	97	**249**
Interest paid	11.1	-25	**-77**
Taxes paid	13	8	**-17**
Cash flow from net income		**973**	**947**
Change in inventories	8.6	-235	**-31**
Change in trade and other receivables	8.7/8.8	-896	**1,517**
Change in trade payables and other liabilities	8.9/8.10	-162	**70**
Change in short-term provisions and accruals for employee benefit obligations	9.6	2	**16**
Cash flow from operating activities		**-319**	**2,519**
Cash outflows for investments in intangible assets and property, plant and equipment	8.11	-538	**-687**
Cash inflows from disposals of intangible assets and property, plant and equipment	8.11	9	**10**
Cash outflows for investments in long-term securities and loans	11.3	-178	**-234**
Cash inflows from disposals of long-term securities and loans	11.3	242	**277**
Cash outflows for equity investments and investments in subsidiaries, less cash and cash equivalents received	11.3/7.1	-16	**-15**
Cash inflows from disposals of equity investments and investments in subsidiaries	11.3/7.1	0	**1**
Cash inflows/outflows for investments in other securities and financial instruments < 1 year and investment related to the cash pooling arrangement > 3 months	11.3	46	**-11**
Change in liquid funds not included in cash and cash equivalents	11.2	44	**52**
Cash flow from investing activities		**-391**	**-609**
Cash inflows from assumption of long-term financial liabilities	8.11/11.4	0	**293**
Cash outflows from repayment of long-term financial liabilities	8.11/11.4	-1	**-77**
Cash outflows from leases	9.3	-12	**-15**
Cash inflows from current financial liabilities	8.11/11.4	2,120	**114**
Cash outflows from current financial liabilities	8.11/11.4	-356	**-1,723**
Dividends paid	15.3	-16	**0**
Cash flow from financing activities		**1,734**	**-1,408**
Change in cash and cash equivalents		**1,024**	**502**
Cash and cash equivalents as at 1 Jan.	8.11/11.2	**223**	**1,247**
Change in cash and cash equivalents		1,024	**502**
Cash and cash equivalents as at 31 Dec.	8.11/11.2	**1,247**	**1,749**

6 General remarks

6.1 General principles

Wiener Stadtwerke GmbH (WSTW GmbH), the parent company of the Wiener Stadtwerke Group, is entered in the register of companies at Vienna Commercial Court, Austria, under FN 127783t. The address of the registered company is Thomas-Klestil-Platz 13, 1030 Vienna.

The consolidated financial statements relate to Wiener Stadtwerke GmbH and its subsidiaries (referred to below as "the Wiener Stadtwerke Group", "the WSTW Group" or "the Group"). The Wiener Stadtwerke Group plays a vital part in keeping the city of Vienna running. The Group is responsible for providing reliable, environmentally friendly energy supplies and efficient public transport. Other areas of Group operations are funeral services and cemeteries, as well as multi-storey car parks.

The consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and also meet the additional requirements of Section 245a of the Austrian Business Code (Unternehmensgesetzbuch – UGB).

The consolidated financial statements were finalised on 22 March 2024 and approved for forwarding to the Supervisory Board, which is responsible for checking and approving them.

Details of the accounting policies applied can be found in the relevant notes. In the interests of providing clear and meaningful information, some items in the statement of profit or loss and the statement of financial position have been aggregated. These items are broken down and explanatory details are provided in the notes. The statement of profit or loss is prepared using the nature of expense method. All amounts are reported in millions of euros (EUR m), unless stated otherwise. Totals of rounded amounts and percentages may be affected by rounding differences caused by automatic calculation tools.

6.2 Significant judgements, assumptions and estimates

In the course of preparing the consolidated financial statements, the management is obliged to make judgements, estimates and assumptions that influence the value of the assets, liabilities, income and expenses recognised. Although these are best estimates and assumptions based on up-to-date information, the inherent uncertainty associated with them means that deviations from actual events cannot be ruled out. This can result in significant adjustments to the carrying amounts concerned. Assumptions and estimates are regularly assessed and adjusted prospectively where necessary.

Judgements, estimation uncertainties and assumptions that have a significant influence and entail material risks may necessitate adjustments of carrying amounts in the following year. These are explained in the notes or in the explanations of the recognition and measurement of the items in question.

§ Judgements are made with regard to the following:

- Definition of the scope of consolidation – see note 7.2
- Definition of companies over which significant influence is exercised – see note 7.3
- Investments in joint operations – see note 7.4
- Definition of key items related to the Group's related parties – see note 7.5
- Definition of key criteria relating to impairment testing and delineation of CGUs – see note 9.5
- Classification of investments as non-current financial assets measured at FVOCI – see note 11.3
- Selection regarding the valuation method of expected future losses of trade receivables – see note 14.

Estimates are made in relation to the following:

- Estimates in relation to the accrual-based determination of revenue – see note 8.1
- Estimates of net realisable value of inventories – see note 8.6
- Estimates of the useful lives of property, plant and equipment and intangible assets – see notes 9.1 and 9.2
- Estimates related to impairment testing – see note 9.5
- Estimates related to provisions – see notes 9.6 and 15.2
- Estimates of parameters for personnel provisions – see note 10.2
- Estimates in connection with the offsetting of financial assets and financial liabilities – see note 11.5
- Estimates in connection with determining the fair value of financial instruments – see note 11.6
- Estimates in connection with measuring deferred taxes – see note 13
- Estimates of credit risks and valuation allowances for financial assets – see note 14

6.3 Changes in significant accounting policies

New standards and interpretations

New or amended standards and interpretations that had been published by the IASB as at the date of preparation of the financial statements, but were not mandatorily applicable in the EU as at 1 January 2023, were generally not voluntarily applied. The Wiener Stadtwerke Group will apply such standards as soon as they become mandatory. Information on standards which are not yet applicable is provided in the table below. However, these standards are not expected to have a material effect on the consolidated financial statements.

The following standards and interpretations have been mandatory since the last annual financial statements. The newly applied standards did not result in any significant changes in accounting.

Standards adopted by the EU and newly applied in the 2023 financial year

Standard/interpretation	Amendment	Publication by the IASB/ IFRS IC	Date of mandatory application for the WSTW Group	Material effect on the consolidated financial statements
IFRS 17	Insurance contracts	25 June 2020	1 Jan. 2023	No contracts to insure against an event with an adverse effect that fall under IFRS 17 were concluded in the WTSW Group
IFRS 17	First-time adoption of IFRS 17 and IFRS 9 – comparative information	9 Dec. 2021	1 Jan. 2023	No effect in the WSTW Group
IAS 8	Definition of accounting estimates and their change	12 Feb. 2021	1 Jan. 2023	Estimates and changes are described in the appendix in accordance with the new standard
IAS 1	Disclosure of accounting policies	12 Feb. 2021	1 Jan. 2023	Amendments to accounting policies are adequately presented in the notes
IAS 12	Impact of the Pillar II Model Rules on the consolidated financial statements	23 May 2023	1 Jan. 2023	Disclosures relating to the Pillar II Model Rules are included in the consolidated financial statements
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	7 May 2021	1 Jan. 2023	No effects in the consolidated financial statements for deferred taxes arising from a transaction

Standards and interpretations not yet applicable

Standard/interpretation	Amendment	Publication by the IASB/ IFRS IC	Date of mandatory application for the WSTW Group	Material effect on the consolidated financial statements
IAS 1	Classification of liabilities as current or non-current	23 Jan. 2020 15 July 2020 31 Oct. 2022	1 Jan. 2024	Amendments not yet evaluated
IFRS 16	Lease liability in a sale and leaseback	22 Sept. 2022	1 Jan. 2024	No material effect expected
IAS 21*	Effects relating to changes in foreign exchange rates	15 Aug. 2023	1 Jan. 2025	No material effect expected
IAS 7/IFRS 7*	Additional disclosure requirements in accordance with IAS 7 and IFRS 7 for supplier finance arrangements (supply chain financing)	25 May 2023	1 Jan. 2024	No material effect expected

* These standards were not yet adopted by the EU when the consolidated financial statements for the period were compiled.

7 The Wiener Stadtwerke Group

7.1 Changes in the scope of consolidation

The consolidated financial statements of Wiener Stadtwerke GmbH include those companies that are material to presenting a true and fair view of the Group's assets, liabilities, financial position and profit or loss. Changes in the scope of consolidation are presented in the following table:

	Consolidated companies	Accounted for using the equity method	Proportionately consolidated companies
As at 1 Jan. 2022	**29**	**3**	**0**
Initial consolidation in the reporting period	0	0	0
Mergers in the reporting period	-1	0	0
As at 31 Dec. 2022	**28**	**3**	**0**
Initial consolidation in the reporting period	3	0	1
Mergers in the reporting period	0	0	0
As at 31 Dec. 2023	**31**	**3**	**1**

Acquisitions and start-ups in 2023
The fully consolidated Wiener Stadtwerke Vermögensverwaltung Gamma GmbH was fully acquired by Wiener Stadtwerke Vermögensverwaltung GmbH.

The WSTW VIII and WSTW IX funds were included in the consolidated financial statements for the first time in the 2023 financial year. Both funds are invested exclusively in bonds, and they aim to hold these until their maturity. Furthermore, they have a conservative investment with an investment horizon of approximately three or five years.

deeep Tiefengeothermie GmbH was founded by Wien Energie GmbH and OMV Austria Geothermal GmbH, with Wien Energie GmbH holding 51% of shares. The company is proportionately included in the consolidated financial statements as a joint venture.

Wiener Stadtwerke Vermögensverwaltung GmbH holds 25% of shares in Wohnfonds – Wiener Stadtwerke Entwicklungs GmbH, which was established in 2023

Acquisitions and start-ups in 2022
VID Energie Infrastruktur GmbH and VID Energie Infrastruktur GmbH & Co KG were founded by Wien Energie GmbH together with ARE Beteiligungen GmbH. Wien Energie GmbH holds a 50% stake in each of the start-ups. Wien Energie acquired 100% of the shares in Projektentwicklung KW Pusterwaldbach GmbH.

Mergers in 2023
Vienna Energy Természeti Erö Kft. and Vienna Energy forta naturala S. R. L. were transferred to Wien Energie International GmbH.

Divisions/mergers in 2022
The previously fully consolidated company BFW Bestattungsservice Wien GmbH was divided and merged into Friedhöfe Wien GmbH and Bestattung Wien GmbH. Bestattung PAX GmbH, which was previously not consolidated due to immateriality, was also merged into Bestattung Wien GmbH.

Furthermore, the previously non-consolidated wind farms Pongratzer Kogel GmbH, Herrenstein GmbH and Zagersdorf GmbH, as well as the non-consolidated Kraftwerk-Gulling GmbH and Kraftwerk-Gulling GmbH & Co KG, were merged into Wien Energie GmbH in the 2022 financial year.

Sales in 2023
5% of the shares in Aspern City Smart GmbH and Aspern City Smart GmbH & Co KG were sold in 2023.

Sales in 2022
The 49% share in the previously non-consolidated Bestatterakademie GmbH was ceded to the Bundesinnung der Rauchfangkehrer und der Bestatter – Bundesverband der Bestatter, the Austrian federal guild of chimney sweeps and undertakers.

7.2 Subsidiaries

The following companies were included in the scope of consolidation as at 31 December 2023:

Interest

%	31 Dec. 2022	31 Dec. 2023
Wiener Stadtwerke GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
Wien Energie GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**
Wiener Netze GmbH, Erdbergstraße 236, 1110 Vienna	100	**100**
Wiener Linien GmbH, Erdbergstraße 202, 1030 Vienna	100	**100**
Wiener Linien GmbH & Co KG, Erdbergstraße 202, 1030 Vienna	100	**100**
Wiener Linien Verkehrsprojekte GmbH, Erdbergstraße 202, 1030 Vienna	100	**100**
Wiener Linien Direktionsgebäude GmbH, Erdbergstraße 202, 1030 Vienna	100	**100**
Friedhöfe Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	100	**100**
B&F Wien – Bestattung und Friedhöfe GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	100	**100**
BFW Gebäudeerrichtungs- und Vermietungs GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	100	**100**
BFW Gebäudeerrichtungs- und Vermietungs GmbH & Co KG, Simmeringer Hauptstraße 339, 1110 Vienna	100	**100**
Bestattung Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	100	**100**
Wiener Lokalbahnen GmbH, Purkytgasse 1b, 1230 Vienna	100	**100**
Wiener Lokalbahnen Cargo GmbH, Freudenauer Hafenstraße 8–10, 1020 Vienna	100	**100**
Wiener Lokalbahnen Verkehrsdienste GmbH, 7. Haidequerstraße 6, 1110 Vienna	100	**100**
WIPARK Garagen GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
WienIT GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
Wiener Erdgasspeicher GmbH, Erdbergstraße 236, 1110 Vienna	100	**100**
Wien Energie TownTown GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**
Wien Energie TownTown GmbH & Co Energy Tower KG, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**
WSTW TownTown GmbH & Co Residenz KG, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**
Wiener Stadtwerke Vermögensverwaltung GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
Wiener Stadtwerke Finanzierungs-Services GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
Beteiligungsmanagement IWS Verwaltungs GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**
Wiener Erdgasspeicher GmbH, Erdbergstraße 236, 1110 Vienna	100	**100**
Wiener Stadtwerke Vermögensverwaltung Gamma GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	–	**100**
WSTW fund IV	100	**100**
WSTW fund VI	100	**100**
WSTW fund VII	100	**100**
WSTW fund VIII	–	**100**
WSTW fund IX	–	**100**

The following 20 (2018: 22) companies were not included in the scope of consolidation due to immateriality:

Interest

%	31 Dec. 2022	31 Dec. 2023	
immOH! Energie und Gebäudemanagement GmbH (formerly: Facilitycomfort Energie- und Gebäudemanagement GmbH), Spittelauer Lände 45, 1090 Vienna	100	**100**	
HC immOH! Infrastruktur Services GmbH (formerly: Hauscomfort GmbH), Spittelauer Lände 45, 1090 Vienna	100	**100**	
Gemeinnützige Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m. b. H., Erdbergstraße 236, 1110 Vienna	100	**100**	
TownTown Infra GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	70	**70**	
Upstream – next level mobility GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	100	**100**	
Wien Energie International GmbH (formerly: Energy Eastern Europe Hydro Power GmbH), Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**	
Vienna Energy Természeti Erö Kft., Aradi utca 16, 1062 Budapest	100	**–**	1) 2)
Vienna Energy forta naturala S. R. L., Street Sfanta Vineri 29, Cladirea Bectro Center, 030203 Bucharest	100	**–**	1) 2)
EMK d. o. o., Jane Sandanski 113–12, 1000 Skopje	100	**100**	1)
ERS d. o. o. male hidroelektrane, Akademika Petra Mandicá 11c, 71123 Istočno Sarajevo	100	**100**	1)
EBH d. o. o., Zmaja od Bosne 7–7a, 71000 Sarajevo	100	**100**	1)
KW Sallabach Gesellschaft mbH, Thomas-Klestil-Platz 14, 1030 Vienna	85	**85**	
KW Sallabach Gesellschaft mbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	85	**85**	
Tierfriedhof Wien GmbH, Anton-Mayer-Gasse 5, 1110 Vienna	85	**85**	
WSTW-WSE Entwicklungs GmbH (formerly: Neu Leopoldau Entwicklungs GmbH), Messeplatz 1, 1021 Vienna	51	**51**	
Wien Energie Bundesforste Biomasse Kraftwerk GmbH, 1. Haidequerstraße 1, 1110 Vienna	66.67	**66.67**	
Wien Energie Bundesforste Biomasse Kraftwerk GmbH & Co KG, 1. Haidequerstraße 1, 1110 Vienna	66.67	**66.67**	
Wiener Stadtwerke Planvermögen GmbH, Thomas-Klestil-Platz 13, 1030 Vienna	99.8	**99.8**	3)
Smartworks Innovation GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**	
Smartworks Innovation GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**	
Smart Inspection GmbH, Praterstraße 1, Space 15, 1020 Vienna	100	**100**	
Projektentwicklung KW Pusterwaldbach GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**	

1) Wholly owned subsidiary of Wien Energie International GmbH.
2) Transferred to Wien Energie International GmbH.
3) An interest of 0.2% is held by a fiduciary.

Recognition and measurement

Subsidiaries and acquisitions

All material entities in respect of which WSTW GmbH has direct or indirect control over financial and business policies (subsidiaries) are included in the consolidated financial statements. WSTW GmbH is deemed to have control over a company in which it holds an interest when it has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

As a rule, this applies when the interest amounts to more than 50% of voting rights, but can also derive from existing de facto control over the activities of an investee which entitles WSTW GmbH to the majority of economic benefits or exposes it to risks. Companies are included in consolidation from the date WSTW GmbH obtains control, and are deconsolidated when it loses control.

In the case of acquisitions, assets and liabilities (including contingent liabilities) are recognised at their fair values, independently of any non-controlling interests acquired, in accordance with IFRS 3. Non-controlling interests in subsidiaries are measured according to the proportionate share in net assets (excluding the proportionate share in goodwill). Intangible assets are recognised separately from goodwill if they are separable from the acquiree or arise from contractual or other legal rights. A remaining positive difference that compensates the seller for market opportunities or development potential that cannot be individually identified are recognised as goodwill. If there is a negative difference, following a new assessment of the value of the identified assets and liabilities (including contingent liabilities) of the acquiree, and of the compensation transferred, the difference is recognised in profit or loss. The difference between fair value and the carrying amount are carried forward in accordance with the related assets and liabilities during the subsequent consolidation. A change in the interest held in a consolidated subsidiary is recognised as an equity transaction without recognition in profit or loss.

Intra-Group transactions

Material intra-Group receivables and interim profits or losses are eliminated. The income tax effects of any amounts recognised in profit or loss on consolidation are accounted for, and deferred tax assets and liabilities are recognised as the case may be. Capital consolidation is based on offsetting the transferred consideration against the fair value of the assumed assets and liabilities.

Functional and reporting currency

The reporting currency of the Wiener Stadtwerke Group is the euro. The functional currency of all wholly and partially consolidated subsidiaries as well as all investments accounted for using the equity method is also the euro.

Management's judgements

Within the scope of full consolidation and at equity valuation, various Group companies were not included in the consolidated financial statements. These are carried at amortised cost less any impairment losses, under other assets. Inclusion of these companies is immaterial to presenting a true and fair view of the Group's assets, liabilities, financial position and profit or loss. The subsidiaries not included as fully consolidated companies are mostly companies with minimal trading volume, which together account for less than 2% of the Group's total assets. The subsidiaries' revenue and total assets are taken into account when determining materiality.

The following companies were not included and possess total assets of more than EUR 20.0m as at the reporting date:

EUR m	Equity 31 Dec. 2022	Annual results 2022	Equity 31 Dec. 2023*	Annual results 2023*
immOH! Energie und Gebäudemanagement GmbH (formerly: Facilitycomfort Energie- und Gebäudemanagement GmbH), Spittelauer Lände 45, 1090 Vienna	20.2	4.1	**n/a**	**n/a**
Gemeinnützige Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m. b. H., Erdbergstraße 236, 1110 Vienna	71.1	0.4	**n/a**	**n/a**
Vienna Energy forta naturala S. R. L., Street Sfanta Vineri 29, Cladirea Bectro Center, 030203 Bucharest	25.6	4.1	**–**	**–**
EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	15.8	3.9	**16.1**	**4.3**

* No values are available yet for the 2023 financial year. Vienna Energy forta naturala S.R.L. was transferred to Wien Energie International GmbH in the 2023 financial year.

7.3 Investments accounted for using the equity method

The Group's investments accounted for using the equity method comprise investments in associates and joint ventures.

EUR m	31 Dec. 2022	31 Dec. 2023
Holdings in associates	156.1	**177.3**
Holdings in joint ventures	86.9	**0.0**
Total	**243.0**	**177.3**

The following associates and joint ventures were accounted for using the equity method at the reporting date:

	Interest		
%	31 Dec. 2022	31 Dec. 2023	
Energieallianz Austria GmbH, Wienerbergstraße 11, 1100 Vienna	45	**45**	
Wien Energie Vertrieb GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	100	**100**	
Naturkraft Energievertriebs-gesellschaft m. b. H., Wienerbergstraße 11, 1100 Vienna	45	**45**	1)
Switch Energievertriebs-gesellschaft m. b. H., Wienerbergstraße 11, 1100 Vienna	45	**45**	1)
Verbund Innkraftwerke GmbH, Innwerkkanal, 84513 Töging	13	**13**	

1) Wholly owned subsidiary of Energieallianz Austria GmbH.

As a limited partner, Wien Energie GmbH holds a 100% interest in the assets and earnings of Wien Energie Vertrieb GmbH & Co KG, which specialises in the distribution of electricity and gas. The general partner without asset contribution is Energieallianz Austria GmbH, whose field of activity concerns electricity trading. Wien Energie Vertrieb GmbH & Co KG is managed jointly, as the contracts between Wien Energie GmbH and Energieallianz Austria GmbH mean that Wien Energie GmbH cannot decide on the main activities on its own. In accordance with IFRS 11, this joint venture is therefore presented at equity in the consolidated financial statements.

Energieallianz Austria GmbH is a joint venture within the meaning of IFRS 11 due to existing agreements between EVN AG, Energie Burgenland AG and Wien Energie GmbH, which provide for the joint management of Energieallianz Austria GmbH, and is also included in the consolidated financial statements at equity. Both companies' reporting date is 30 September. Both Wien Energie Vertrieb GmbH & Co KG and Energieallianz Austria GmbH are included in the consolidated financial statements on the basis of an IFRS package as at 31 December.

Wien Energie GmbH holds an unchanged capital share of 13% in Verbund Innkraftwerke GmbH (IKW), which is active in the field of electricity generation. Within the framework of the company agreement, Wien Energie GmbH was granted rights that go considerably beyond the influence normally associated with a voting share of 13%. Due to these opportunities to influence the financial and business policy decisions of IKW, it is included in the consolidated financial statements as an associated company using the equity method.

The following 18 companies (previous year: 17) were not accounted for using the equity method as at 31 December 2023 due to immateriality:

Interest

%	31 Dec. 2022	31 Dec. 2023
e&i EDV Dienstleistungsgesellschaft m. b. H., Thomas-Klestil-Platz 13, 1030 Vienna	50	**50**
Kraftwerk Nussdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna	33.33	**33.33**
Kraftwerk Nussdorf Errichtungs- und Betriebs GmbH & Co KG, Am Hof 6a, 1010 Vienna	33.33	**33.33**
EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	50	**50**
EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	50	**50**
Pama-Gols Windkraftanlagenbetriebs GmbH, Kasernenstraße 9, 7000 Eisenstadt	50	**50**
Pama-Gols Windkraftanlagenbetriebs GmbH & Co KG, Kasernenstraße 9, 7000 Eisenstadt	50	**50**
Wiener Tierkrematorium GmbH, Alberner Hafenzufahrtsstraße 8, 1110 Vienna	49	**49**
EPZ Energieprojekt Zurndorf GmbH & Co KG, Kasernenstraße 9, 7000 Eisenstadt	42.4	**42.4**
EP Zurndorf GmbH, Kasernenstraße 9, 7000 Eisenstadt	42.4	**42.4**
Aspern Smart City Research GmbH, Wangari-Maathai-Platz 3, 1220 Vienna	49.95	**44.95**
Aspern Smart City Research GmbH & Co KG, Wangari-Maathai-Platz 3, 1220 Vienna	49.95	**44.95**
ARGE Parkplatz Verteilerkreis Favoriten, Verteilerkreis Favoriten, 1100 Vienna	50	**50**
Telereal Telekommunikationsanlagen GmbH, Mollardgasse 8/19, 1060 Vienna	25	**25**
Riddle & Code Energy Solutions GmbH, Gertrude-Fröhlich-Sandner-Straße 2–4/Tower 9, 1100 Vienna	50	**50**
VID Energie Infrastruktur GmbH, Trabrennstraße 2b, 1020 Vienna	50	**50**
VID Energie Infrastruktur GmbH & Co KG, Trabrennstraße 2b, 1020 Vienna	50	**50**
Wohnfonds – Wiener Stadtwerke Entwicklungs GmbH, Lenaugasse 10, 1082 Vienna	–	**25**

The following overview shows summary financial information on the associates and joint ventures included in the Group's consolidated financial statements; Verbund-Innkraftwerke GmbH is classified as an associate, and Wien Energie Vertrieb GmbH & Co and Energieallianz Austria GmbH are classified as joint ventures.

Statement of financial position

EUR m	Energie-allianz Austria GmbH	Wien Energie Vertrieb GmbH & Co KG	Verbund Inn-kraftwerke GmbH	Energie-allianz Austria GmbH	Wien Energie Vertrieb GmbH & Co KG	Verbund Inn-kraftwerke GmbH
	31 Dec. 2022	31 Dec. 2022	31 Dec. 2022	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
Non-current assets	78.1	35.3	1,253.7	**98.5**	**3.4**	**1,241.3**
Current assets (excl. cash and cash equivalents)	689.8	697.6	64.8	**458.4**	**489.1**	**315.2**
Cash and cash equivalents	279.1	475.6	0.0	**31.1**	**0.9**	**0.0**
Non-current liabilities	76.5	44.8	82.1	**10.7**	**28.3**	**137.6**
Current liabilities	777.3	1,468.0	35.8	**702.7**	**745.5**	**55.2**
Net assets (100%)	**193.1**	**-304.3**	**1,200.7**	**-125.3**	**-280.4**	**1,363.7**
Group share of net assets in %	45	100	13	**45**	**100**	**13**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**	**0.0**
Carrying amount of investments accounted for using the equity method	**86.9**	**0.0**	**156.1**	**0.0**	**0.0**	**177.3**

Statement of profit or loss

EUR m	Energie-allianz Austria GmbH	Wien Energie Vertrieb GmbH & Co KG	Verbund Inn-kraftwerke GmbH	Energie-allianz Austria GmbH	Wien Energie Vertrieb GmbH & Co KG	Verbund Inn-kraftwerke GmbH
	31 Dec. 2022	31 Dec. 2022	31 Dec. 2022	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
Revenue	3,543.0	1,718.2	203.6	**3,148.5**	**2,038.6**	**424.9**
Depreciation and amortisation	-0.6	0.0	-24.0	**-0.4**	**0.0**	**-25.8**
Interest income	1.1	0.5	2.4	**5.3**	**2.1**	**4.4**
Interest expense	-2.1	-2.0	0.0	**-1.5**	**-4.3**	**0.0**
income tax expense	-4.0	0.0	-37.9	**2.2**	**0.0**	**-100.6**
Profit after tax	8.1	-146.2	99.2	**-23.5**	**178.0**	**262.6**
Other comprehensive income	-366.7	-865.7	11.1	**-314.0**	**-154.1**	**0.5**
Total comprehensive income	**-358.6**	**-1,011.9**	**110.4**	**-337.5**	**23.9**	**263.1**
Proportionate result after tax	3.6	-146.2	12.9	**-10.6**	**178.0**	**34.1**
Proportionate other comprehensive income	-165.0	-561.4	1.4	**-141.3**	**-154.1**	**0.1**
Proportionate **total comprehensive income**	**-161.4**	**-707.6**	**14.3**	**-151.9**	**23.9**	**34.2**
Proportionate dividend distribution	0.0	0.0	1.3	**0.0**	**0.0**	**13.0**

Recognition and measurement

Joint arrangements are included in the consolidated financial statements of WSTW GmbH depending on the rights and obligations of the parties to the joint arrangement arising from the contract. If the Group only has rights to the net assets of the jointly controlled arrangement, the arrangement is classified as a joint venture in accordance with IFRS 11 and accounted for using the equity method. In the case of a joint operation, the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The joint operators recognise assets, liabilities, income and expense in relation to their interest in the joint operation. An associate is an entity over which the Group has significant influence, but not control or joint control over financial and business policies. These are included at equity.

Investments in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, including transaction costs. Following initial recognition, the carrying amount is adjusted to reflect changes in the associate's or joint venture's equity, based on the Group's proportionate interest. An impairment test is carried out if there is an indication of possible impairment.

Wien Energie Vertrieb GmbH & Co KG has negative equity of EUR 280.4m as at 31 December 2023. The equity of Energieallianz Austria GmbH is also negative at EUR 125.3m. According to IAS 28.38, the inclusion of losses must be discontinued if the share in the losses of the associate would lead to a negative equity value. The unrecognised excess losses relate to other comprehensive income.

7.4 Investments in joint operations

The Group has a material joint operation, deeep Tiefengeothermie GmbH, which is headquartered in Vienna. Wien Energie GmbH holds a 51% stake in the company. The purposes of the undertaking are, on the one hand, to exploit, develop and use geothermal energy in the Vienna Basin and, on the other, to produce, store and sell heat from geothermal energy. Since, according to the shareholder agreement, the total economic utility from the company's assets flow to the contractual partners and the company's ability to settle its debts depends on its cash flows, the company is to be classified as a joint operation and included in the consolidated financial statements of Wiener Stadtwerke GmbH as a proportionately consolidated company.

Recognition and measurement

The classification as a joint operation is dependent on the contractual rights and obligations of the contracting parties as described in note 7.3. WSTW GmbH recognises its direct rights to the assets, liabilities, revenues and expenses of joint operations proportionately in the consolidated financial statements. These are reported in the corresponding consolidated financial statements.

7.5 Related parties

Related parties

According to IAS 24, a person or entity is a related party if they have direct or indirect control of, joint control of, or significant influence over the affiliate Group. Key management personnel are also related parties. Close members of the families of persons who are related parties are also considered related parties.

On this basis, related parties to the Wiener Stadtwerke Group include all subsidiaries not included in the scope of consolidation, all associates and joint ventures, and key management personnel.

§ Key management personnel comprise the members of the Management Boards and Supervisory Boards of Wiener Stadtwerke GmbH, Wien Energie GmbH, Wiener Netze GmbH and Wiener Linien GmbH.

The City of Vienna is the sole owner of Wiener Stadtwerke GmbH. Therefore, the City of Vienna and the entities over which it has control or significant influence are also related parties to the Wiener Stadtwerke Group. As the City of Vienna is a public authority pursuant to IAS 24, the Group applies the exemption under paragraph 25 IAS 24, whereby immaterial related party transactions and outstanding balances with a government need not be disclosed if the public authority has control or joint control of, or significant influence over the reporting entity.

Transactions with entities controlled or significantly influenced by the City of Vienna mainly relate to electricity, gas, energy grid and facility management services.

Compensation of key management personnel
Compensation paid to the members of the Management Boards and Supervisory Boards includes salaries, termination benefits, pensions and payments for Supervisory Board duties.

The following tables show the compensation for current key management personnel, for the Management Board of the Group's parent, Wiener Stadtwerke GmbH, and for the Supervisory Board.

	Key management personnel	Thereof members of the Wiener Stadtwerke GmbH Management Board	Key management personnel	Thereof members of the Wiener Stadtwerke GmbH Management Board
EUR m	**31 Dec. 2022**	**31 Dec. 2022**	**31 Dec. 2023**	**31 Dec. 2023**
Short-term benefits	3.38	0.88	**3.69**	**0.92**
Post-employment benefits	0.13	0.04	**0.15**	**0.04**
Total	**3.50**	**0.92**	**3.84**	**0.96**

	Supervisory Board members in key management positions	Thereof members of the Wiener Stadtwerke GmbH Supervisory Board	Supervisory Board members in key management positions	Thereof members of the Wiener Stadtwerke GmbH Supervisory Board
EUR m	**31 Dec. 2022**	**31 Dec. 2022**	**31 Dec. 2023**	**31 Dec. 2023**
Total Supervisory Board compensation	**0.15**	**0.07**	**0.15**	**0.07**

As in previous periods, no loans were granted or paid to key management personnel in the reporting period. Pension expenses include ongoing pension payments to former members of the Wiener Stadtwerke GmbH Management Board amounting to EUR 0.6m (previous year: EUR 0.6m).

Related party transactions

The following tables provide an overview of business transactions with related parties. This involves the purchase/sale of goods and services as well as financing:

	31 Dec. 2023			
EUR m	**Expenses**	**Earnings**	**Liabilities**	**Trade receivables**
City of Vienna and its subsidiaries	**-125.0**	**347.6**	**-35.7**	**22.8**
Non-consolidated subsidiaries and associates	**-92.7**	**20.0**	**-38.8**	**21.5**
Investments accounted for using the equity method (Wien Energie Vertrieb GmbH & Co KG, Energieallianz Austria GmbH, Verbund Innkraftwerke GmbH)	**-1,073.3**	**2,947.6**	**-134.8**	**245.5**
Joint ventures in which the entity is a partner company	**0.0**	**0.0**	**0.0**	**0.0**
Total	**-1,291.0**	**3,315.2**	**-209.4**	**289.7**

	31 Dec. 2022			
EUR m	**Expenses**	**Earnings**	**Liabilities**	**Trade receivables**
City of Vienna and its subsidiaries	-91.7	255.0	-13.7	19.6
Non-consolidated subsidiaries and associates	-68.2	16.5	-60.9	10.8
Investments accounted for using the equity method (Wien Energie Vertrieb GmbH & Co KG, Energieallianz Austria GmbH, Verbund Innkraftwerke GmbH)	-1,998.1	2,658.7	-43.9	719.7
Joint ventures in which the entity is a partner company	0.0	0.5	0.0	0.0
Total	**-2,158.0**	**2,930.8**	**-118.6**	**750.1**

All receivables from related parties are regarded as recoverable, and as a result no material impairment losses were recognised in the reporting period or the previous year.

In addition to the values given in the tables, government grants were also received from the City of Vienna. The corresponding figures are reported as sundry other income or as other current liabilities. More information can be found under note 8.2 Other operating income and under note 8.10 Other liabilities.

Significant transactions shown in the table are explained below:

City of Vienna and its subsidiaries

The Group has contracts with the City of Vienna and its municipal departments and with other direct and indirect subsidiaries of the City of Vienna concerning the supply of district heating and purchase of refuse from Municipal Department 48 for heat generation. These transactions resulted in revenue of EUR 146.1m (previous year: EUR 102.2m) and expenses of EUR 62.5m (previous year: EUR 102.2m). Revenues from compensation to Wiener Linien and Wiener Lokalbahnen for services rendered, which were realised with support from Verkehrsverbund Ost-Region (VOR) Gesellschaft m.b.H., totalled EUR 157.4m (previous year: EUR 110.5m). In the financial year under review, there were also expenses from commitment fees for credit lines provided by the City of Vienna (finance, Municipal Department 5) in the amount of EUR 6.4m (previous year: EUR 1.1m). In addition, there are still significant levies to the City of Vienna (accounting and taxation, Municipal Department 6) amounting to EUR 49.4m in total (previous year: EUR 47.0m). Wiener Lokalbahnen also has a contract with Verkehrsverbund Ost-Region (VOR) Gesellschaft m.b.H. to finance the TW500 locomotives. The liability totalled EUR 25.2m as at the reporting date (previous year: EUR 21.4m).

Non-consolidated subsidiaries and associates

The net liabilities are largely due to a cash pooling arrangement within the Wiener Stadtwerke Group that is also used by non-consolidated subsidiaries and associates. Receivables relate predominantly to three loans granted to non-consolidated subsidiaries. Expenses were mainly attributable to energy procurement services vis-à-vis Wien Energie Bundesforste Biomasse Kraftwerk GmbH & Co KG, IT services (licence fees) and the provision of facility management services to the Wiener Stadtwerke Group by immOH! Energie und Gebäudemanagement GmbH/HC immOH! Infrastruktur Services GmbH.

Investments accounted for using the equity method

Significant transactions include a contract for services under which Wien Energie GmbH invoices electricity and gas supplies and handles procurement in the name of and for the account of Wien Energie Vertrieb GmbH & Co KG. In addition, the staff working at Wien Energie Vertrieb GmbH & Co KG are assigned from Wien Energie GmbH. Wien Energie Vertrieb GmbH & Co KG has the authority to direct these employees. For the Wiener Stadtwerke Group as a whole, all services result in income of EUR 1,852.1m (previous year: EUR 1,737.6m) with Wien Energie Vertrieb GmbH & Co KG. The resulting expenses amount to EUR 844.1m (previous year: EUR 1,623.5m).

As Energieallianz Austria GmbH also markets electricity generated by Wien Energie GmbH, trading is conducted in part by the former. Additionally, Energieallianz Austria GmbH carries out trading in guarantees of origin for electricity supplies. Revenues (including network services for Wiener Netze GmbH) amount to EUR 1,092.7m (previous year: EUR 920.9m) and expenses to EUR 171.3m (previous year: EUR 352.0m). These transactions also account for part of the stated receivables from Wien Energie Vertrieb GmbH & Co KG and Energieallianz Austria GmbH, which totalled EUR 244.1m (previous year: EUR 236.8m). The liability balance is also attributable in part to the previously mentioned transactions with Wien Energie Vertrieb GmbH & Co KG and Energieallianz Austria GmbH, which totalled EUR 7.8m (previous year: EUR 37.4m). The majority of the liabilities, however, is associated with a cash pooling arrangement from Wien Energie Vertrieb GmbH & Co KG in the amount of EUR 111.3m, with a receivable being reported in the previous year (previous year: EUR 454.6m).

8 Business performance of Wiener Stadtwerke

8.1 Revenue

The Group draws revenue from the following business divisions:

Date of revenue recognition

	2022			2023		
EUR m	Period-related	Time-related	Total	Period-related	Time-related	Total
Revenue in accordance with IFRS 15	**2,528.4**	**4,733.4**	**7,261.8**	**2,809.3**	**3,368.9**	**6,178.2**
Energy and Energy Grids	1,634.4	4,552.8	6,187.2	**1,805.2**	**3,170.2**	**4,975.4**
Transport	578.7	99.0	677.7	**658.9**	**115.6**	**774.5**
Funeral Services and Cemeteries	5.0	50.5	55.4	**5.0**	**49.5**	**54.5**
Car parks	27.0	0.0	27.0	**29.7**	**0.0**	**29.7**
Other	283.4	31.1	314.4	**310.5**	**33.6**	**344.1**
Revenue in accordance with IFRS 16	**43.8**	**0.0**	**43.8**	**45.8**	**0.0**	**45.8**
Energy and Energy Grids	4.9	0.0	4.9	**4.8**	**0.0**	**4.8**
Transport	0.7	0.0	0.7	**1.1**	**0.0**	**1.1**
Funeral Services and Cemeteries	16.9	0.0	16.9	**17.4**	**0.0**	**17.4**
Car parks	0.0	0.0	0.0	**0.0**	**0.0**	**0.0**
Other	21.3	0.0	21.3	**22.5**	**0.0**	**22.5**
Total	**2,572.2**	**4,733.4**	**7,305.6**	**2,855.1**	**3,368.9**	**6,224.0**

The tables below show the changes in contract assets and liabilities over time.

The contract assets predominantly relate to performances not yet invoiced by Wiener Netze.

Contract assets, over time

EUR m	2022	2023
As at 1 Jan.	**4.8**	**9.9**
Assets recognised	5.1	**0.0**
Amortisation	0.0	**-4.0**
As at 31 Dec.	**9.9**	**6.0**

Contract liabilities, over time

EUR m	2022	2023
As at 1 Jan.	**678.7**	**704.6**
Change in progress	-133.8	**-140.7**
Payments received	159.7	**182.8**
As at 31 Dec.	**704.6**	**746.7**

The contract liabilities largely concern the contributions to construction costs collected by Wiener Netze and Wien Energie (see the remarks below).

During the reporting period EUR 136.0m in revenue (previous year: EUR 119.2m), forming part of the contract liabilities as at the end of the previous reporting period, was recognised.

Performance obligations not yet satisfied

EUR m	2022	2023
Due in less than 1 year	130.2	**138.1**
Due in 1 to 5 years	255.3	**288.1**
Due after more than 5 years	230.6	**224.3**
Total	**616.1**	**650.5**

The difference compared to contract liabilities primarily relates to Wien Energie's contributions to construction costs, which are not included in the performance obligations not yet fulfilled.

There is no consideration due under customer contracts that does not form part the above revenue.

Recognition and measurement

General
The bulk of the revenue derives from customer contracts, and is recognised in accordance with IFRS 15. This standard provides for a five-stage model for revenue recognition. The first step is to identify the contracts with customers so as to locate the separate performance obligations contained in them. The transaction price must then be determined and allocated to the performance obligations identified. The final step is determination of the form of revenue recognition (over time or at a point in time). Revenue is recognised when the customer obtains control of the services rendered or goods sold.

Energy and Energy Grids
Most of the revenue is accounted for by the **Energy** Division. The main area of activity of the Group companies in the Wien Energie sub-group is the supply of heating or cooling services to its customers. The latter include large customers like cooperatives, property developers or owners, and the hospital association, as well as private individuals who obtain heating and/or cooling services from the Group.

Contracts for the provision of heating or cooling are basically broken down into two price components: a base rate or capacity charge, and a unit rate.

The supply of heating and/or cooling services under a district heating or cooling contract is governed by a supply contract, meaning that the customer receives as much heating or cooling as required. The price per kWh, i.e. the unit rate, corresponds to the stand-alone selling price. This means that every unit of heating or cooling (measured in kWh) called off should be regarded as a separate performance obligation. The service is provided when the heating/cooling is called off. The allocation of the consideration is on the basis of the kWh rate and the quantity of heating or cooling actually consumed. Revenue recognition is over time, as the customer receives the benefits of the heating or cooling in the course of performance. The customers settle the claims afterwards mainly by means of a monthly payment based on an advance payment. Once a year, a final invoice is issued in which the actual quantities consumed are compared with the payments made, and credit balances or additional payments are determined and offset.

Another distinct performance component is the provision of access to the district heating and/or cooling network. During the minimum duration of the contract, customers are entitled to the agreed heating or cooling capacity at all times, and Wien Energie must be prepared to meet call-off orders for this capacity. The service provision of Wien Energie therefore takes place during the contract term. Customers must pay a base rate or capacity charge, irrespective of actual use, for the provision of this capacity. The payment is essentially made at the beginning of the contract or before the start of construction and the revenue is recognised on a time-period basis.

If necessary, Wien Energie lays the power or gas connection from the boundary line to the property, or installs the district heating/cooling building substation and system. This work is performed on the customer's land. Wien Energie's performance thus results in the creation of an asset, over which the customers obtain control during its construction. The performance obligation is thus generally recognised over a certain period of time within the meaning of IFRS 15.35b. Due to the brief construction times involved, in conformity with paragraph 63 IFRS 15 no adjustment is made for the potential effects of a financing component. In the interests of simplicity, revenue is realised upon handover of the completed installations to the customer.

Wien Energie also generates revenue from the recycling of waste and sewage sludge. The latter is delivered by the waste disposal companies and incinerated to produce heat. Revenue recognition is over time as the waste materials are accepted continuously, as they arise. The entire consideration paid comprises both annual fixed amounts and volume-dependent variable components. The billing period is a calendar year and invoicing is on the basis of the quantity of waste actually incinerated. As these remuneration components are not known until the end of the accounting period, invoicing of the variable components is in accordance with the actual waste arising during the billing period concerned.

In the case of the proceeds of electricity and gas sales, the performance obligation consists of the supply of a quantity of electricity or natural gas specified in the agreement. Proceeds are recognised at the time of the physical delivery of the electricity or gas. In conformity with IFRS 15.B16, revenue is recognised in the amount of the right to invoice for it, as this amount reflects the performance rendered to the customer.

Wiener Netze's sales revenues mainly consist of system charges for electricity and gas, as well as provision fees for the district heating/cooling network and revenue from the reversal of contributions to construction costs for network access and network provision.

Wiener Netze creates new network connections for customers or, where a connection is already in place, connects new customers to the network. Wiener Netze is responsible for operating and maintaining the grid for the duration of the use of system agreement, in order to safeguard network readiness, and thus the customers' ability to withdraw energy from the system, at all times. These performances should be seen as part of a single performance obligation.

The system charges for the use of the electricity and gas grids are made up of different components. Energie-Control Austria sets the charges by order. They are fixed prices and cannot be changed.

The customers simultaneously receive and consume the benefits for the duration of the use of system agreement. The performance obligation is thus satisfied and revenue accordingly recognised over time, in accordance with IFRS 15.35a. The customers' payments are made monthly.

The primary district heating network owned by Wiener Netze is operated on the basis of a commission contract with Wien Energie. As the principal, Wiener Netze is responsible for the operation, maintenance and expansion of the network, while the sale of district heating to end customers is carried out exclusively by Wien Energie as the commission agent. In return, Wiener Netze receives a commission fee from Wien Energie that depends on the maintenance expenditure and expansion volume and is included in Wiener Netze's revenue.

For the correct timing of recognition of the revenue derived from the district heating and cooling, electricity and gas supplies, and use of system charges (which vary with the amount of energy supplied), the quantities sold must be determined and valued. As not all customers have been invoiced by the time that the consolidated financial statements are drawn up, the revenue must be estimated and accrued. Particularly in the case of rolling billing, customers' meter reading dates are spread over the entire year. Where customers' meters are not read on a monthly basis, the consumption data for the period between the last invoice and the end of the reporting period is missing. They are determined using the individual process, in which all of the contracts are individually analysed. An invoicing-simulation process is carried out for contracts that are yet to be invoiced. This individual process has the advantage that any changes in tariffs, rates, readings, meters, etc. can be incorporated into the calculation with maximum accuracy.

Taxes and levies are also collected as part of the system charges for which Wiener Netze acts as an agent because, for price components:

- Another party (a public or government authority) is involved in the supply of goods or services
- Wiener Netze has no control over these performances
- Nor does it provide any significant integration services
- It bears no inventory risk
- Nor it does it have any discretion in the determination of the taxes and levies contained in the system revenues

Under IFRS 15, this leads to the netting of the taxes and levies contained in the system revenues.

The contributions to construction costs from customers and project partners are one-time contributions for the maintenance and installation of network connections. The contributions to construction costs collected by Wiener Netze by way of system admission and system provision charges are a regulated area, meaning that Wiener Netze's charges can only be set in accordance with the applicable legislation and the regulator's rulings. Contributions to construction costs received are accrued as contract liabilities and reversed over the useful life of the investments made, via revenue, in accordance with IFRS 15. An annual financing component is calculated for Wien Energie, but is not recognised due to immateriality. No financing components were recognised for Wiener Netze.

Transport
The Transport division consists of **Wiener Linien** and **Wiener Lokalbahnen**. These companies provide local public transport in the greater Vienna area, as well as other transport services on a smaller scale.

In the case of season tickets, revenue is recognised over the duration of the transport agreement – one week, one month, or one year. The fare represents a fixed consideration and is governed by the current tariff regulations.

The proceeds from single, multi-journey and limited-time tickets are recognised at the time of sale, even if they are not validated until later. This approach does not result in distorted presentation as it concerns a shift in accounting periods which is compensated for over time. The additional income received by Wiener Linien from passengers without a valid ticket is accounted for using the cash method of accounting.

The contracts with Wiener Lokalbahnen on which the revenues are based contain return-based variable revenue components and are concluded on a price-indexed basis over a period of several years. Advance payments by customers do not qualify for treatment as financing components as they are only made for periods of maximum one year.

Funeral Services
Funeral services revenue is largely recognised at a point in time. The revenue generated by all the promised goods and services is recognised upon performance. The date of performance is that of the funeral.

Car parks
Car park revenue relates to both short-stay and long-stay parkers. It is chiefly recognised in accordance with IFRS 15, not IFRS 16, as the customers have no right to a particular parking space and the revenue is recognised over time.

Other
Revenue attributable to the Other segment relates, inter alia, to income from staff posting.

Revenue in accordance with IFRS 16 Leases
The revenue governed by IFRS 16 concerns letting and leaseholds, and largely arises from the cemeteries' income, as well as Wiener Linien's rental charges for advertising and retail space (see note 9.3). In return for the payment of a grave charge, the cemeteries provide the "purchasers" with a limited right to use a given plot (usually for ten or more years). The charge is normally paid in advance on commencement of the contract, and is recognised in other liabilities. The revenue from the use of graves is recognised by means of straight-line distribution of the payment received over the contract duration (see note 8.10).

8.2 Other operating income

Other operating income is made up as follows:

EUR m	2022	2023
Income from government grants as defined by IAS 20	491.6	**588.7**
Proceeds of the disposal of non-current assets other than financial assets	8.4	**9.0**
Change in inventories	5.0	**0.3**
Other own work capitalised	72.4	**88.1**
Sundry other income	79.9	**71.9**
Total	**657.3**	**758.0**

Income from government grants as defined by IAS 20 includes performance-based grants. Most of these relate to Wiener Linien.

Sundry other income is largely composed of income from the revaluation of investments in non-consolidated subsidiaries and of associates carried at cost, amounting to EUR 16.9m (previous year: EUR 15.3m); it is also composed of other operating income that relates predominantly to Wiener Linien and is mostly made up of compensation and services in relation to maintenance contracts.

Recognition and measurement

Income from government grants as defined by IAS 20 is mainly made up of those grants received by Wiener Linien from the City of Vienna under the revised local public transport and funding agreement (ÖPNV-Neu), which entered into force on 1 January 2017. The agreement was drawn up in order to safeguard operations and ensure the continued growth of local public transport in Vienna after the spin-off of Wiener Stadtwerke from the City of Vienna. As before, the City of Vienna assumes the obligation to finance the annual cash deficit of the company. The required funds are made available to the company in the form of financial compensation for public service obligations. In accordance with IAS 20, the grants made by the City of Vienna under this agreement are treated as "related to income", applying the gross method.

8.3 Raw material, consumables and services used

The cost of materials and cost of purchased services was as follows:

EUR m	2022	2023
Gas	2,483.9	**1,345.8**
Electricity	1,572.5	**1,102.6**
CO_2 emission allowances	103.2	**104.1**
Parts and materials for railway vehicles and trams	22.3	**26.0**
Other expense incl. raw material and consumables used	581.3	**887.7**
Total cost of materials	**4,763.3**	**3,466.3**
System charges	75.7	**88.4**
Third-party transport services	68.1	**76.6**
Other expenses arising from services used	227.7	**366.7**
Total cost of services used	**371.5**	**531.7**
Total	**5,134.7**	**3,997.9**

The "Gas" item includes both gas for power generation and gas purchased for resale. The "Electricity" item largely consists of third-party supplies obtained through procurement rights.

For details of the accounting for CO_2 emission allowances, see note 8.6.

8.4 Other operating expenses

Other operating expenses were as follows:

EUR m	2022	2023
Maintenance expense	274.6	**323.9**
Regulatory expenses	24.0	**20.6**
Other taxes	74.5	**93.6**
Rental and lease expense	45.1	**52.8**
Cleaning expense	45.6	**49.1**
Legal, consultancy and audit expense	32.6	**45.2**
IT expenses	23.8	**30.2**
Marketing and PR expense	15.7	**20.1**
Insurance expense	14.8	**19.4**
Fees	15.8	**18.9**
Communication expense	17.4	**17.4**
Staffing	10.0	**15.0**
Energy procurement	7.8	**14.9**
Bad debt allowance and bad debt losses	8.9	**11.3**
Sundry other expenses	82.2	**81.5**
Total	**692.7**	**814.0**

Sundry other operating expenses include, among other things, write-downs of other assets amounting to EUR 5.8m (previous year: EUR 4.4m) and expenses for training and education of EUR 8.9m (previous year: EUR 6.7m). Due to the business activities of the reporting company, the above-mentioned energy procurement expenses are not to be classified as cost of materials or as cost of other purchased services.

The Group audit expenses contained in other operating expenses were made up as follows:

EUR m	2022	2023
Expenses for auditing services	0.1	**0.1**
Expenses for other assurance services	0.6	**0.9**
Expenses for tax advisory services	0.2	**0.5**
Expenses for other services	1.0	**1.3**
Total	**1.9**	**2.9**

8.5 Regulated items

The table below shows the regulatory income and expenses:

EUR m	2022	2023
Income from regulatory business activities during the reporting period:	71.2	**92.4**
which will lead to increased income in future	56.8	**81.2**
resulting from past increases in income	14.5	**11.2**
Expenses incurred by regulatory business activities during the reporting period	-95.2	**-113.0**
resulting from past reductions in income	-95.2	**-113.0**
Total	**-24.0**	**-20.6**

Income from regulatory business activities arises from additions to regulatory assets or disposals of regulatory liabilities. Meanwhile, disposals of regulatory assets and additions to regulatory liabilities result in expenses due to regulatory business activities.

The tables below show the composition of the regulatory assets and liabilities, and their evolution during the reporting period and the previous year.

Regulatory assets

EUR m	31 Dec. 2022	31 Dec. 2023
Gas	398.7	**402.4**
of which reductions in income	22.0	**44.6**
of which extraordinary expenses	376.7	**357.8**
Electricity	791.9	**763.8**
of which reductions in income	83.5	**99.7**
of which extraordinary expenses	708.4	**664.1**
Total	**1,190.6**	**1,166.2**

Regulatory assets

EUR m	Electricity	Gas	Total
As at 1 Jan. 2022	816.2	404.1	**1,220.3**
Additions	83.5	22.0	**105.5**
Disposals	-107.8	-27.4	**-135.2**
As at 31 Dec. 2022	791.9	398.7	**1,190.6**
Additions	99.7	44.6	**144.3**
Disposals	-127.8	-40.9	**-168.6**
As at 31 Dec. 2023	**763.8**	**402.4**	**1,166.2**

Regulatory liabilities

EUR m	31 Dec. 2022	31 Dec. 2023
Gas	3.7	**0.0**
of which reductions in income	3.7	**0.0**
Total	**3.7**	**0.0**

Regulatory liabilities

EUR m	Electricity	Gas	Total
As at 1 Jan. 2022	0.0	9.4	**9.4**
Additions	0.0	3.7	**3.7**
Disposals	0.0	-9.4	**-9.4**
As at 31 Dec. 2022	0.0	3.7	**3.7**
Disposals	0.0	-3.7	**-3.7**
As at 31 Dec. 2023	**0.0**	**0.0**	**0.0**

The regulatory assets due to extraordinary expenses arise from the remeasurement of Wiener Netze GmbH's pension obligations in connection with the transfer of these obligations to Wiener Stadtwerke GmbH in 2016.

The maturities of the regulatory assets and liabilities are as follows:

EUR m	Carrying amount 31 Dec. 2023	< 1 year	1–5 years	> 5 years
Regulatory assets	**1,166.2**	**126.2**	**333.6**	**706.4**

EUR m	Carrying amount 31 Dec. 2022	< 1 year	1–5 years	> 5 years
Regulatory assets	1,190.6	111.7	252.4	826.4
Regulatory liabilities	3.7	3.7	0.0	0.0

Recognition and measurement

The introduction of regulatory deferral accounts by the Elektrizitätswirtschafts- und -organisationsgesetz (Electricity Act) 2010 and the Gaswirtschaftsgesetz (Natural Gas Act) 2011 established a new form of ex-post revenue adjustment. The regulatory deferral account is used to respond to circumstances that could not be taken into consideration in the previous procedure for determining costs and system charges.

The IASB has hitherto only dealt with issues affecting companies operating in the regulated market that are first-time adopters of IFRS 14 Regulatory Deferral Accounts. Due to the limitation of eligibility to apply the standard to first-time adopters of IFRS, in October 2015 the European Commission decided not to propose IFRS 14 for endorsement by the EU.

Irrespective of the failure of IFRS 14 to be adopted as European law, the IASB has always seen it as an interim standard, and its Rate-regulated Activities project is now looking at how to account for rate-regulated business activities. This project aims to create standard rules for the reporting and measurement of assets and liabilities related to rate-regulated business activities on the basis of the Conceptual Framework, which became mandatory on 1 January 2020. A draft of the new standard was published at the beginning of 2021. The application of this standard has no effect on the recognition or amount of the regulatory items currently recognised in the Group. The presentation of regulatory income and expenses in the consolidated statement of profit or loss will remain unchanged from the previous year for reasons of consistency. The presentation required by the draft of the new standard will not be adopted for the time being.

Wiener Stadtwerke GmbH's consolidated financial statements for the year ended 31 December 2019 were the first to be drawn up on an IFRS basis. Because of this, an accounting treatment based on the Conceptual Framework, which the Group adopted early, was developed for regulatory assets and liabilities. This is almost entirely drawn from previous pronouncements of the IASB and the recommendations of the IASB staff members engaged in the Rate-regulated Activities project. This approach was designed to reflect the effects of accounting for regulatory assets and liabilities in the first IFRS consolidated statements, as dispensing with their recognition would give an incomplete picture of the financial and earnings positions of rate-regulated businesses, as well as leading to artificial volatility in their results.

The regulatory assets and liabilities recognised by the Group relate to the regulatory operations of Wiener Netze. As the system operator of the electricity and gas grids in Vienna, Wiener Netze provides services with prices set by a regulator – in this case E-Control Austria (E-Control) – which are binding for both sides. The legislation behind this rate setting – the Electricity and Natural Gas acts – governs the recognition of differences between the revenue actually generated, and that underlying the prior cost and charge determination procedure, as well as the recognition of exceptional expenses and income in connection with the regulatory deferral account, and the treatment of differences that arise from the delay in compensation for the costs on which the charges are based, due to the regulatory system created by the system charges.

The arrangements arising from the Electricity and Natural Gas acts are also the reason for carrying the regulatory assets and liabilities in the IFRS consolidated financial statements. However, the elective rights of recognition contained in the Electricity and Natural Gas acts must be so exercised that a given approach follows, as this is the only way to give a complete picture of Wiener Netze's financial and earnings positions in the rate-regulated market.

The first-time recognition of regulatory assets and liabilities was at historical cost. This normally corresponds to the present value of the future rights and obligations recognised in the regulatory deferral account (and to be recognised when exercising all the elective rights under the Electricity and Natural Gas acts). Calculation of the present value is generally based on the discount rate applied by the regulator. Discounting only takes place at a rate set by the regulated company if the discount rate set by the regulator is regarded as inappropriate and the difference from an appropriate rate is attributable to an identifiable transaction or other event. It can be assumed that if a steady state is maintained over time, the appropriate capital costs will be compensated by the regulator and the regulatory interest rate will reach the level of the capital market-oriented capital costs. As a result, there is no need for impairment, even in the event of fluctuating capital costs, and regulatory assets and regulatory liabilities are carried without discounting in the amounts shown in the regulatory deferral accounts for electricity and gas or those established by the notices in question.

The reversal of the amounts recognised for regulatory assets and liabilities takes account of the sums cited in the tariffication procedure.

8.6 Inventories

The breakdown of the inventories is as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
CO_2 emission allowances	178.0	**244.1**
Gas	168.6	**107.9**
Heating oil	13.4	**16.0**
Parts and materials for railway vehicles and trams	28.6	**29.4**
Other raw material and consumables used	65.2	**87.7**
Total raw material and consumables used	**453.8**	**485.0**
Goods and services in progress	0.1	**0.0**
Finished goods	0.1	**0.2**
Merchandise	11.3	**11.6**
Total	**465.3**	**496.8**

Impairments of EUR 7.2m (previous year: EUR 3.9m) were recognised in profit and loss in the financial year. In addition, reversals of impairment losses were presented as a reduction in the cost of materials in the amount of EUR 0.0m (previous year: EUR 2.0m). No inventories have been pledged.

Recognition and measurement

Inventories are measured at the cost of purchase and/or conversion. The net realisable value at the reporting date is recognised if it is lower, for instance due to falls in exchange, market or sales prices.

The net realisable value is the estimated selling price less the costs of completion and the costs necessary to make the sale. Appropriate impairments are recognised for inventory risk due to the length of storage or reduced marketability.

The cost of inventories is measured using the moving average cost method. Other methods, such as the weighted average cost formula, are only applied in the case of immaterial inventories. The costs of conversion of inventories include costs directly related to production (parts, materials and wages), an allocation of material and production overheads assuming full capacity utilisation (which corresponds to current normal capacity utilisation), and a reasonable allocation to production overheads at normal capacity, as well as expenses for voluntary employee benefits and company pension obligations. Interest on debt is not capitalised due to immateriality.

CO_2 emission allowances

CO_2 emission allowances are recognised on the date of allocation or purchase. Allowances allocated free of charge are measured in accordance with the net method (IAS 20) and are thus carried at zero. Those acquired for consideration are carried at cost under raw material and consumables used. If the fair value of the allowances is below cost at the reporting date, they are measured at the former. In the event of CO_2 emissions, a provision for the obligation to return the allowances is recognised under raw material and consumables. The provision is measured at the carrying amount (average price) of the CO_2 emission allowances purchased and shown under other provisions. In the event of underfunding, an additional provision is recognised; this is measured at fair value as at the reporting date.

8.7 Short-term trade receivables

An analysis of the current trade receivables is shown below:

EUR m	31 Dec. 2022	31 Dec. 2023
Current trade receivables (gross)	449.3	**156.9**
Current trade receivables from associates (gross)	244.4	**248.6**
Impairment losses	-24.5	**-30.5**
Total	**669.2**	**375.0**

The table below shows the impairments, broken down by time bands:

	31 Dec. 2022			31 Dec. 2023		
EUR m	Gross carrying amount	Impairment loss	Net carrying amount	Gross carrying amount	Impairment loss	Net carrying amount
Not overdue	613.9	-4.2	609.7	**317.7**	**-1.8**	**315.8**
30 days overdue	45.7	-0.1	45.6	**52.4**	**-3.0**	**49.4**
31-60 days overdue	4.9	-0.8	4.1	**4.8**	**-0.1**	**4.7**
61-90 days overdue	2.8	-3.5	-0.7	**1.6**	**-0.6**	**1.0**
More than 90 days overdue	26.4	-15.9	10.5	**29.1**	**-25.0**	**4.1**
Total	**693.7**	**-24.5**	**669.2**	**405.5**	**-30.5**	**375.0**

Movements in impairments of current trade receivables were as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
As at 1 Jan.	20.0	**24.4**
Additions	5.9	**10.4**
Utilisation	-0.2	**-0.2**
Reversals	-1.2	**-4.2**
As at 31 Dec.	**24.4**	**30.5**

Recognition and measurement

Trade receivables are measured at the transaction price and recognised at the point in time when they arise. Trade receivables are held under a business model aimed at holding financial assets in order to collect the contractual cash flows. Measurement is at amortised cost. Details of the estimation of impairments can be found in note 14.

8.8 Other assets and contract assets

The other current and non-current assets are disclosed in the tables below:

Other non-current assets

EUR m	31 Dec. 2022	31 Dec. 2023
Investment property	45.7	**46.4**
Prepayments towards non-current assets	22.0	**29.6**
Other receivables – third parties	35.4	**47.6**
Entitlement to plan assets	670.9	**817.3**
Other assets	116.6	**127.2**
Total	**890.5**	**1,068.1**

Other current assets

EUR m	31 Dec. 2022	31 Dec. 2023
Contract assets (IFRS 15)	9.9	**6.0**
Receivables from income taxes	10.3	**26.1**
Other assets	300.5	**224.1**
Total	**320.7**	**256.2**

Contract assets and liabilities (IFRS 15)
Accrued revenue from contracts with customers must be stated separately from other income sources. Such revenue is recognised as contract asset items under other assets, or as a contract liability under other liabilities.

A contract asset represents the right to subsequent consideration (e.g. the right to future collection of a higher base rate due to the delivery of a product) and is thus the precursor to a receivable. It results in the recognition of revenue. A contract asset item becomes a receivable when an unconditional right to consideration comes into being.

A contract liability arises from the obligation of an entity to transfer goods or services for which it has received consideration from a customer.

Entitlement to plan assets
The other assets include a receivable, arising from a right to a refund from the plan assets, of EUR 817.3m (previous year: EUR 670.9m).

As described in note 10.2 Employee benefit provisions, in 2018 part of the fund assets were transferred to the trust company Wiener Stadtwerke Planvermögen GmbH as security for its duty to compensate employees in the event of the loss of their pension rights.

Under IAS 19, part of the plan assets may be earmarked for use as reimbursement for benefits already paid to persons with pension entitlements without endangering the assets' status as plan assets. The entitlement to reimbursement created in this way reduces the value of the existing plan assets. It is recognised in this amount as a claim against the plan assets. Pursuant to IAS 19, measurement is at fair value, which is normally the nominal amount due to the fact that it is repayable on demand.

Although this means that some of the assets held as plan assets no longer exist exclusively to fund employee benefits, the income generated by the part of the plan assets that is devoted to meeting the claim to reimbursement continues to be earmarked for the plan assets. Consequently, until the entitlement is actually exercised, the reimbursement right has no influence on the amount carried as income from the plan assets. As usual, the latter are recognised in other comprehensive income, net of interest income. As required by IAS 19, any impairments are recognised in other comprehensive income and not in profit or loss.

Investment property
The evolution of investment property, which is reported under non-current assets in the statement of financial position, was as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
As at 1 Jan.	**46.2**	**45.7**
Depreciation	-0.4	**-0.5**
Transfers	0.0	**1.1**
As at 31 Dec.	**45.7**	**46.4**

The cost of purchasing and converting investment property is presented net of government grants (net method). These amounted to EUR 8.9m (previous year: EUR 9.0m). This had the effect of reducing depreciation and amortisation by EUR 0.1m in the 2023 financial year (previous year: EUR 0.1m).

The fair value of the Group's investment property is EUR 187.9m (previous year: EUR 199.1m). Rental income totalled EUR 21.1m (previous year: EUR 20.1m) and the operating expenses of rental property were EUR 6.0m (previous year: EUR 5.4m).

Recognition and measurement

The investment property consists of property held to earn rentals or for capital appreciation, and not for use in the supply of services or for administrative purposes, or for sale in the ordinary course of business. This item is valued according to the cost model. Thus, they are accounted for and valued like property, plant and equipment (see note 9.1).

The Group applies the following methods to measure the fair value of real estate:

- the capitalised income value method, and
- the asset value method

The Wiener Stadtwerke Group principally uses the capitalised income value method. Here, the value is determined on the basis of the future income from the property (Level 3). The asset value method is mainly used for vacant sites. The value is determined on the basis of comparable transactions (Level 2).

Other non-current assets
The other non-current assets include shares in unconsolidated associates amounting to EUR 112.4m (previous year: EUR 101.3m) and non-current accrued items for Friedhöfe Wien.

Other current assets
The other current assets primarily include other receivables from taxes and other receivables from investees.

8.9 Trade payables

Trade payables were as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
Trade payables	717.9	**707.2**
Trade payables to associates	46.7	**49.2**
Total	**764.6**	**756.3**

Trade payables to associates include bills for both Wien Energie Vertrieb GmbH & Co KG and Energieallianz Austria GmbH.

8.10 Other liabilities

Other current and non-current liabilities were as follows:

Other non-current liabilities

EUR m	31 Dec. 2022	31 Dec. 2023
Contract liabilities (IFRS 15)	568.0	**602.0**
Non-current regulatory liabilities	0.0	**0.0**
Other liabilities	245.6	**239.6**
Total	**813.6**	**841.5**

Other current liabilities

EUR m	31 Dec. 2022	31 Dec. 2023
Contract liabilities (IFRS 15)	136.6	**144.7**
Current regulatory liabilities	3.7	**0.0**
Other liabilities	718.0	**883.9**
Total	**858.3**	**1,028.6**

The contract liabilities are mainly made up of customer contributions to construction costs collected by Wiener Netze and Wien Energie. Detailed notes on the contract liabilities can be found in note 8.1 Revenue and note 8.8 Other assets and contract assets.

Further information on current and non-current regulatory liabilities is given in note 8.5.

Other current liabilities chiefly concern amounts due to the City of Vienna tax office. These show temporary financing surpluses as well as current accruals from Personnel. Other non-current liabilities include accruals of prepayments of grave use fees to the cemeteries (see note 8.1).

Also included in the item other current liabilities is the accrual for prior service in the amount of EUR 53.0m (previous year: EUR 29.8m). In light of rulings by the Supreme Administrative Court and the European Court of Justice, the City of Vienna has once again revised the current rules for recognition of prior service for permanent civil servants and contract staff. The revision means that at the Wiener Stadtwerke Group there are now 5,780 permanent civil servants and contract staff who are having their recognition of prior service recalculated, and almost all of those are eligible for an additional payment. Previously, just 2,680 were eligible for an additional payment as part of the recalculation of the recognition of prior service.

8.11 Notes to the consolidated statement of cash flows

The consolidated statement of cash flows shows the change in the Group's cash and cash equivalents during the reporting year as a result of cash inflows and outflows. Cash flows from earnings, operating activities, investing activities and financing activities are shown separately. The Wiener Stadtwerke Group uses the indirect method of presentation. Here, non-cash expenses and income are added to or deducted from the pre-tax result.

The composition of cash and cash equivalents can be found in note 11.2 Cash and cash equivalents.

Cash flow from operating activities
At EUR 947.1m, cash flow from net income is at the previous year's level. The improved operating profit and the increased dividends are offset by the adjustments to non-cash income from investments accounted for using the equity method. The change in working capital in 2023 resulted in net cash inflows, which chiefly reflected a reduction in the margins to be paid at Wien Energie GmbH.

Cash flow from investing activities
Investments are presented in the statement of cash flows net of investment grants received. Grants received for which no investments have yet been made are deducted from cash outflows for investments in non-current assets. Subsidies received in the financial year under review amount to EUR 546.3m (previous year: EUR 452.4m). The non-cash additions to intangible assets and property, plant and equipment amounted to EUR 32.7m (previous year: EUR 83.8m).

Cash flow from financing activities
The cash flow from financing activities of EUR -1,408.3m mainly includes short-term borrowing in the amount of EUR 113.7m, which is offset by repayments of EUR 1,722.2m. With regard to current and non-current lease liabilities, the non-cash financing transactions amounted to EUR 21.2m (previous year: EUR 33.7m). Cash outflows for leases amounting to EUR 15.2m (previous year: EUR 12.3m) in the reporting period are recognised in the cash flow from financing. The lease interest component amounting to EUR 2.4m (previous year: EUR 2.0m) is included in the cash flow from the net income.

9 Non-current assets and liabilities

9.1 Property, plant and equipment

Changes in property, plant and equipment were as follows:

EUR m	Land and leasehold rights	Buildings, incl. on third-party land	Technical plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Right-of-use assets	Total
Historical cost							
As at 1 Jan. 2022	**305.0**	**2,233.3**	**8,702.4**	**465.8**	**339.3**	**143.0**	**12,188.7**
Additions	11.5	21.0	227.1	25.3	236.1	32.8	**553.7**
Disposals	-0.1	-1.8	-76.2	-11.0	-2.4	-9.2	**-100.7**
Other changes	0.0	0.0	0.0	0.0	0.0	-1.8	**-1.8**
Transfers	0.0	12.0	137.7	11.9	-159.0	0.0	**2.5**
Addition from merger	0.0	9.0	55.4	0.3	0.0	0.0	**64.7**
As at 31 Dec. 2022	**316.4**	**2,273.4**	**9,046.3**	**492.3**	**413.9**	**164.8**	**12,707.2**
Additions	0.3	45.4	272.1	31.4	299.4	19.9	**668.6**
Disposals	0.0	-0.9	-51.7	-6.5	0.0	-6.9	**-66.0**
Transfers	0.0	9.2	142.7	20.8	-174.3	0.0	**-1.6**
Addition from merger	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
As at 31 Dec. 2023	**316.7**	**2,327.2**	**9,409.5**	**538.1**	**539.0**	**177.8**	**13,308.2**
Accumulated depreciation, amortisation and impairment							
As at 1 Jan. 2022	**-0.1**	**-1,235.0**	**-6,155.0**	**-318.7**	**0.0**	**-38.9**	**-7,747.7**
Depreciation and amortisation	-0.1	-36.7	-221.8	-31.2	0.0	-14.1	**-303.8**
Impairment losses	0.0	-0.8	0.0	0.0	0.0	0.0	**-0.9**
Write-ups	0.0	0.1	0.0	0.0	0.0	0.0	**0.1**
Other changes	0.0	0.0	0.0	0.0	0.0	1.6	**1.6**
Disposals	0.0	1.7	75.2	10.7	0.0	6.7	**94.3**
Addition from merger	0.0	-0.1	0.0	-0.2	0.0	0.0	**-0.4**
As at 31 Dec. 2022	**-0.2**	**-1,270.8**	**-6,301.7**	**-339.4**	**0.0**	**-44.7**	**-7,956.7**
Depreciation and amortisation	-0.1	-37.7	-239.1	-34.6	0.0	-14.9	**-326.4**
Impairment losses	0.0	-0.8	-0.3	0.0	0.0	0.0	**-1.2**
Disposals	0.0	0.6	51.2	6.3	0.0	1.7	**59.8**
Addition from merger	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
As at 31 Dec. 2023	**-0.2**	**-1,308.8**	**-6,489.9**	**-367.7**	**0.0**	**-57.9**	**-8,224.5**

EUR m	Land and leasehold rights	Buildings, incl. on third-party land	Technical plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Right-of-use assets	Total
Carrying amount according to balance sheet as at 31 Dec. 2022	**316.3**	**1,002.6**	**2,744.6**	**152.9**	**413.9**	**120.1**	**4,750.6**
Gross carrying amount	418.9	4,635.6	4,441.2	211.9	1,293.3	130.4	**11,131.4**
subsidies included therein	102.7	3,633.0	1,696.6	59.0	879.4	10.3	**6,380.9**
Carrying amount according to balance sheet as at 31 Dec. 2023	**316.4**	**1,018.4**	**2,919.6**	**170.3**	**539.0**	**119.9**	**5,083.7**
Gross carrying amount	419.3	4,529.6	4,664.7	227.3	1,707.7	129.9	**11,678.5**
subsidies included therein	102.9	3,511.2	1,745.1	57.0	1,168.6	10.0	**6,594.8**

Investment grants

The cost of purchasing the balance sheet items listed above is presented net of government grants (net method). As of 31 December 2023 these amounted to EUR 6,594.8m (previous year: EUR 6,380.9m). This had the effect of reducing depreciation and amortisation by EUR 312.3m in the 2023 financial year (previous year: EUR 314.7m).

Other changes

In the current financial year, there were no changes resulting from events in the Wiener Stadtwerke consolidated financial statements. Other changes are included in the right-of-use assets column in the previous year's cost tables and accumulated depreciation, amortisation and impairment tables. This column related to the one-time change to all of Wiener Netze's lease contracts, which were recalculated using new software.

Pledged property, plant and equipment, and other collateral or restricted assets

The carrying amount of property, plant and equipment pledged as collateral was EUR 48.0m (previous year: EUR 51.4m). The carrying amount of other restricted property, plant and equipment was EUR 6.6m (previous year: EUR 7.8m).

Property, plant and equipment under construction

The carrying amount of property, plant and equipment under construction was EUR 539.0m (previous year: EUR 413.9m). The majority of this is attributable to Wiener Netze GmbH (EUR 277.0m; previous year: EUR 213.3m).

Changes in the scope of consolidation

See note 7.1 regarding changes in the scope of consolidation in 2023 and in the previous year.

Recognition and measurement

On recognition, items of property, plant and equipment are measured at cost, including attributable borrowing costs. No borrowing costs in the meaning of IAS 23 were recognised in the consolidated financial statements in the previous year or in 2023. After recognition, assets are measured at cost less any accumulated depreciation and accumulated impairment losses, using the cost model.

Subsequent costs are recognised if it is probable that future economic benefits will flow to the Group and the costs can be measured reliably. Expenses for repairs and maintenance that do not represent a significant investment in replacement parts are recognised in profit or loss in the period in which they are incurred. Regular major inspections are treated as replacements and depreciated over the inspection interval. In this case, the costs of the inspection are recognised.

Investment grants are mostly received from the City of Vienna and the Austrian federal government. These are classified as government grants in accordance with IAS 20, which applies when accounting for them. Government grants are presented as a reduction in the cost of the assets for which they are intended to compensate. They are recognised as soon as there is reasonable assurance that the Group will comply with the conditions attached to them.

Depreciable items of property, plant and equipment are depreciated on a straight-line basis according to their useful lives. If there is an indication that an asset may be impaired and its carrying amount exceeds the present value of future cash flows, an impairment loss is recognised, reducing the asset's carrying amount to its recoverable amount, in accordance with IAS 36. If an impairment loss recognised in a prior period no longer exists, a reversal is recognised in profit or loss. The increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

The following useful lives were applied for depreciation of property, plant and equipment:

	2022	2023
Division-specific property, plant and equipment	**Years**	**Years**
Major construction projects (e.g. tunnels, concrete channels, etc.)	40–80	40–99
Energy supply equipment	7–25	7–25
Supply infrastructure (grids, power lines, etc.)	2–50	2–50
Telecommunication networks	5–33	5–33
Vehicles (trams, buses, etc.)	5–30	5–30
Other property, plant and equipment		
Production and office buildings	10–100	6–50
Other technical equipment	2–35	2–50
Fixtures and fittings	2–30	2–30

Methods of depreciation, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary. Land is not depreciated.

Impairment of property, plant and equipment
See note 9.5 for information on the assessment of assets for impairment testing purposes in accordance with IAS 36.

9.2 Intangible assets

Changes in intangible assets were as follows:

EUR m	Concessions, including rights	Software and licences	Recognised development expenditure	Intangible assets under development	Goodwill	Total
Historical cost						
As at 1 Jan. 2022	**253.2**	**237.9**	**0.0**	**44.0**	**14.5**	**549.6**
Additions	5.9	27.9	0.0	28.5	0.0	**62.2**
Disposals	-1.5	-0.4	0.0	0.0	0.0	**-2.0**
Transfers	3.4	15.7	0.0	-21.6	0.0	**-2.5**
Addition from merger	0.3	0.0	0.0	0.0	0.3	**0.6**
As at 31 Dec. 2022	**261.3**	**281.0**	**0.0**	**50.9**	**14.8**	**608.0**
Additions	6.3	21.3	0.2	43.7	0.0	**71.6**
Disposals	-0.4	-9.3	0.0	-0.4	0.0	**-10.1**
Transfers	3.3	8.2	0.0	-11.1	0.0	**0.5**
As at 31 Dec. 2023	**270.5**	**301.3**	**0.2**	**83.2**	**14.8**	**670.0**
Accumulated depreciation, amortisation and impairment						
As at 1 Jan. 2022	**-189.3**	**-167.3**	**0.0**	**0.0**	**-6.5**	**-363.1**
Depreciation and amortisation	-8.9	-36.5	0.0	0.0	0.0	**-45.4**
Impairment losses	0.0	-0.2	0.0	0.0	-0.1	**-0.2**
Disposals	1.5	0.4	0.0	0.0	0.0	**1.9**
Addition from merger	0.0	0.0	0.0	0.0	-0.3	**-0.3**
As at 31 Dec. 2021	**-196.7**	**-203.6**	**0.0**	**0.0**	**-6.8**	**-407.1**
Depreciation and amortisation	-10.8	-39.6	0.0	0.0	0.0	**-50.5**
Impairment losses	0.0	0.0	0.0	0.0	0.0	**0.0**
Disposals	0.4	7.0	0.0	0.0	0.0	**7.4**
As at 31 Dec. 2023	**-207.2**	**-236.1**	**0.0**	**0.0**	**-6.8**	**-450.1**
Carrying amount according to balance sheet as at 31 Dec. 2022	**64.6**	**77.5**	**0.0**	**50.9**	**8.0**	**200.9**
Gross carrying amount	109.0	87.2	0.0	58.9	8.0	**263.2**
subsidies included therein	44.5	9.7	0.0	8.0	0.0	**62.3**
Carrying amount according to balance sheet as at 31 Dec. 2023	**63.4**	**65.1**	**0.2**	**83.2**	**8.0**	**219.9**
Gross carrying amount	107.9	73.9	0.2	97.3	8.0	**287.4**
subsidies included therein	44.5	8.8	0.0	14.2	0.0	**67.5**

The cost of purchasing intangible assets is presented net of government grants (net method). These amounted to EUR 67.5m (previous year: EUR 62.3m). This had the effect of reducing depreciation and amortisation by EUR 5.3m in the 2022 financial year (previous year: EUR 4.2m).

Concessions include easements with a carrying amount before grants of EUR 40.4m (previous year: EUR 39.7m), which have an indefinite useful life. In addition this mainly comprises electricity procurement rights and similar energy use rights.

During the reporting period, development expenditure totalling EUR 38.5m (previous year: EUR 21.9m) was recognised, and research expenditure totalling EUR 4.0m (previous year: EUR 2.3m) was recognised as expenses.

Recognition and measurement

Intangible assets with finite useful lives are recognised at cost less accumulated amortisation and impairment losses. No borrowing costs in the meaning of IAS 23 were recognised in 2022 or 2023. See note 9.5 for information on the assessment of assets for impairment testing purposes in accordance with IAS 36.

The following useful lives were applied for amortisation of intangible assets:

	2022	2023
	Years	Years
Concessions, licences, etc.	2–40 or term of contract	2–40 or term of contract
Electricity procurement rights and energy use rights	2–99	2–99
Software	3–10	3–15
Easements	15–25 or indefinite	15–80 or indefinite

Methods of depreciation, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary. Easements subject to a one-off acquisition cost are recognised as intangible assets. Easements related to energy supply equipment are amortised over their useful lives. In contrast, easements attributable to Wiener Linien have indefinite useful lives, as they relate to land and are usually entered in the land register.

Goodwill
See note 9.5 for details on the measurement of goodwill as well as impairment testing.

Recognition of development expenditure
Research expenditure is recognised in profit or loss when it is incurred. In accordance with IAS 38, an intangible asset arising from development is only recognised if costs attributable to the intangible asset during its development can be reliably measured, the product or process is technically and commercially feasible, it will generate probable future economic benefits, and the Group intends to complete the intangible asset and use or sell it, and has the ability to do so. Other development expenses are recognised in profit or loss when they are incurred. Intangible assets arising from development are recognised at cost less accumulated amortisation and impairment losses. The Group's assets of this type principally comprise internally produced software.

Subsequent expenditure
Subsequent expenditure is only added to the carrying amount of an intangible asset if it increases the future economic benefits of the asset in question.

9.3 Leasing

Lessee disclosures

The following table shows the carrying amounts of right-of-use assets:

EUR m	31 Dec. 2022	31 Dec. 2023
Land and buildings	117.6	**116.7**
Plant and machinery	11.0	**11.4**
Other equipment	1.8	**1.8**
Less grants for right-of-use assets	-10.3	**-10.0**
Total	**120.1**	**119.9**

Changes in right-of-use assets are presented under property, plant and equipment (note 9.1).

For reasons of materiality, the table above does not include rights of use for construction management offices that are rented during the construction of sections of the Vienna underground network, as depreciation is included in full in the cost of the assets recognised under property, plant and equipment. The carrying amount of EUR 6.5m (previous year: EUR 4.6m) is included in assets under construction (see note 9.1). The useful lives of these rights of use range from one to eight years.

The following amounts were recognised in profit or loss for the reporting period:

EUR m	2022	2023
Interest expense on lease liabilities	-2.0	**-2.4**
Expense relating to variable lease payments not included in measurement of lease liabilities	-2.1	**-1.8**
Expense relating to short-term leases	-12.2	**-12.9**
Expense relating to leases of low-value assets	-1.3	**-1.8**

Most of the expenses relating to short-term leases or leases of low-value assets relate to short-term leases in the Wiener Lokalbahnen Group.

See also note 11.4 for details of lease liabilities. A summary of future cash outflows of contractual lease payments can be found in note 14 Risk management.

Disclosures on material lease contracts
Rights of use for land and buildings mainly comprise tenancy agreements for office space, other buildings (e.g. Wiener Linien stations) and WIPARK's car park leaseholds and tenancy agreements. Many of the latter contain revenue-based rent components, which are included in expenses for variable lease payments.

Rights of use for plant and machinery principally comprise electric locomotives used by Wiener Lokalbahnen Cargo to offer transportation services. Rights of use for other equipment mainly comprise cars leased for use by staff. Some of these contracts include variable payments based on the distance driven. The contracts do not contain residual value guarantees that would need to be included in the lease liability in case of expected payments.

Recognition and measurement

Lease contracts grant the Wiener Stadtwerke Group the right to control and use an asset for a specified period of time in exchange for a specific consideration. Rights of use for intangible assets are not recognised as leases.

Rights of use and lease liabilities
From the date of commencement of a lease, a right-of-use asset reflecting the right to use the underlying asset for the term of the lease, and a lease liability are recognised in the statement of financial position. The lease liability represents the present value of the lease payments. Because lease contracts are a form of financing contract, lease liabilities are presented under financial liabilities and the effective interest method is used for subsequent measurement. Lease payments therefore represent repayment of the lease liability. The cost of the right-of-use asset comprises the amount of the lease liability as well as any initial direct costs incurred, any lease incentives received, and any costs recognised as a restoration provision (see note 9.6). Right-of-use assets are measured in the same way as property, plant and equipment, and depreciated on a straight-line basis over the lease term; in case of impairment, an impairment loss is recognised.

Lease payments
Lease payments comprise fixed payments, approximate fixed payments, the exercise price of any purchase option and penalties for terminating the lease if the Group is reasonably certain to exercise such options, as well as any amounts expected to be payable under residual value guarantees. Adjustments based on the consumer price index and other price increases are recognised only when they become applicable. In case of amendments to the contract or a change in the lease term, the lease liability is reassessed and the right-of-use asset is adjusted accordingly. Use-based or revenue-based payments are not included in the lease liability, but are recognised in other expenses. For materiality reasons, very small payments that are regularly due in relation to rights of use for land are also recognised in other expenses.

Discount rate

The discount rate for lease payments is an intercompany incremental borrowing rate, as Wiener Stadtwerke is financed at Group level. Negative rates are not used, since they would not be applied even if Wiener Stadtwerke took out refinancing. A discount rate is determined for the term of each lease. In principle, however, the marginal borrowing rate is only applied if the internal rate of return of the underlying leasing transaction is not known.

Term

The lease term is estimated considering the periods of extension or termination options, depending on whether the Group is reasonably certain to exercise such options. The following is applied in case of leases with indefinite terms: for undeveloped land, the lease term is 40 years, for reasons of materiality. For built-up land, the lease term is based on the remaining useful life of the building, and for plant and machinery it is based on the remaining useful life of the equipment. These methods provide guidance if there is no other way to determine useful life. Lease terms are regularly reviewed and adjusted as necessary.

Depreciation

The right-of-use asset is depreciated over the lease term. In the financial year, depreciation of rights of use amounted to EUR 14.9m (previous year: EUR 14.1m).

EUR m	2022	2023
Total depreciation of rights of use – leases	14.1	**14.9**
of which land and buildings	10.2	**9.7**
of which plant and machinery	3.1	**4.4**
of which other fixtures and fittings, tools and equipment	0.8	**0.8**

Practical expedients

Wiener Stadtwerke applies the following practical expedients to simplify lease accounting:

- Payments for leases with a term of less than twelve months and for leases of low-value assets (approx. under EUR 5,000) are recognised in other expenses. This mainly relates to the rental of mobile phones, laptops, photocopiers and coffee machines.
- Any service components included in lease payments are not accounted for separately, but as part of the lease payment.

Lessor disclosures

Wiener Stadtwerke Group is also a lessor. All lease contracts are classified as operating leases. The majority of lease income is made up of income from Friedhöfe Wien GmbH, and rental fees paid to Wiener Linien for advertising and retail space. Friedhöfe Wien GmbH's income from grave lease extensions is paid in advance for the full term and reversed annually. A more detailed breakdown and information on accounting and measurement methods can be found in note 8.1.

EUR m	2022	2023
Lease income	40.5	**44.6**
Income from variable lease payments not dependent on an index or (interest) rate	1.1	**1.2**

The table below shows the minimum gross lease payments.

EUR m	31 December 2022	31 December 2023
Due in financial year + 1 year	13.2	**15.3**
Due in financial year + 2 years	8.9	**10.0**
Due in financial year + 3 years	8.8	**9.7**
Due in financial year + 4 years	8.6	**9.8**
Due in financial year + 5 years	8.7	**9.9**
Due after financial year + 5 years	15.0	**15.9**
Total	**63.2**	**70.7**

Recognition and measurement

Classification

On inception date of the contract, each lease is classified as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset from Wiener Stadtwerke to the lessee. For example, this is the case when the lease term extends over the material useful life of the underlying asset, when the lessee has the option to purchase the underlying asset at a favourable price, when the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset, or when the underlying asset is of a specialised nature. Wiener Stadtwerke Group is not party to any finance leases.

Recognition of operating leases

Lease payments from operating leases must be recognised as income on a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished – regardless of when rental/lease payments are received. Costs incurred in earning the lease income, including depreciation, are recognised as an expense. The underlying asset continues to be recognised under property, plant and equipment, or in the case of real estate under investment property, and is measured accordingly.

9.4 Depreciation and amortisation

Depreciation and amortisation were as follows:

EUR m	2022	2023
Amortisation of intangible assets	45.4	**50.5**
Depreciation of property, plant and equipment incl. IAS 40 investments	290.2	**312.0**
Depreciation of right-of-use assets	14.1	**14.9**
Total	**349.7**	**377.3**

9.5 Impairment losses and reversals

General approach

Property, plant and equipment and intangible assets, including goodwill, are tested for impairment if there is an indication that an impairment loss may have occurred. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually.

§ At the Wiener Stadtwerke Group, possible indications of impairment mainly arise from changes in cash flow assumptions (changes in costs or revenue) or changes due to regulatory and supply policy decisions.

An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal, and value in use (the present value of future cash flows). If the carrying amount exceeds the recoverable amount, the difference is recognised in profit or loss as an impairment loss. When there is an indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist, a write-up is applied to the asset's carrying amount. This reversal of the impairment loss is recognised in profit or loss.

If an impairment loss is recognised for a cash-generating unit (CGU), the reduction in the carrying amount is applied first to any goodwill. If the impairment loss exceeds the carrying amount of goodwill, the difference is allocated to the carrying amounts of other assets of the CGU on a pro rata basis. The effects of impairment tests on CGUs are presented separately in the statement of profit or loss.

If there is an indication that a specific asset may be impaired, an impairment test is carried out for that asset only. Any impairment loss is recognised in operating profit or loss.

When measuring value in use, estimates of future cash flows for the CGU in question are carried out in accordance with IAS 36. Business planning principally comprises a detailed five-year budget. For individual CGUs, including goodwill, this is supplemented by rough planning for the remainder of the contract term or useful life. A perpetuity is then assumed, or – if shorter – the cash flow over the remaining contract term or useful life. A fixed growth rate is not applied, but budget parameters are indexed in line with a consumer price index.

A discount rate based on the weighted average cost of capital (WACC) is applied. The cost of equity in the WACC comprises the risk-free rate of interest, a country premium and a risk premium incorporating the market risk premium and the beta factor based on peer group capital market data. The cost of debt comprises the base rate of interest, a potential country premium and a risk premium dependent on credit rating. Market values are used to determine the weighting of debt and equity, using an adequate capital structure for the CGU in question based on peer group data. The resulting WACC is used to discount the projected future cash flows for the CGU or asset. The composition of the peer group is reviewed annually and adjusted as necessary by the Group.

Impairment testing is carried out and documented using the Group's WACC tool.

Definition of CGUs

The key criterion for definition of a CGU is technical and economic independence in generating cash inflows. For Wiener Stadtwerke, this applies to Wien Energie's district heating system, power generation fleet (combined heat and power, and boilers), hydroelectric plants, wind farms and electricity procurement rights; WIPARK's car parks/car park conglomerates; Wiener Netze's electricity and gas grid; and, if no other differentiation is possible, individual companies that contain profit-generating assets (Wiener Linien, individual businesses in the Wiener Lokalbahnen Group and the Funeral Services and Cemeteries division).

All of the Group's reported CGUs are located in Austria.

Wien Energie

Wien Energie calculates value in use in order to determine any impairment.

For the Pottendorf wind farm, which includes goodwill, forecasts to 2029 have been made and the WACC is 5.11%. The recoverable amount is EUR 16.5m higher than the carrying amount. Only an increase in the WACC to around 10.95% would bring the carrying amount to the same level as the value in use.

WIPARK

WIPARK calculates value in use for all CGUs when there is an indication of impairment. Cash flow projections are limited to the remaining useful life of the car park or car park conglomerate, or the remaining contract term in the case of other rights.

Wiener Netze

The current regulatory system ensures the recognition of the gas and electricity grid assets.

The method of calculating the interest-bearing capital was, in deviation from the previous regulatory periods, amended in the fourth regulatory period for the gas grid (1 January 2023 to 31 December 2027) and in the fifth regulatory period for the electricity grid (1 January 2024 to 31 December 2028) to make a distinction between "real estate" and "new investments". The regulatory authority's interest rate (WACC) for calculating the financing costs for the cash-generating units of electricity and gas is lower than the current market interest rate of the peer group, so a triggering event was identified and an impairment calculation carried out. No impairment was identified because, according to the regulatory system, a WACC that is higher than the market interest rate is to be assumed for the real estate in the next regulatory periods.

Wiener Linien

Based on the local public transport and funding agreement, the City of Vienna provides Wiener Linien with the necessary funding for the acquisition or creation of assets required to perform the services it provides. In accordance with IAS 20, assets are netted against government grants (net presentation). Impairment tests are carried out for other assets when there is an indication that they may be impaired. There were no such indications in the current reporting period.

Wiener Lokalbahnen Group

Cash flow return on investment (CFROI) is used to determine whether there is an indication that assets in Wiener Lokalbahnen may be impaired. The CFROI shows the internal rate of return that would be achieved if (gross) capital was invested now and the return earned through net cash from operating activities flows over the useful life of the investment. If the return is higher than the cost of capital, invested capital is covered and there is no indication of impairment. The cost of capital is based on the regulated electricity and gas networks, which have comparable opportunity and risk profiles (due to incentive regulation). There were no indications that assets may be impaired in the reporting period.

In the other companies of the Lokalbahnen Group (Wiener Lokalbahnen Cargo and Wiener Lokalbahnen Verkehrsdienste), there was also no impairment requirement. To determine the fair value, Wiener Lokalbahnen Cargo commissioned an external expert opinion to determine the market values of the company's assets. This expert opinion revealed hidden reserves within the company which, after deduction of costs to sell, were sufficient to confirm the carrying amount of the CGU, meaning that there was no need for impairment. No calculation was made for Wiener Lokalbahnen Verkehrsdienste in this financial year due to the lack of an indication of impairment.

Funeral Services and Cemeteries

Impairment tests are not carried out at companies in the Funeral Services and Cemeteries division unless there is an indication of impairment.

Value in use is determined for all companies when carrying out impairment tests.

Impairment losses and reversals in the Wiener Stadtwerke Group

The impairment losses and reversals in the Wiener Stadtwerke Group are shown in a separate item in the income statement after being offset.

EUR m	2022	2023
Impairment losses on intangible assets (incl. goodwill)	-0.2	**0.0**
Depreciation of property, plant and equipment incl. IAS 40 investments	-0.9	**-1.2**
Reversals on property, plant and equipment	0.1	**0.0**
Total	**-0.9**	**-1.2**

Material amounts relate to the following CGUs:

Wien Energie CGUs

In the current financial year, the fair value of the Pfaffenau biogas treatment plant was impaired by EUR 0.4m (previous year: EUR 0.0m).

Other impairment losses and reversals

For the car parks of WIPARK, there is a total depreciation requirement of EUR 0.9m for 2023 (previous year: EUR 0.9m). This is mainly due to changes in parameters from the WACC (change in the interest rate landscape) compared to the previous year. In general, however, the car parks enjoy very stable revenue.

Due to the insignificant revaluation potential, there were no write-ups in this financial year (previous year: EUR 0.1m).

9.6 Other provisions

Changes in provisions were as follows:

EUR m	Contingent losses and other contingencies	Legal disputes	Restoration	Other provisions	Total
As at 1 Jan. 2022	**2.3**	**18.7**	**8.2**	**27.4**	**56.7**
Allocations	0.0	9.8	0.7	9.4	**19.9**
Utilisation	-0.9	-0.3	-2.0	-10.8	**-13.9**
Reversals	-0.3	-0.8	0.0	-4.4	**-5.6**
Changes in the scope of consolidation	4.7	0.0	0.0	2.3	**6.9**
As at 31 Dec. 2022	**5.8**	**27.4**	**7.0**	**23.9**	**64.0**
Allocations	0.8	1.2	0.0	19.4	**21.4**
Utilisation	-5.5	-0.3	-0.4	-9.2	**-15.4**
Reversals	-0.1	-3.4	0.0	-1.2	**-4.7**
Transfers	0.0	0.0	0.0	0.0	**0.0**
As at 31 Dec. 2023	**0.9**	**25.0**	**6.6**	**33**	**65.5**
of which short-term provisions as at 31 Dec. 2022	5.5	27.4	2.0	15.5	**50.4**
of which long-term provisions as at 31 Dec. 2022	0.2	0.0	5.0	8.4	**13.6**
of which short-term provisions as at 31 Dec. 2023	**0.8**	**0.8**	**1.1**	**15.8**	**18.5**
of which long-term provisions as at 31 Dec. 2023	**0.1**	**24.2**	**5.5**	**17.2**	**47.0**

Restoration provisions relate mainly to power plant decommissioning obligations.

The allocation to the other provision predominantly relates to Wiener Lokalbahnen, which formed an overcompensation provision from the transport services agreement. This is expected to be utilised in the 2026 financial year. The use of other provisions is largely due to the termination of a procedure as a result of objections from the tax audit carried out on Wiener Linien.

The Wiener Linien provision regarding a court case in connection with unequal treatment in ticket sales was adjusted in the financial year and transferred to long-term provisions. This is expected to expire in the 2026 financial year.

In Wien Energie's financial year, a deal from the procurement of freely available carbon certificates was also concluded and the provisions for expected losses created for this purpose was used.

Recognition and measurement

A provision is recognised in accordance with IAS 37 when the Group has a legal or constructive obligation to a third party based on a past transaction or event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the latter can be reliably estimated. All identifiable risks are taken into account when determining the amount of the provision, and any possible rights of recourse are excluded.

For long-term provisions, future cash flow estimates are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Since future cash flow estimates are adjusted for risks, a risk-free discount rate is applied.

Provisions for restoration are recognised as part of the cost of the asset in question and depreciated. Any new estimates that result in a change to the amount for which a provision is recognised are also included in the non-current assets.

10 Employees

10.1 Personnel expenses

The table below provides an analysis of the Group's personnel expenses.

EUR m	2022	2023
Wages	164.4	**190.9**
Salaries	703.3	**831.4**
Total social security expenses	297.9	**311.8**
Expenses for statutory social security contributions	203.8	**230.7**
Expenses for pension obligations	76.3	**60.2**
Expenses for termination benefits	11.8	**12.7**
Other social security contributions and expenses	6.0	**8.2**
Total	**1,165.7**	**1,334.0**

Social security expenses include EUR 31.2m (previous year: EUR 29.1m) in spending on defined contribution pension plans, as well as EUR 9.0m (previous year: EUR 7.3m) in contributions to the employee pension fund ("new" termination benefits). See note 7.5 for disclosures pursuant to IAS 24.

The Group's average head count (FTE), excluding employees on parental leave, as well as conscripts and community service workers, was as follows:

FTE	2022	2023
Local government employees (permanent civil servants and contract staff)	4,755.5	**4,350.2**
Employees of Group companies (subject to collective agreements)	10,199.9	**11,178.9**
Wiener Stadtwerke Group	**14,955.4**	**15,529.0**
Apprentices	423.4	**467.5**
Total Wiener Stadtwerke Group	**15,378.7**	**15,996.5**

10.2 Employee benefit provisions

The table below shows a breakdown of the employee benefit provisions:

EUR m	31 Dec. 2022	31 Dec. 2023
Pension provisions	3,531.8	**4,242.5**
Provisions for termination benefits	100.7	**108.3**
Provisions for payments in kind	89.8	**42.4**
Provisions for jubilee benefits	58.5	**48.5**
Provisions for anniversary bonuses	19.0	**19.0**
Total	**3,799.8**	**4,460.6**

Movements in defined benefit **pension** obligation and plan assets were as follows:

	Gross pension provision		Fair value of plan assets	
EUR m	**2022**	**2023**	**2022**	**2023**
As at 1 Jan.	**5,403.9**	**3,780.5**	**1,080.1**	**919.6**
Service cost/additions to plan assets	62.5	**44.3**	0.0	**0.0**
Interest expense	62.4	**155.5**	0.0	**0.0**
Interest income	0.0	**0.0**	12.6	**38.7**
Payments to pensioners	-184.0	**-192.9**	0.0	**0.0**
Employee contributions	10.1	**10.4**	0.0	**0.0**
Remeasurement of defined benefit obligation/plan assets	-1,574.4	**615.9**	-173.1	**30.3**
of which effects of changes in demographic assumptions	7.2	**0.3**	0.0	**0.0**
of which effects of changes in actuarial assumptions	-1,817.4	**432.6**	0.0	**0.0**
of which effects of experience adjustments	235.7	**183.0**	0.0	**0.0**
As at 31 Dec.	**3,780.5**	**4,413.8**	**919.6**	**988.6**
Less fair value of plan assets/right to reimbursement	-248.7	**-171.3**	-670.9	**-817.3**
Net pension provisions/net plan assets as at 31 Dec.	**3,531.8**	**4,242.5**	**248.7**	**171.3**

See note 8.8 for an explanation of the right to reimbursement.

Pension payments are expected to total EUR 204.8m in 2024. The average maturity of the pension obligation (average capital commitment period) is 14.15 years (previous year: 13.77 years).

The table below gives a breakdown of the plan assets:

EUR m	31 Dec. 2022	31 Dec. 2023
Shares	202.5	**219.2**
Pensions	666.1	**695.1**
Money market investments	32.4	**55.4**
Other	18.6	**18.9**
Total	**919.6**	**988.6**

The pension provisions were calculated on the basis of the following actuarial assumptions:

Actuarial assumptions with regard to pension obligations

%	31 Dec. 2022	31 Dec. 2023
Discount rate	4.21	**3.57**
Future wage and salary increases	3.11–4.35*	**3.06–5.07***
Future pension increases	2023–3.15 from 2024: 1.95	**2024–3.90 from 2025: 1.95**
Expected staff turnover	0.00	**0.00**
Retirement age of women/men (years)	65	**65**
Life expectancy	AVÖ 2018 – P modified**	**AVÖ 2018 – P modified****

* In addition to future wage and salary increases, the death benefit is valorised at 3.90% for 2024 and 1.95% for 2025 (previous years: 3.15% for 2023; 1.95% for 2024).
** The AVÖ 2018-P mortality tables modified according to the Wiener Stadtwerke personnel structure have been applied since the 2018 financial year.

The following sensitivity analysis sets out the effects of changes in forward-looking assumptions on the carrying amount of the gross pension provision.

Sensitivity analysis of pension obligations

EUR m	31 Dec. 2022	31 Dec. 2023
Discount rate		
Increase of 0.1% in the discount rate	-49.47	**-59.71**
Reduction of 0.1% in the discount rate	50.56	**61.05**
Future wage and salary increases		
Increase of 0.1% in wage and salary increases	6.30	**6.84**
Reduction of 0.1% in wage and salary increases	-6.26	**-6.80**
Future pension increases		
Increase of 0.1% in pension increases	44.96	**54.67**
Reduction of 0.1% in pension increases	-44.16	**-53.66**

Movements in the **termination benefit** obligation are as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
As at 1 Jan.	**121.3**	**100.7**
Service cost	4.6	**3.7**
Interest expense	1.4	**3.5**
Payments made	-6.7	**-6.7**
Remeasurement of defined benefit obligation	-20.1	**7.0**
of which effects of changes in actuarial assumptions	-26.3	**1.9**
of which effects of experience adjustments	6.2	**5.1**
As at 31 Dec.	**100.7**	**108.3**

Termination benefits are expected to total EUR 3.5m in 2024. The average maturity of the termination benefit obligation (average capital commitment period) is 11.07 years (previous year: 11.33 years).

The termination benefit provisions were calculated on the basis of the actuarial assumptions below:

Actuarial assumptions with regard to termination benefit obligation

%	31 Dec. 2022	31 Dec. 2023
Discount rate	3.51	**3.49**
Future wage and salary increases	3.00–4.35	**3.06–5.10**
Expected staff turnover	0.00	**0.00**
Retirement age of women/men (years)	60–65/65	**60–65/65**

The following sensitivity analysis below sets out the effects of changes in forward-looking assumptions on the carrying amount of the termination benefit obligation.

Sensitivity analysis of termination benefit obligation

EUR m	31 Dec. 2022	31 Dec. 2023
Discount rate		
Increase of 0.1% in the discount rate	-1.10	**-1.15**
Reduction of 0.1% in the discount rate	1.12	**1.17**
Future wage and salary increases		
Increase of 0.1% in wage and salary increases	1.11	**1.16**
Reduction of 0.1% in wage and salary increases	-1.09	**-1.15**

Changes in the provision for **payments in kind** are as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
As at 1 Jan.	**44.2**	**89.8**
Service cost	0.4	**0.6**
Interest expense	0.5	**3.1**
Payments made	-1.7	**-3.7**
Remeasurement of defined benefit obligation	46.4	**-47.4**
of which effects of changes in demographic assumptions	102.9	**-47.6**
of which effects of changes in actuarial assumptions	-0.2	**-0.2**
of which effects of experience adjustments	-56.3	**0.4**
As at 31 Dec.	**89.8**	**42.4**

Payments in kind are expected to amount to EUR 2.5m in 2024. The average maturity of the payment-in-kind obligation (average capital commitment period) is 12.34 years (previous year: 12.64 years).

The payment-in-kind **obligation** was calculated on the basis of the following actuarial assumptions:

Actuarial assumptions with regard to payment-in-kind obligations

%	31 Dec. 2022	31 Dec. 2023
Discount rate	3.56	**3.49**
Ongoing value adjustment	0.00	**0.00**
Expected staff turnover	0.00	**0.00**

Sensitivity

The above sensitivity analyses show the effects of hypothetical changes in the key parameters on the present value of the obligations that are reasonably possible at the end of the reporting period. The calculation of the obligation on the basis of changed parameters mirrored that of the obligation reported in the statement of financial position. One parameter at a time was changed while the others were kept constant. As a result, no account could be taken of any interactions between individual actuarial parameters. However, in reality it is probable that changes in key parameters would also bring about shifts in other parameters.

Recognition and measurement

IAS 19 defines employee benefits as all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The standard thus applies to all employee benefits, in particular those provided under formal plans or other formal agreements with employees or their representatives, including the employer's social security contributions applicable to such benefits.

The Group has defined benefit obligations arising from pension plans, statutory termination benefits, jubilee benefits and provisions for anniversary bonuses, and payments in kind.

Pensions

Defined contribution pension plans

Due to the existence of works agreements, there are defined contribution pension commitments, for which the Group makes contributions to a pension fund. These are recognised as personnel expenses. Prepaid contributions are recorded as assets if there is an entitlement to the reimbursement or reduction of future payments.

Defined benefit pension plans

The amount of the obligations arising from defined benefit plans is computed using the projected unit credit method. The calculation is performed annually by a certified actuary. The fair value of plan assets is always deducted from the pension obligation in order to arrive at the provision shown in the statement of financial position. However, rights to reimbursements paid for out-of-plan assets are shown under other assets.

Service cost, comprising current and past service cost, as well as gains and losses on plan curtailments and non-routine settlements, are reported as personnel expenses. Past service cost is recognised as personnel expenses, in profit or loss, at the earliest of the following dates: when a plan amendment or curtailment occurs, or when the Group recognises related restructuring costs.

Net interest is determined by applying the discount rate to the balance of defined benefit obligation and the plan assets held in connection with the defined benefit plan. Net interest expense or income are reported under net finance costs.

Remeasurements of the net pension obligation are shown under other comprehensive income, in the reserve for employee benefit provisions. They are reclassified to profit or loss in subsequent periods. They comprise actuarial gains and losses, any effects of an asset ceiling, and income and expense arising from the measurement of plan assets, other than interest, which is recognised in net finance costs.

Main pension plans and pension entitlements vis-à-vis Vienna City Council

The corporatisation of the Wiener Stadtwerke Group companies in 1999 led to the assignment of the workforce to the hived-off operations without their employment contracts with Vienna City Council being terminated or amended. The pension entitlements of the employees concerned vis-à-vis Vienna City Council are unchanged.

Under the Vienna Public Enterprises Secondment Act, the Group companies are obliged to bear the pension expenditure on behalf of the employees assigned to them (duty to replace pensions). This duty extends both to current pension payments and future pension expense. Due to the assumption of the duty to replace the pensions of assigned staff members, the Group companies concerned have indirect pension obligations. Commitments are made to pay individual employees benefits in given amounts. These pension obligations should therefore be treated as defined benefit obligations according to IAS 19.

Under IFRS, the Group companies affected have a duty to recognise pension provisions for the future benefits. The current salary and pension payments are made directly by Wiener Stadtwerke, even if plan assets exist. Where the latter is the case, this gives rise to a right to reimbursement chargeable against the plan assets. This entitlement is presented as a receivable, under other non-current assets.

Wiener Linien is unaffected as it is not obliged to recognise a provision, owing to the existence of a net pension spending cap agreement with Vienna City Council. Instead, ongoing payments are made to the City of Vienna; these are treated as personnel expenses.

In the course of the integration of Friedhöfe Wien GmbH with Wiener Stadtwerke, a special agreement on the former's permanent civil servants was made with the City of Vienna, under which Wiener Stadtwerke no longer bears any risk and hence it is not necessary to recognise a provision. Friedhöfe Wien GmbH made a one-time payment, shown under accrued and deferred income, and reversed under personnel expenses over the remaining active service of the civil servants concerned.

Plan assets

In 2018 some Wiener Stadtwerke Group companies (Wien Energie GmbH, Wiener Stadtwerke GmbH and Bestattung und Friedhöfe GmbH [B&F Wien]) transferred part of their holdings of fund units to a trustee – Wiener Stadtwerke Planvermögen GmbH, a newly established company set up to perform fiduciary management of the funds – as security for their pension obligations. A long-term investment strategy designed to ensure coverage of future pension payments is pursued with regard to plan assets.

The trust company Wiener Stadtwerke Planvermögen GmbH is the civil-law owner of the WSTW funds transferred to it, while the Group companies remain the beneficial owners.

These assets are earmarked as backing for the duty to replace pensions, and are offset by the defined benefit obligation of the Wiener Stadtwerke Group. They are classified as plan assets in the meaning of IAS 19. The assets designated as plan assets are not shown on the assets side of the statement of financial position, but are offset against the pension provisions.

The ongoing administrative expenses and tax liabilities charged against the plan assets reduce the income from the latter, and must be recognised as part of the remeasurements of net liabilities, and accordingly carried in other comprehensive income.

Any additional rights to reimbursement reduce the gross value of the plan assets (see section 8.8).

Termination benefits

Depending on their length of service, Austrian employees may have a statutory right to a one-time payment on retirement or termination by the employer ("old" termination benefit). Provisions for termination benefits are recognised to meet this future obligation. The latter arises from a defined benefit plan as defined by IAS 19, which is accounted for in a similar manner to the defined benefit pension plans. There are no plan assets. For Austrian employees whose employment began after 31 December 2002, employers make a monthly contribution of 1.53% of the gross salary to a pension insurance fund. The latter is a defined benefit plan in the meaning of IAS 19. The employer's payments are recognised as personnel expenses.

Payments in kind

In addition to the above plans, some civil servants are entitled to allotments of energy supplies both during their employment and in retirement. The benefits received during these employees' active service are stated as salary expense. A provision is recognised for post-retirement benefits. As this is inherently a defined benefit plan, the provision is accounted for and measured in the same way as such plans.

Jubilee benefits and anniversary bonuses

Some Group employees have entitlements to jubilee benefits and anniversary bonuses due to their length of service. Provisions are recognised for these obligations in accordance with the projected unit credit method. Measurement is essentially the same as with the defined benefit pension plans. However, actuarial gains and losses are recorded in profit or loss, not other comprehensive income.

11 Financial instruments

11.1 Effect of financial instruments on earnings

Finance income is broken down as follows:

EUR m	2022	2023
Income from investments	95.1	**235.7**
Equity instruments measured at fair value through other comprehensive income (FVOCI)	95.1	**235.7**
Interest and similar income measured using the effective interest method	13.5	**66.4**
Financial assets measured at amortised cost (AC)	6.4	**60.3**
from financial assets measured at FVOCI	6.8	**6.1**
from financial assets measured at FVPL	0.3	**0.0**
Net change in fair value, measured at FVPL	0.3	**4.7**
Financial assets mandatorily measured at FVPL (held for trading)	0.3	**1.0**
Financial assets mandatorily measured at FVPL (other)	0.0	**3.7**
Net gains on foreign currency translation	0.5	**0.0**
Sundry other financial income	0.0	**5.2**
Total	**109.5**	**312.0**

The net change in the value of financial assets mandatorily measured at FVPL was predominantly related to Wiener Linien foreign currency forwards.

The breakdown of finance costs was as follows:

EUR m	2022	2023
Interest expense	84.3	**192.2**
Net debt from defined benefit plans	52.5	**126.0**
Financial liabilities measured at AC	29.8	**63.8**
Lease liabilities	2.0	**2.4**
Net change in fair value, measured at FVPL	19.4	**0.3**
Financial assets mandatorily measured at FVPL (held for trading)	1.2	**0.3**
Financial assets mandatorily measured at FVPL (other)	18.2	**0.0**
Losses from derecognition	9.7	**5.2**
from financial assets measured at FVOCI	9.7	**5.2**
from financial assets measured at cost	0.0	**0.0**
Net losses on foreign currency translation	0.0	**0.4**
Other financing expenses	0.6	**10.5**
Total	**114.0**	**208.6**

Net gains on financial instruments

Net gains on financial instruments during the reporting period and in the previous period are shown below.

EUR m	Interest and dividends	Fair value measure-ment	Currency translation	Net gains on dispos-als	Other	Total as at 31 Dec. 2023
Equity instruments						
FVOCI	**235.7**	**893.1**	**0.0**	**0.0**	**0.0**	**1,128.8**
Debt instruments						
FVPL	**0.0**	**3.7**	**0.0**	**0.0**	**1.2**	**4.8**
FVOCI	**6.1**	**36.8**	**0.0**	**-5.2**	**0.0**	**37.8**
AC	**60.3**	**0.0**	**-0.4**	**0.0**	**0.0**	**59.9**
Derivatives						
FVPL	**0.0**	**0.7**	**0.0**	**0.0**	**0.0**	**0.7**
Hedging OCI	**0.0**	**241.0**	**0.0**	**-45.7**	**4.0**	**199.3**
Liabilities						
AC	**-63.8**	**0.0**	**0.0**	**0.0**	**-10.5**	**-74.4**
Total	**238.3**	**1. 175.3**	**-0.4**	**-50.8**	**-5.4**	**1,357.0**

EUR m	Interest and dividends	Fair value measure-ment	Currency translation	Net gains on dispos-als	Total as at 31 Dec. 2022
Equity instruments					
FVOCI	95.1	-1,457.2	0.0	0.0	**-1,362.1**
Debt instruments					
FVPL	0.3	-18.2	0.0	0.0	**-17.9**
FVOCI	6.8	-82.8	0.0	-9.7	**-85.6**
AC	6.4	0.0	0.5	0.0	**7.0**
Derivatives					
FVPL	0.0	-0.9	0.0	0.0	**-0.9**
Hedging OCI	0.0	120.1	0.0	418.4	**538.5**
Liabilities					
AC	-30.4	0.0	0.0	0.0	**-30.4**
Total	**78.3**	**-1,438.9**	**0.5**	**408.7**	**-951.3**

In the current financial year, other financing expenses include commitment fees totalling EUR 9.7m.

11.2 Cash and cash equivalents

This item includes cheques, cash on hand, demand deposits, and short-term investments with fixed maturities of less than three months which are recognised at nominal value.

EUR m	31 Dec. 2022	31 Dec. 2023
Cash on hand	2.2	**2.3**
Balances with banks	1,305.5	**1,755.2**
Cash and cash equivalents	**1,307.7**	**1,757.5**
of which not included in cash and cash equivalents[1]	60.6	**8.8**
Cash and cash equivalents recognised in the statement of cash flows	**1,247.0**	**1,748.7**

[1] Classified as restricted cash.

Cash and cash equivalents include amounts held in controlled investment funds. The Group does not have direct immediate access to these amounts. However, the commitment period for these funds may not exceed three months at the time of investment. The remaining cash and cash equivalents are short-term investments related to the cash pooling arrangement, which also have maturities of less than three months.

11.3 Financial assets

The following tables provide an overview of current and non-current financial assets:

Non-current financial assets

EUR m	31 Dec. 2022	31 Dec. 2023
Equity investments (FVOCI)	5,125.9	**6,003.8**
Loans	47.1	**46.9**
Other financial assets	826.5	**824.1**
Investment fund units (FVPL)	77.2	**36.3**
Shares (FVOCI)	141.5	**100.9**
Bonds (FVOCI)	607.6	**686.8**
Other securities	0.1	**0.1**
Derivative financial instruments	42.9	**52.3**
Hedging instruments	42.9	**52.3**
Other financial assets	9.1	**9.2**
Total	**6,051.5**	**6,936.3**

Current financial assets

EUR m	31 Dec. 2022	31 Dec. 2023
Loans	781.8	**414.1**
Bonds (FVOCI)	62.2	**68.6**
Time deposits with banks	0.0	**0.0**
Derivative financial instruments	776.3	**442.2**
Hedging instruments	776.3	**442.0**
Other derivative financial instruments	0.0	**0.1**
Trade receivables	669.2	**375.0**
Securities from cross-border lease (FVOCI)	0.0	**11.4**
Total	**2,289.5**	**1,311.3**

Classification of financial assets

The table below shows the classification of financial assets for the reporting period and the previous period.

EUR m	Measured at AC	Debt instruments measured at FVOCI	Equity instruments measured at FVOCI	Mandatorily measured at FVPL	Total as at 31 Dec. 2023
Non-current financial assets	**46.1**	**686.8**	**6,104.7**	**89.6**	**6,927.1**
Equity instruments	**0.0**	**0.0**	**6,104.7**	**0.0**	**6,104.7**
Debt instruments	**46.1**	**686.8**	**0.0**	**37.3**	**770.1**
Derivative financial instruments	**0.0**	**0.0**	**0.0**	**52.3**	**52.3**
Current financial assets	**414.1**	**80.0**	**0.0**	**442.2**	**936.2**
Debt instruments	**414.1**	**80.0**	**0.0**	**0.0**	**494.1**
Derivative financial instruments	**0.0**	**0.0**	**0.0**	**442.2**	**442.2**
Trade receivables	**384.2**	**0.0**	**0.0**	**0.0**	**384.2**
Cash and cash equivalents	**1,757.5**	**0.0**	**0.0**	**0.0**	**1,757.5**
Total	**2,601.8**	**766.8**	**6,104.7**	**531.7**	**10,005.0**

EUR m	Measured at AC	Debt instruments measured at FVOCI	Equity instruments measured at FVOCI	Mandatorily measured at FVPL	Total as at 31 Dec. 2022
Non-current financial assets	**46.3**	**607.6**	**5,267.4**	**121.0**	**6,042.3**
Equity instruments	0.0	0.0	5,267.4	0.0	5,267.4
Debt instruments	46.3	607.6	0.0	78.1	732.0
Derivative financial instruments*	0.0	0.0	0.0	42.9	42.9
Current financial assets	**781.8**	**62.2**	**0.0**	**776.3**	**1,620.3**
Debt instruments	781.8	62.2	0.0	0.0	844.0
Derivative financial instruments*	0.0	0.0	0.0	776.3	776.3
Trade receivables	**678.4**	**0.0**	**0.0**	**0.0**	**678.4**
Cash and cash equivalents	**1,307.7**	**0.0**	**0.0**	**0.0**	**1,307.7**
Total	**2,814.1**	**669.7**	**5,267.4**	**897.3**	**9,648.6**

* The effects arising from the measurement of derivative financial instruments are mostly recorded under other comprehensive income. For more information, see note 11.7 Hedge accounting.

Supplementary disclosures on investments in equity instruments recognised at fair value outside profit or loss

As at 31 December 2023, Wiener Stadtwerke had investments in equity instruments for which, due to the long-term holding intention, it irrevocably elected to present subsequent changes in fair value in other comprehensive income, in accordance with IFRS 9. The breakdown of these equity instruments is described below.

Other investments (FVOCI)

Wiener Stadtwerke holds an interest of 13.44% (previous year: 13.44%) in Verbund AG. This is a strategic investment. The fair value of this investment as at 31 December 2023 was EUR 3,923.8m (previous year: EUR 3,671.7m). In the 2023 financial year, dividends totalling EUR 168.1m (previous year: EUR 49.0m) were received from this investment.

Wiener Stadtwerke holds a total interest of around 28.36% (previous year: 28.36%) in EVN AG as at 31 December 2023. Although a significant influence could be assumed on the basis of the shareholding, the analysis of the indicators listed in IAS 28.6 led to the conclusion that Wiener Stadtwerke GmbH cannot exercise a significant influence on EVN AG in accordance with IAS 28.

§ This primarily results from the position of the majority shareholder, which has been strengthened even further by the articles of association of EVN AG. It is therefore reported under non-current financial assets measured at FVOCI. The Group views this acquisition as a long-term investment and as a financial investment.

The fair value of this investment as at 31 December 2023 was EUR 1,451.4m (previous year: EUR 862.1m). In the 2023 financial year, dividends totalling EUR 168.1m (previous year: EUR 49.0m) were received from this investment. As at 30 September 2023, EVN AG's equity totalled EUR 6.5bn, with annual results of EUR 0.6bn.

Wiener Stadtwerke owns a 2.80% interest in Verbund Hydro Power AG through Wien Energie GmbH. This is also a strategic investment and its fair value as at 31 December 2023 was EUR 613.2m (previous year: EUR 573.8m). In the 2023 financial year, dividends totalling EUR 36.4m (previous year: EUR 14.0m) were received from this investment.

Wiener Stadtwerke holds a 6.59% stake in Burgenland Holding AG through Wien Energie GmbH, also for strategic purposes. The fair value of this investment as at 31 December 2023 was EUR 15.2m (previous year: EUR 18.0m). In the 2023 financial year, dividends totalling EUR 0.7m (previous year: EUR 0.7m) were received from this investment.

In addition to the aforementioned investments, the Group holds other, smaller investments with fair values of less than EUR 0.5m. Dividends and other distributions paid to the Group in 2023 in connection with these investments totalled EUR 0.1m (previous year: EUR 0.1m).

Shares (FVOCI)

As at 31 December 2023, Wiener Stadtwerke held securities in the form of long-term investments in a total of nine special funds (previous year: seven). At the end of 2018, special funds WSTW I, II, III and V were designated as plan assets in accordance with IAS 19. The remaining special funds WSTW IV, WSTW VI, WSTW VII, WSTW VIII and WSTW IX will continue to be recognised in Wiener Stadtwerke's consolidated financial statements at 31 December 2023, in accordance with IFRS 10.

Equity instruments account for a part of the investments held through the special funds. The management of these equity instruments is aimed at replicating a global share index. As the strategy is geared towards long-term capital preservation as opposed to achieving short-term profit from changes in share prices, all of the equity instruments held by the Group are classified as measured at fair value, outside profit or loss. However, from a management perspective, reallocations can be made within the portfolio.

The fair value of the financial investments held, which were designated as measured at fair value outside profit or loss, totalled EUR 100.9m as at 31 December 2023 (previous year: EUR 141.5m) and related to a total of 160 shares (previous year: 158 shares). The breakdown of the investments by region/country in 2022 and 2023 was as follows:

		31 Dec. 2022	31 Dec. 2023
Region	**Country**	**Share in %**	**Share in %**
Americas (developed)	USA	52.4	**53.5**
	Canada	2.8	**2.7**
Americas (emerging)	Brazil	0.2	**0.2**
	Mexico	0.7	**0.8**
	Peru	0.3	**0.0**
	Chile	0.4	**0.4**
Europe (developed)	United Kingdom	2.5	**2.6**
	France	3.3	**3.2**
	Germany	2.3	**2.6**
	Austria	0.3	**0.2**
	Netherlands	2.5	**2.5**
	Ireland	1.0	**1.0**
	Norway	0.8	**0.7**
	Sweden	1.3	**1.4**
	Denmark	1.7	**1.9**
	Spain	0.8	**0.7**
	Switzerland	1.5	**1.4**
	Belgium	0.9	**0.8**
	Hungary	0.0	**0.4**
Europe (emerging)	Romania	0.0	**0.0**
Middle East & Africa (developed)	Israel	0.8	**0.9**
Middle East & Africa (emerging)	South Africa	1.0	**0.4**
	Egypt	0.2	**0.0**
Asia/Pacific (developed)	Japan	12.0	**12.5**
	Hong Kong	0.4	**0.4**
	Australia	0.7	**0.6**
	Cayman Islands	0.3	**0.3**
Asia/Pacific (emerging)	China	5.4	**3.2**
	India	1.5	**1.8**
	South Korea	0.6	**1.2**
	Taiwan	1.4	**1.6**
Total		**100.0**	**100.0**

In the 2023 financial year, dividends received from shares (FVOCI) totalled EUR 4.0m (previous year: EUR 4.7m). Due to the portfolio's diversification, the intention is to depict a global share index, and as such targeted purchases and sales of individual securities were made (FVOCI).

Assets transferred as collateral

As part of liquidity management, collateral was deposited with the clearing bank to reduce payments for margin calls. With the chosen deposit, the economic benefits (e.g. voting rights, dividends) remain with the shareholder and therefore the deposit was recognised in other financial receivables and the amount to be settled in cash in the event of default was recognised as other financial liabilities measured at amortised cost in the amount of EUR 121.1m.

Recognition and measurement

Financial assets recognised in accordance with IFRS 9 Financial Instruments are initially recognised on the trading date when the Group becomes a contracting party under the contractual terms of the instrument. A financial asset is carried at fair value on initial recognition. Transaction costs arising directly from the purchase or disposal of the assets concerned are included in all items not measured at FVPL.

For the purpose of subsequent measurement, a financial asset is allocated to one of the following measurement categories, depending on the business model within which the asset is held and the nature of the contractual cash flows for the asset:

- Measured at AC
- Debt instruments measured at FVOCI
- Equity instruments measured at FVOCI
- Measured at FVPL

With regard to other investments recognised in accordance with IFRS 9 as well as special funds operated within the Group, use was made of the option to recognise subsequent changes in fair value in other comprehensive income. These equity instruments include investments that the Group intends to hold in the long term, as well as investments in shares and share-like instruments held by the special funds for the purpose of achieving long-term increases in value.

Interests in non-consolidated subsidiaries and associates are not covered by IFRS 9. They are included in other assets and are recognised at amortised cost, and impairment losses are recognised where necessary.

Loans and current investments are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. These financial assets are therefore measured at amortised cost using the effective interest method. However, if the contractual cash flows do not solely represent payments of principal and interest under the terms of the contract, measurement at amortised cost is no longer permitted, regardless of the business model within which the assets are held. In this case, the assets are measured at fair value through profit or loss.

Bonds and other debt instruments within the special funds are held in accordance with a business model whose purpose is to collect contractual cash flows and to sell financial assets. Therefore, the assets are measured at fair value through other comprehensive income, not in profit or loss, provided that the contractual terms give rise to cash flows that solely represent payments of principal and interest. If this criterion is not met, measurement is at fair value through profit or loss. For this reason, investment fund units are allocated to the FVPL category.

Financial assets are not reclassified after initial recognition, unless the Group changes the business model under which the assets are managed. As in the previous year, no changes were made to the Group's business model during the reporting period.

Under IFRS 9, derivative financial instruments are always measured at fair value through profit or loss. If financial instruments are used as hedging instruments in a hedging relationship in accordance with IFRS 9, the gains or losses from instruments used as fair value hedges are recognised either in profit or loss or in other comprehensive income, depending on the hedged item. In the case of instruments used as cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness and is recognised in profit or loss.

With effect from 31 December 2018, the Group designated some of the special funds as plan assets in order to hedge its pension obligations. The Group has no control over plan assets. However, under IAS 19, repayments to the company that bears the pension obligation, for the purpose of reimbursing employee benefits already paid by the company, can be recognised as assets. This entitlement to plan assets recognised under non-current financial assets represents receivables from plan assets for benefits already paid to employees, until it is actually exercised by the Group. These receivables are not covered by IFRS 9, and they are recognised in other comprehensive income, not in profit or loss, in accordance with IAS 19. Only the interest income determined by discounting the pension obligation is recognised in profit or loss.

11.4 Borrowings

The following tables provide an overview of current and non-current financial liabilities:

Non-current borrowings

EUR m	31 Dec. 2022	31 Dec. 2023
Bonds	96.8	**356.9**
Bank loans	570.2	**594.9**
Lease liabilities	123.4	**124.2**
Derivative liabilities	40.7	**31.1**
Hedging instruments	38.6	**29.3**
Other derivative financial instruments	2.0	**1.8**
Other financial liabilities	66.8	**67.5**
Total	**898.0**	**1,174.4**

Current financial liabilities

EUR m	31 Dec. 2022	31 Dec. 2023
Bonds	72.7	**2.6**
Bank loans	2,130.4	**408.3**
Lease liabilities	17.8	**19.0**
Derivative liabilities	75.9	**187.8**
Hedging instruments	75.3	**187.8**
Other derivative financial instruments	0.6	**0.0**
Trade payables	764.6	**756.3**
Other financial liabilities	35.5	**148.7**
Assets used for collateralisation	0.0	**121.1**
Total	**3,096.9**	**1,643.8**

In addition to existing financing, short-term loans or advances of EUR 2,120.0m were taken out with various credit institutions in the 2022 financial year as a result of increased liquidity requirements due to the turbulence on the energy markets. These loans and advances were largely repaid in the financial year.

Classification of financial liabilities

The classification of financial liabilities for the financial year and the previous year is shown in the tables below:

EUR m	Measured at AC	Mandatorily measured at FV	IFRS 16	Total as at 31 Dec. 2023
Non-current borrowings	**1,019.2**	**31.1**	**124.2**	**1,174.4**
Bonded loans and bonds	**356.9**	**0.0**	**0.0**	**356.9**
Bank loans	**594.9**	**0.0**	**0.0**	**594.9**
Lease liabilities	**0.0**	**0.0**	**124.2**	**124.2**
Derivative financial instruments	**0.0**	**31.1**	**0.0**	**31.1**
Other financial liabilities	**67.5**	**0.0**	**0.0**	**67.5**
Current financial liabilities	**1,437.0**	**187.8**	**19.0**	**1,643.8**
Bonded loans and bonds	**2.6**	**0.0**	**0.0**	**2.6**
Bank loans	**408.3**	**0.0**	**0.0**	**408.3**
Lease liabilities	**0.0**	**0.0**	**19.0**	**19.0**
Derivative financial instruments	**0.0**	**187.8**	**0.0**	**187.8**
Other financial liabilities	**269.8**	**0.0**	**0.0**	**269.8**
Trade payables	**756.3**	**0.0**	**0.0**	**756.3**
Total	**2,456.2**	**218.9**	**143.2**	**2,818.3**

EUR m	Measured at AC	Mandatorily measured at FV	IFRS 16	Total as at 31 Dec. 2022
Non-current borrowings	**733.9**	**40.7**	**123.4**	**898.0**
Bonded loans and bonds	96.8	0.0	0.0	**96.8**
Bank loans	570.2	0.0	0.0	**570.2**
Lease liabilities	0.0	0.0	123.4	**123.4**
Derivative financial instruments	0.0	40.7	0.0	**40.7**
Other financial liabilities	66.8	0.0	0.0	**66.8**
Current financial liabilities	**3,003.2**	**75.9**	**17.8**	**3,096.9**
Bonded loans and bonds	72.7	0.0	0.0	**72.7**
Bank loans	2,130.4	0.0	0.0	**2,130.4**
Lease liabilities	0.0	0.0	17.8	**17.8**
Derivative financial instruments	0.0	75.9	0.0	**75.9**
Other financial liabilities	35.5	0.0	0.0	**35.5**
Trade payables	764.6	0.0	0.0	**764.6**
Total	**3,737.1**	**116.6**	**141.2**	**3,994.8**

The following tables show the changes in liabilities during the reporting period and in the previous period:

EUR m	Debentures and bonds	Bank loans	Lease liabilities	Other non-current financial liabilities	Other current financial liabilities	Total
As at 1 Jan. 2023	**169.5**	**2,700.6**	**141.2**	**107.5**	**876.0**	**3,994.8**
Cash inflows from non-current loans	**260.0**	**28.0**	**0.0**	**4.5**	**0.0**	**292.5**
Repayment of non-current loans	**-71.1**	**-3.4**	**-14.5**	**-2.1**	**0.0**	**-94.8**
Interest on non-current loans paid	**-2.9**	**-13.9**	**0.0**	**-0.5**	**0.0**	**-17.4**
Changes in current liabilities	**0.0**	**-1,722.6**	**0.0**	**0.0**	**102.8**	**-1,619.8**
Non-cash assumption of liabilities	**0.0**	**0.0**	**19.9**	**0.6**	**121.1**	**145.3**
Effects of exchange rate changes	**0.0**	**0.0**	**0.0**	**-0.2**	**-0.6**	**-0.8**
Changes in fair value	**0.0**	**0.0**	**0.0**	**-9.4**	**112.6**	**103.2**
Other changes in the statement of profit or loss	**0.0**	**0.0**	**0.0**	**0.0**	**-0.4**	**-0.4**
Increase due to accrued interest	**4.0**	**14.5**	**2.4**	**0.7**	**0.0**	**21.5**
Reclassifications	**0.0**	**0.0**	**0.0**	**-2.5**	**2.5**	**0.0**
Other changes	**0.0**	**0.0**	**-5.8**	**0.0**	**0.0**	**-5.8**
As at 31 Dec. 2023	**359.5**	**1,003.1**	**143.2**	**98.5**	**1,214.0**	**2,818.3**

EUR m	Debentures and bonds	Bank loans	Lease liabilities	Other non-current financial liabilities	Other current financial liabilities	Total
As at 1 Jan. 2022	**169.5**	**851.3**	**125.2**	**512.7**	**3,815.7**	**5,474.4**
Cash inflows from non-current loans	0.0	0.0	0.0	4.5	0.0	**4.5**
Repayment of non-current loans	0.0	0.0	-14.7	-1.0	0.0	**-15.7**
Interest on non-current loans paid	-5.0	-7.0	0.0	-0.4	0.0	**-12.4**
Changes in current liabilities	0.0	1,825.4	-0.1	0.0	-235.8	**1,589.6**
Non-cash assumption of liabilities	0.0	0.0	32.9	0.1	0.0	**33.1**
Effects of exchange rate changes	0.0	0.0	0.0	0.3	0.6	**0.9**
Changes in fair value	0.0	0.0	0.0	-142.0	-299.7	**-441.8**
Other changes in the statement of profit or loss	0.0	0.0	0.1	0.0	-0.4	**-0.3**
Increase due to accrued interest	5.1	7.2	2.0	0.5	0.0	**14.8**
Reclassifications	0.0	0.0	0.0	-1.8	1.8	**0.0**
Other changes	0.0	0.0	-4.3	-265.6	-2,406.2	**-2,676.1**
As at 31 Dec. 2022	**169.5**	**2,700.6**	**141.2**	**107.5**	**876.0**	**3,994.8**

The changes in current liabilities to banks resulted from the repayment of short-term loans or advances taken out with various credit institutions.

Recognition and measurement

Initial recognition of financial liabilities takes place on the trading date on which the Group becomes a contracting party under the contractual terms of the instrument.

Financial liabilities are classified either as measured at amortised cost or as measured at FVPL. Financial liabilities are classified as FVPL if they are held for trading, if they are derivatives, or if they are designated as such on initial recognition.

FVPL financial liabilities are measured at fair value, and net gains or losses including interest expense are recognised in profit or loss.

The effective interest method is used to subsequently measure other financial liabilities at amortised cost. Interest expense and exchange differences are taken to profit or loss. Gains or losses from derecognition are also recognised in profit or loss.

With the exception of derivative financial liabilities mandatorily measured at FVPL, financial liabilities are recognised at amortised cost.

11.5 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented as a net amount in accordance with IAS 32 if there is also a legally enforceable right to offset the recognised amounts at the present time and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In the normal course of business of Wien Energie GmbH, various offsetting agreements are concluded for which offsetting in the balance sheet has to be reviewed in accordance with IAS 32. According to IAS 32, the netting right must not be dependent on a future event and must be legally enforceable in all situations. The ISDA (International Swaps and Derivatives Association) considers the legal situation in Austria to argue in favour of offsetting. Therefore, as at the reporting date there is a legal entitlement to offset the recognised amounts against each other and, in future, these are either to be realised simultaneously or settled via offsetting.

The following items will be used for offsetting:

- Derivative financial instruments (difference between contract and market price)
- Trade receivables/payables (monthly incoming or outgoing invoices)
- Other financial assets and liabilities (variation margins)

The variation margins will only be offset up to the maximum amount that can be offset with the exchange concerned.

The following table shows the effects of the offsetting of financial assets and liabilities as at 31 December 2023 and for the comparison year 2022.

Date of revenue recognition

	31 Dec. 2022			31 Dec. 2023		
EUR m	**Gross**	**Offsetting**	**Net**	**Gross**	**Offsetting**	**Net**
Assets side						
Electricity derivatives – hedging transactions	227.4	-185.4	42.0	**68.0**	**-19.4**	**48.6**
Gas derivatives – hedging transactions	80.8	-80.2	0.5	**33.2**	**-29.8**	**3.5**
Non-current financial assets	**308.2**	**-265.6**	**42.5**	**101.2**	**-49.1**	**52.1**
Electricity derivatives – hedging transactions	1,450.1	-898.6	551.5	**820.2**	**-413.7**	**406.6**
Gas derivatives – hedging transactions	1,091.7	-866.9	224.7	**224.6**	**-189.1**	**35.4**
Other financial receivables/loans	1,490.5	-708.7	781.8	**427.4**	**-13.3**	**414.1**
Current financial assets	**4,032.3**	**-2,474.2**	**1,558.0**	**1,472.2**	**-616.1**	**856.1**
Current trade receivables	**717.8**	**-48.6**	**669.2**	**408.6**	**-33.6**	**375.0**
Total	**5,058.3**	**-2,788.5**	**2,269.8**	**1,982.0**	**-698.8**	**1,283.2**
Liabilities side						
Electricity derivatives – hedging transactions	-221.0	185.4	-35.6	**-19.4**	**19.4**	**0.0**
Gas derivatives – hedging transactions	-83.3	80.2	-3.0	**-59.0**	**29.8**	**-29.3**
Non-current financial liabilities	**-304.3**	**265.6**	**-38.6**	**-78.4**	**49.1**	**-29.3**
Electricity derivatives – hedging transactions	-1,667.6	1,607.3	-60.3	**-422.7**	**422.3**	**-0.4**
Gas derivatives – hedging transactions	-813.9	798.9	-15.0	**-381.2**	**193.8**	**-187.4**
Other financial liabilities < 1 year	-103.5	68.0	-35.5	**-148.7**	**0.0**	**-148.7**
Current financial liabilities	**-2,585.0**	**2,474.2**	**-110.8**	**-952.6**	**616.1**	**-336.5**
Current trade receivables	**-813.3**	**48.6**	**-764.6**	**-793.0**	**33.6**	**-756.3**
Total	**-3,702.5**	**2,788.5**	**-914.1**	**-1,824.0**	**698.8**	**-1,122.1**

There were no netting agreements in the 2023 financial year compared to the previous year. The following tables show the carrying amounts of financial assets and financial liabilities that are subject to netting agreements in the 2022 financial year:

Offsetting of financial assets

EUR m	Financial instruments (gross)	Balanced amounts in the balance sheet	Financial instruments in the balance sheet (net)	Liabilities with offsetting rights (not netted)	Net 31 Dec. 2022
Derivative financial instruments	2,850.0	-2,031.2	818.8	0.0	**818.8**
Trade receivables	751.4	-48.6	702.8	0.0	**702.8**
Other offsettable assets	1,031.4	-708.7	322.8	-242.7	**80.0**
Total	**4,632.8**	**-2,788.5**	**1,844.4**	**-242.7**	**1,601.6**

Offsetting of financial liabilities

EUR m	Financial instruments (gross)	Balanced amounts in the balance sheet	Financial instruments in the balance sheet (net)	Assets with offsetting rights (not netted)	Net 31 Dec. 2022
Derivative financial instruments	2,785.7	-2,671.8	113.9	0.0	**113.9**
Trade receivables	816.8	-48.6	768.2	0.0	**768.2**
Other offsettable liabilities	80.8	-68.0	12.8	0.0	**12.8**
Total	**3,683.3**	**-2,788.5**	**894.9**	**0.0**	**894.9**

11.6 Fair value disclosures

The determination of the fair values of financial instruments at the Wiener Stadtwerke Group is explained below. Financial instruments are allocated to one of the three levels in the fair value hierarchy specified by IFRS. These provide information on the reliability of the inputs used to measure fair value.

Level 1: This category includes assets and liabilities traded in active markets; their fair value corresponds to the quoted price at the measurement date.

Level 2: This refers to financial instruments for which there is no active market, meaning that the fair value is determined using measurement techniques. Financial instruments are classified as Level 2 if all of the necessary significant inputs are observable.

Level 3: If one or more significant inputs are unobservable, the financial instrument in question is allocated to Level 3.

Transfers between and out of the different levels in the fair value hierarchy are carried out at the end of the reporting period. No transfers took place during the reporting period or during the previous period.

Classifications and fair values of financial instruments

The table below shows the carrying amounts and fair values of financial assets and liabilities measured at fair value, including their allocation within the fair value hierarchy, in the financial year and the previous year:

EUR m	31 Dec. 2023 Carrying amount	31 Dec. 2023 Fair value	Level 1	Level 2	Level 3
Equity instruments	**6,104.7**	**6,104.7**	**5,491.3**	**0.0**	**613.4**
Equity investments	6,003.8	6,003.8	5,390.4	0.0	613.4
Shares	100.9	100.9	100.9	0.0	0.0
Debt instruments	**804.0**	**804.0**	**803.2**	**0.0**	**0.8**
Investment funds	36.3	36.3	36.3	0.0	0.0
Bonds	766.8	766.8	766.8	0.0	0.0
Other securities (measured at FV)	0.1	0.1	0.1	0.0	0.0
Loans (measured at FV)	0.8	0.8	0.0	0.0	0.8
Derivative financial instruments	**275.6**	**262.0**	**-228.0**	**490.0**	**0.0**
Receivables from other derivative financial instruments	494.5	1,146.2	546.5	599.7	0.0
Liabilities from other derivative financial instruments	-218.9	-884.1	-774.5	-109.6	0.0

The fair values of the derivative financial instruments for energy are reported on a gross basis before netting in the 2023 financial year, while the carrying amount is shown as offset, in the same way as the balance sheet disclosure.

EUR m	31 Dec. 2022 Carrying amount	31 Dec. 2022 Fair value	Level 1	Level 2	Level 3
Equity instruments	**5,267.4**	**5,267.4**	**4,693.4**	**0.0**	**574.0**
Equity investments	5,125.9	5,125.9	4,551.9	0.0	574.0
Shares	141.5	141.5	141.5	0.0	0.0
Debt instruments	**747.9**	**748.0**	**747.1**	**0.0**	**0.9**
Investment funds	77.2	77.2	77.2	0.0	0.0
Bonds	669.7	669.7	669.7	0.0	0.0
Other securities (measured at FV)	0.1	0.1	0.1	0.0	0.0
Loans (measured at FV)	0.9	0.9	0.0	0.0	0.9
Derivative financial instruments	**701.7**	**701.7**	**657.5**	**44.2**	**0.0**
Receivables from other derivative financial instruments	819.2	819.2	730.3	88.9	0.0
Liabilities from other derivative financial instruments	-117.5	-117.5	-72.7	-44.8	0.0

Financial instruments not measured at fair value

The following tables list the financial instruments held by the Group which were not measured at fair value during the reporting period and in the previous period:

EUR m	31 Dec. 2023 Carrying amount	31 Dec. 2023 Fair value	Level 1	Level 2	Level 3
Loans (at cost)	**460.1**	**460.0**	**0.0**	**434.3**	**25.7**
Bonded loans and bonds	**-359.5**	**-359.6**	**0.0**	**0.0**	**-359.6**
Bank loans	**-1,003.1**	**-1,015.6**	**0.0**	**0.0**	**-1,015.6**

EUR m	31 Dec. 2022 Carrying amount	31 Dec. 2022 Fair value	Level 1	Level 2	Level 3
Loans (at cost)	828.0	828.0	0.1	348.6	479.3
Bonded loans and bonds	-169.5	-169.6	0.0	0.0	-169.6
Bank loans	-2,700.6	-2,699.0	0.0	0.0	-2,699.0

Short-term time deposits and trade receivables and payables are not included in the tables, as the carrying amount of these items corresponds to the fair value owing to their short-term nature.

The following table outlines the measurement methods and inputs used to determine the fair values of financial instruments:

Level	Financial instruments	Measurement method	Inputs
1	Other equity investments in Verbund AG, EVN AG, Burgenland Holding AG and sundry other equity investments	Market value-based	Market price
3	Equity investment in Verbund Hydro Power AG and sundry other equity investments	Net present value-based	Payments associated with the financial instruments, weighted average cost of capital
1	Shares purchased as investments by the special funds	Market value-based	Market price
1	Investments by the special funds in investment fund units	Market value-based	Market value calculated on the basis of market prices of the investments held
1	Bonds purchased as investments by the special funds	Market value-based	Market price
1	Other securities (measured at FV)	Market value-based	Market price
3	Loans (measured at FV)	Net present value-based	Payments associated with the financial instruments, yield curve
1	Energy forwards and futures (gas and electricity)	Market value-based	Settlement prices on the exchange
2	Receivables and payables arising from derivative financial instruments	Market value-based	Derived from market prices, yield curve, contractual partner's credit risk
3	Loans (at cost)		Cost of taking out loans as best estimate of fair value
1, 2	Bank loans		Payments associated with the financial instruments, yield curve
–	Time deposits with banks		Carrying amounts as best estimate of fair value
–	Trade receivables and payables, cash and cash equivalents		Carrying amounts as best estimate of fair value

In the case of other investments (FVOCI) for which neither the fair value nor the inputs required for measurement are observable on an active market, and which are thus allocated to Level 3 of the fair value hierarchy, a discounted cash flow approach is used in order to determine the present value of the expected benefit from the investments. The main parameters for this approach are the weighted average cost of capital (WACC), calculated on the basis of the capital asset pricing model of 5.1% (previous year: 5.1%), and also the expected revenue growth rates, which are mainly dependent on forecast changes in electricity prices.

Viewed in isolation, a 10% increase in the WACC would lead to an 8% fall (previous year: 8%) in fair value, while a 10% decrease in the WACC would result in a 9% rise (previous year: 9%) in fair value. Viewed in isolation, a 10% increase (decrease) in expected electricity prices would bring about a 12% (previous year: 11%) increase (decrease) in fair value.

In both 2023 and 2022, the change in the fair value of unlisted equity instruments allocated to Level 3 of the fair value hierarchy resulted entirely in measurement results, which were recognised in other comprehensive income and result from the different results of the discounted cash flow methods from period to period.

11.7 Derivative financial instruments and hedge accounting

The Group requires gas mainly for use at its thermal power plants and district heating boilers. In order to ensure the supply of gas around the clock, the Group also operates and actively manages gas storage facilities.

In view of the volatility of gas prices, the Group hedges fluctuations in market prices by means of various strategies which are brought together in the energy trading operations of Wien Energie GmbH. The company collates the required quantities reported by the various divisions and places the necessary orders, taking into account the market transactions concluded with Wien Energie Vertrieb GmbH & Co KG in connection with the latter's gas delivery obligations to its customers.

This hedging strategy ensures that the reported quantities of gas required in the future can be secured, thereby avoiding the need to cover significant shortfalls or put excess quantities on the market.

Both forwards and futures are used as hedging instruments, and product transactions can be concluded at the Germany, Netherlands and Austria (CEGH, THE and TTF) trading points. It is permitted to initially conclude agreements for products on the most liquid market, then sell the hedged quantity as liquidity increases and fulfil requirements once more at the trading point in question. Transactions are also used to manage counterparty limits.

The Group also hedges sales of electricity produced at its power plants. Hedges are concluded as part of Wien Energie GmbH's energy trading activities, based on the production volumes budgeted by Portfolio Management. As with gas price hedging, the transactions concluded by Wien Energie Vertrieb GmbH & Co KG in connection with its electricity supply obligations to customers are also included in the hedging strategy for electricity price hedging.

Exchange-listed futures and over-the-counter (OTC) forwards are used as hedging instruments. These instruments are generally not covered by the exception under IFRS 9 for own-use contracts, and therefore must be recognised as derivative financial instruments. Hedging of the underlying transactions is carried out for the longer-term periods in Germany and as soon as the Austrian market is liquid for the required volume, the hedge is switched to the Austrian market.

When hedging both the electricity price and the gas price, IFRS 9 does not take into account the change in value of the underlying transaction in relation to all risks, but only designates a specific risk component as a hedge. In this case, the hedged risk component is the electricity price risk in Germany or the Netherlands. The remaining non-designated risk component is the price difference to the Austrian market.

Hedge ineffectiveness can arise in particular from the fact that at the time the hedge is concluded, products may only be available on the market for delivery in months different to that specified in the order, so the delivery months must be adjusted in line with actual requirements. Ineffectiveness may also result from differences between the requirements reported by the individual divisions and the batch sizes available on the market. The strategy of concluding agreements for products on the most liquid market wherever possible can also be a source of ineffectiveness. In addition, the price structure between the German and Austrian electricity markets can change during the term of the hedges, which in turn can lead to ineffectiveness when switching to the Austrian market.

All material derivatives were included in hedge accounting across the Group. This relates exclusively to the hedging of future transactions. The derivatives not designated as hedges are currency swaps in connection with the cross-border lease (see note 15.2).

As at 31 December 2023, the Group held the following instruments as hedges against gas and electricity price risks:

EUR m	MWh	Nominal value (EUR m)	Average exercise price EUR/MWh	Net carrying amount (EUR m)
Balance of gas forwards and futures as at 31 Dec. 2023				
Total	**7,214,249.9**	**-430.6**	**59.7**	**-182.4**
of which 2024	**5,323,847.0**	**-335.2**	**55.1**	**-156.6**
of which after 2024	**1,890,402.9**	**-95.4**	**44.8**	**-25.8**
Balance of electricity forwards and futures on 31 Dec. 2023				
Total	**-5,402,796.1**	**986.3**	**182.5**	**446.1**
of which 2024	**-3,642,985.1**	**760.7**	**168.4**	**397.5**
of which after 2024	**-1,759,811.0**	**225.5**	**112.4**	**48.6**

The net carrying amounts shown in the table correspond to the gross carrying amounts before offsetting according to note 11.5. The majority of long-dated forwards and futures will mature in 2025.

As at 31 December 2022, the Group held the following instruments as hedges against gas and electricity price risks:

EUR m	MWh	Nominal value (EUR m)	Average exercise price EUR/MWh	Net carrying amount (EUR m)
Balance of gas forwards and futures as at 31 Dec. 2022				
Total	9,900,611.3	-538.3	54.4	275.2
of which 2023	7,881,490.3	-374.4	65.8	277.8
of which after 2023	2,019,121.0	-163.9	53.4	-2.5
Balance of electricity forwards and futures on 31 Dec. 2022				
Total	-7,900,802.4	1,608.4	203.6	-211.0
of which 2023	-6,166,182.5	1,168.0	265.5	-217.4
of which after 2023	-1,734,619.9	440.3	178.3	6.4

As part of the hedging strategy, it is permitted to initially conclude agreements for products on the most liquid market, then sell the hedged quantity as liquidity increases and fulfil requirements once more at the trading point in question. Amounts netted between purchases and sales are presented in the tables above.

The amounts shown in the table below were related to items designated as hedged items as at 31 December 2023:

	31 Dec. 2022		31 Dec. 2023	
EUR m	Change in value as basis for calculating hedge ineffective-ness	Cash flow hedge reserve	Change in value as basis for calculating hedge ineffective-ness	Cash flow hedge reserve
Gas purchases	-261.0	-261.0	**179.9**	**181.5**
Electricity sales	233.9	217.6	**-439.7**	**-420.5**
Other	0.0	0.0	**0.2**	**-0.3**

The tables below show the amounts related to items designated as hedging instruments, as well as the related hedge ineffectiveness:

Gas forwards and futures

Carrying amount (after offsetting) 31 Dec. 2023 EUR m		Change in value 2023 financial year EUR m		
Assets	Liabilities	Recognised in other comprehensive income	Recognised as ineffec-tiveness	Reclassification as cost of materials
38.9	**-216.7**	**-442.5**	**-0.6**	**-263.2**

Carrying amount 31 Dec. 2022 EUR m		Change in value 2022 financial year EUR m		
Assets	Liabilities	Recognised in other comprehensive income	Recognised as ineffec-tiveness	Reclassification as cost of materials
1,172.4	-897.2	-319.0	8.1	-466.1

Electricity forwards and futures

Carrying amount (before offsetting) 31 Dec. 2023 EUR m		Change in value 2023 financial year EUR m		
Assets	Liabilities	Recognised in other comprehensive income	Recognised as ineffec-tiveness	Reclassification as cost of materials
455.2	**-0.4**	**638.0**	**19.3**	**217.6**

Carrying amount 31 Dec. 2022 EUR m		Change in value 2022 financial year EUR m		
Assets	Liabilities	Recognised in other comprehensive income	Recognised as ineffec-tiveness	Reclassification as cost of materials
1,677.5	-1,888.5	857.1	6.5	884.5

Hedging instruments are reported in the consolidated statement of financial position under the "Derivative financial instruments and hedge accounting" items on the assets and liabilities sides (broken down into current and non-current assets and liabilities). The amounts are shown here after offsetting to illustrate this better. Ineffectiveness is recognised under cost of materials and purchased services in the consolidated statement of profit or loss.

The changes in the cash flow hedge reserve were as follows:

EUR m	Gas	Electricity	Other	Deferred tax expense	Total
As at 1 Jan. 2022	**-580.0**	**1,074.6**	**0.0**	**-93.9**	**400.7**
Change in fair value	-147.2	27.4	-0.4	10.2	**-109.9**
Items subsequently reclassified to profit or loss – cost of materials	466.1	-884.5	0.0	96.2	**-322.2**
As at 31 Dec. 2022	**-261.0**	**217.5**	**-0.4**	**12.5**	**-31.4**
Change in fair value	179.3	-420.5	0.2	53.0	**-188.0**
Items subsequently reclassified to profit or loss – cost of materials	263.2	-217.6	0.0	-10.5	**35.2**
As at 31 Dec. 2023	**181.5**	**-420.5**	**-0.3**	**55.0**	**-184.2**

12 Equity and debt capital

The Company's share capital and shareholder contributions total EUR 500.0m (previous year: EUR 500.0m). The capital reserves include contributions from the owner.

The items presented under other comprehensive income account for certain changes in equity and related deferred taxation that are not recognised in profit or loss. Examples are unrealised gains and losses on the fair value measurement of financial instruments, the effective portion of the change in the fair value of hedges, and all remeasurements in accordance with IAS 19. The Group's share of the valuation reserves of investments accounted for using the equity method is also credited to this item.

Movements in these reserves were as follows:

EUR m	Employee benefit provision reserve	Cash flow hedge reserve	Financial instruments measurement reserve – equity instruments	Financial instruments measurement reserve – debt instruments	Reserve from other results from investments accounted for using the equity method	Total
As at 1 Jan. 2022	**-609.4**	**-400.7**	**4,330.1**	**11.1**	**620.3**	**3,951.4**
OCI before tax	1,375.4	538.5	-1,457.2	-82.8	-724.9	**-351.0**
Tax effects	-176.2	-106.4	105.8	0.0	183.3	**6.6**
Reclassified as retained earnings	0.0	0.0	-10.3	0.0	0.0	**-10.3**
As at 31 Dec. 2022	**589.8**	**31.4**	**2,968.4**	**-71.7**	**78.7**	**3,596.7**
OCI before tax	-545.0	195.3	893.1	36.8	-262.8	**317.4**
Tax effects	125.3	-42.5	-50.5	0.0	50.1	**82.4**
Reclassified as retained earnings	0.0	0.0	-14.3	0.0	0.0	**-14.3**
As at 31 Dec. 2023	**170.2**	**184.2**	**3,796.7**	**-34.8**	**-134.1**	**3,982.2**

Capital management

In 2023 the Wiener Stadtwerke Group's equity rose by 14.9% to EUR 8,934.7m (previous year: EUR 7,773.1m). The Group's management aims for a stable equity ratio, and therefore keeps this metric under constant observation. The equity ratio as at the reporting date was 48.4% (previous year: 43.9%), which represents an improvement compared to the previous year.

13 Taxation

Tax expense is as follows:

EUR m	2022	2023
Current tax expense	-0.6	**-0.9**
Deferred tax expense	0.0	**0.0**
Group tax allocation	9.8	**0.2**
Total	**9.2**	**-0.8**

The table below shows a reconciliation between accounting tax expense and overall tax expense recognised in profit or loss in accordance with IFRS:

EUR m	2022	2023
Earnings before tax (EBT)	485.0	**762.5**
Tax rate in %	25	**24**
Expected tax expense	**-121.3**	**-183.0**
Tax-free subsidies	119.5	**134.1**
Tax-free investment income	23.7	**65.9**
Non-recognition of tax loss carryforwards	-19.5	**-95.4**
Changes in the valuation of deferred tax assets	-9.7	**75.2**
Transfer of proportionate EVN AG tax income	9.7	**0.0**
Other effects	6.8	**2.5**
Total income taxes	**9.3**	**-0.8**
Effective tax rate in %	-1.9	**0.1**

Deferred tax

Deferred tax assets and liabilities are as follows:

	31 Dec. 2022		31 Dec. 2023	
EUR m	Deferred tax assets	Deferred tax assets	Deferred tax assets	Deferred tax assets
Assets				
Property, plant and equipment	0.0	-60.3	**0.0**	**-59.3**
Intangible assets	0.0	-3.5	**0.1**	**-3.0**
Investments accounted for using the equity method	43.7	-22.9	**47.3**	**0.0**
Non-current financial assets	42.4	-827.7	**42.9**	**-1,025.1**
Other non-current assets	5.7	-3.1	**0.7**	**-4.4**
Non-current regulatory assets	0.0	-235.1	**0.0**	**-220.5**
Inventories	0.0	-3.4	**0.0**	**-10.5**
Trade receivables	1.7	-0.1	**1.7**	**-0.1**
Current financial assets	0.0	-15.6	**0.0**	**-98.6**
Other current assets	0.1	-0.7	**0.2**	**-1.2**
Current regulatory assets	0.0	-14.5	**0.0**	**-14.5**
Cash and cash equivalents	0.0	0.0	**0.0**	**0.0**
Capitalised loss carryforwards	591.8	0.0	**743.3**	**0.0**
Total	**685.5**	**-1,186.8**	**836.2**	**-1,437.2**
Liabilities				
Non-current borrowings	25.4	-1.9	**28.0**	**-0.2**
Employee benefit provisions	44.3	0.0	**185.4**	**0.0**
Other non-current provisions	0.2	0.0	**0.7**	**0.0**
Other non-current liabilities	18.5	-8.3	**19.6**	**0.0**
Current financial liabilities	4.5	0.0	**38.0**	**0.0**
Trade payables	0.0	0.0	**0.1**	**-0.2**
Other current liabilities	15.8	-3.6	**9.2**	**-3.6**
Total	**108.7**	**-13.8**	**280.9**	**-4.0**
Offsetting	-794.2	794.2	**-1,117.1**	**1,117.1**
Total	**0.0**	**-406.4**	**0.0**	**-324.1**

The table below shows movements in deferred tax liabilities:

EUR m	31 Dec. 2022	31 Dec. 2023
Deferred tax (net) as at 1 Jan.	**-413.0**	**-406.5**
Deferred tax recognised in other comprehensive income	6.6	**82.4**
Deferred tax (net) as at 31 Dec.	**-406.5**	**-324.1**

Recognition and measurement

Deferred tax is determined in accordance with IAS 12. This means that probable future tax savings and charges are recognised for temporary differences between the carrying amounts in the consolidated financial statements and the tax bases of assets and liabilities.

Expected tax savings from the use of tax loss carryforwards that are judged to be realisable in future are capitalised. Deferred tax assets arising from deductible temporary differences and tax loss carryforwards in excess of the deferred tax arising from taxable temporary differences are only recognised to the extent that it is probable that sufficient taxable income will be generated to allow the realisation of the benefit concerned.

Deferred tax assets and liabilities are offset if they are with the same taxation authority and relate to the same taxable entity or a group of different taxable entities that are assessed together.

The tax loss carryforwards recognised were capitalised and offset against deferred tax liabilities arising on the measurement of financial instruments. These deferred tax liabilities do not take effect until the financial instruments concerned are sold. As these are held as non-current investments, and there is no prospect of disposal and therefore of taxable gains, offsetting against deferred tax assets arising from temporary differences is not possible.

The Group has not recognised tax loss carryforwards of EUR 7,121.0m (previous year: EUR 7,345.3m). These can be carried forward for an unlimited period. In addition, no deferred tax assets have been recognised in respect of deductible temporary differences of EUR 115.3m (previous year: EUR 184.2m).

Deferred tax liabilities arising from interests in subsidiaries – so-called "outside basis differences" – are not recognised as the Group can control their reversal, and the latter is unlikely for the foreseeable future. In consequence, deferred tax liabilities were not recognised in respect of temporary differences of EUR 3,044.4m (previous year: EUR 2,548.7m).

No deferred taxes were recognised in the balance sheet for deductible temporary partial depreciation (over a period of seven years pursuant to the Körperschaftsteuergesetz [Austrian Corporation Tax Act – KStG]) in the amount of EUR 1.5m (previous year: EUR 2.3m).

Information on global minimum taxation for corporate groups (Pillar II)

The Group has applied the temporary exemption from the accounting regulations for deferred taxes in IAS 12, as published by the IASB in May 2023. Accordingly, no deferred taxes relating to income taxes are reported under the Pillar II regulations and no information is disclosed in this regard.

On 19 December 2023, the Austrian government incorporated the Pillar II regulations into national tax law with effect from 1 January 2024. The Mindestbesteuerungsgesetz (Minimum Taxation Act – MinBestG) is intended to ensure that groups with global revenue of at least EUR 750m are subject to an effective tax rate of at least 15% in all countries in which they operate. For this purpose, the effective tax rate of all business units based in a tax jurisdiction is first determined and compared with the minimum tax rate of 15%. If the effective tax rate is below the minimum tax rate and there is no sufficient capital allowance available, a supplementary tax is levied, which is required to achieve the minimum taxation. The Wiener Stadtwerke Group operates predominantly in Austria. The minimum taxation that may apply to foreign activities is to be regarded as immaterial.

As at 31 December 2023, the effective tax rate in Austria is below 15%. Nevertheless, the corporate group in the jurisdiction of Austria is not expected to be subject to a national supplementary tax in the coming years, as the expected capital allowance for Austria exceeds the expected minimum taxable profit, meaning that there is no excess profit to be taxed. The Transitional CbCR Safe Harbour is also expected to apply.

These disclosures are based on the profits and tax expenses determined in the preparation of the consolidated financial statements. Since only a preliminary calculation was carried out for 2023, there may be a difference in the actual effect that the legislation would have had on the consolidated result if it had already been in force for the financial year ending 31 December 2023. The company is continually examining the impact of the legislation on Pillar II regulations on the Group's future profitability.

Disclosures regarding the tax group

The main companies included in the consolidated financial statements of Wiener Stadtwerke form a group as defined by Section 9 KStG.

The tax group parent is Wiener Stadtwerke GmbH. There is a tax allocation agreement between the group members and the group parent. This prescribes that the tax allocation to be paid by individual group members shall be 24% (previous year: 25%) of the income that would lead to a pooled profit on the part of the parent company. Group members are obliged to pay the parent a tax allocation of 2.4% (previous year: 2.5%) of the part of their income flowing into a pooled group loss in recompense for the tax relief gained through group membership. If the parent directly or indirectly holds an interest of less than 95% of the share capital of a group member, the tax allocation is 12% (rather than 2.5%) (previous year: 12.5%).

These percentages are derived from the applicable rate under section 22(1) KStG. In the event that group members post tax losses, this does not result in a negative allocation. However, a record must be kept of the losses attributed to the parent by the members, and these losses are offset against members' profits attributed to the parent in subsequent years.

On 23 September 2021, Wiener Stadtwerke GmbH and Niederösterreichische Landes-Beteiligungsholding GmbH concluded a Group and Tax Settlement Agreement. The parties to the agreement are Niederösterreichische Landes-Beteiligungsholding GmbH, as the majority associate, and Wiener Stadtwerke GmbH, as the minority associate. This agreement allows Wiener Stadtwerke GmbH to offset its tax losses against the proportionate tax income from EVN AG, thereby enabling all investors to benefit from reduced tax burdens on their EVN shares.

The concluded tax allocation agreement stipulates that in a given financial year in which EVN AG generates taxable profit, EVN AG must pay to Wiener Stadtwerke GmbH a tax allocation of 12% (previous year: 12.5%) that is based on the imputed taxable profit and is proportionate to the investment relationship. This tax allocation is to be determined on the basis of the applicable corporation tax rate. Of course, if EVN AG generates a tax loss, this will be retained by EVN AG in order to offset this with taxable profits in subsequent years.

14 Risk management

Risk management principles

The Wiener Stadtwerke Group has implemented a comprehensive risk management system that permits early identification of opportunities and risks. These are defined as the possibility of positive and negative deviations from the expected profit or loss for the period. The internal control system (ICS) comprises all measures implemented to ensure the reliability, effectiveness and economic viability of important processes. Compliance is concerned with adherence to external and internal regulations. The Internal Audit Department evaluates the execution of business processes, as well as the internal control and risk management system, in accordance with an annual audit programme approved by the Management Board.

The risk management process follows the internationally accepted framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Ongoing surveying, identification and assessment of the risks to which the Group is exposed lays the groundwork for the regular risk reporting. A fundamental distinction is drawn between qualitatively and quantitatively assessed risks. In the information provided below, the focus is on quantitative reporting. For details of qualitative risks, please consult the operational and financial review.

Reporting on quantitatively assessed risks is embedded in the financial reporting, which is performed by the management control function (integrated reporting). Confidence intervals for future movements in key financial indicators, known as ranges, are derived from the risk management system and included in the management control reporting. A key objective is determining the risk-bearing capacity of individual Group companies. An annual risk and opportunity review is carried out as part of the budget/actual comparison. The original risk and opportunity assessments from the previous year, which were also the basis of the business planning, are compared with the actual values. The insights gained feed into the adjustment of the risk catalogue to changed circumstances. The updated risk catalogue is one of the cornerstones of the business planning.

Discussion and coordination of the main opportunities and risks also form part of the annual business planning retreat at each Group company. The aim is to take a holistic view of the risks and opportunities that are to be expected in coming years, so that they can be properly taken into account in the corporate planning. This gives rise to action plans and closer monitoring of the budget items concerned.

Responsibility for ensuring adherence to the risk management process lies with the risk controllers at each Group company, who report directly to management on an ongoing basis, and the Group risk management function, which reports to the Wiener Stadtwerke GmbH Management Board.

The ICS encompasses all the salient features of the process-related monitoring measures across the various organisations. It ensures that the material risks associated with the relevant processes are systematically captured and analysed, and minimised by performing periodic checks, and that the key documentation is kept and responsibilities transparently recorded. The minimum standards for compliance with the ICS are laid down by a Group directive, which also clearly defines the roles and remits within the system's control processes. The Wiener Stadtwerke Group's ICS has a decentralised structure, under which the Group companies are responsible for assigning management control responsibilities and ensuring that transparent documentation is kept. The duty to report to the various management boards and the Group ICS coordinator at regular intervals ensures that the ICS conforms to the standards. Continued refinement of the ICS is the job of the bodies tasked with liaising with Group companies, as well as the risk management and compliance functions.

Compliance with the statutory regulations relevant to the Group is monitored and controlled. The reliability of the financial reporting is assured, as the accounting processes at Wiener Stadtwerke are governed by Group-wide directives and standards.

Wiener Stadtwerke's risk landscape is divided into the following risk groups:

Liquidity risk

Liquidity risk refers to the risk that the Group may be unable to settle its financial liabilities using cash and cash equivalents or other financial assets. The Group's liquidity management processes are designed to ensure that sufficient liquid funds are available at all times so that the Group is able to meet its payment obligations when they fall due under both normal and strained conditions.

Short-term liquidity management is optimised by means of a Group cash pooling arrangement and short-term bank loans. If necessary, the Group can draw on various credit lines to secure liquidity. In the comparison year of 2022, there was unexpected turbulence on the energy markets, which put a strain on the liquidity situation due to margin payments for exchange transactions. In addition to the bank lines, liquidity was secured in the second half of 2022 in the form of short-term credit lines granted by the City of Vienna and the federal government. The loans drawn from these lines were repaid and closed in the current financial year. In 2023, a syndicated credit line was taken out to secure further liquidity, for which the Wiener Stadtwerke Group has no financial covenants.

Long-term financial investments within the companies are closely coordinated with Wiener Stadtwerke GmbH.

The following tables show the obligations arising from contractual cash flows for the coming year, the next one to five years, and obligations after five years for the current and past financial years:

EUR m	31 Dec. 2023 Carrying amount	31 Dec. 2023 Contractual cash flows	< 1 year	1–5 years	> 5 years
Bonded loans and bonds	**359.5**	**443.4**	**15.1**	**295.8**	**132.6**
Bank loans	**1,003.1**	**1,086.6**	**425.9**	**282.4**	**378.3**
Trade payables	**760.1**	**760.1**	**756.3**	**3.8**	**0.0**
Lease liabilities	**143.2**	**174.3**	**19.3**	**59.0**	**95.9**
Other financial liabilities and liabilities from associates	**333.5**	**341.9**	**270.5**	**18.2**	**53.2**
Liabilities from other derivative financial instruments	**218.9**	**218.9**	**187.8**	**31.1**	**0.0**

EUR m	31 Dec. 2022 Carrying amount	31 Dec. 2022 Contractual cash flows	< 1 year	1–5 years	> 5 years
Bonded loans and bonds	169.5	185.3	75.0	37.8	72.5
Bank loans	2,700.6	2,764.7	2,140.0	275.6	349.1
Trade payables	768.2	770.1	766.6	3.4	0.0
Lease liabilities	141.2	163.7	17.9	55.7	90.1
Other financial liabilities and liabilities from associates	98.8	106.2	36.3	17.5	52.3
Liabilities from other derivative financial instruments	116.6	116.6	75.9	40.7	0.0

The decrease in liabilities to banks with a term of less than one year in a year-on-year comparison serves to finance the negative effects described above.

Credit risk

This relates to the risk of financial losses resulting from the inability of a customer or party to a contract for a financial instrument to meet its contractual obligations. Credit risk is mainly concerned with trade receivables and contract assets, as well as bonds and loans held as investments. Bank balances and time deposits are also exposed to credit risk. The carrying amounts of financial assets and contract assets correspond to the maximum credit risk.

IFRS 9 requires entities to recognise loss allowances not only for actual losses but also expected credit losses for financial assets measured at fair value outside profit or loss, such as trade receivables and bonds, as well as for contract assets. The risk exposure as at the end of the reporting period must be determined for each risk group, and provisions recognised on the basis of this exposure, irrespective of whether a loss is actually incurred.

The Group uses the simplified approach to determine impairment allowances and lifetime expected credit losses for trade receivables and contract assets. The probability of default included in this assessment is determined on the basis of the age structure of the respective receivable. For receivables already due, this rate is determined from empirical values and historical default rates of the respective division. The default rate of receivables not yet due is assessed separately, if material. The procedure corresponds to that described in the next paragraph.

Expected losses for all other financial assets are calculated on the basis of the 12-month expected credit losses. When there is a significant increase in credit risk, the lifetime expected credit losses and impairment allowances are adjusted accordingly. When determining the credit risk, the individual credit risk rating of the debtors, as well as market-relevant future-related information and historical default rates published by S&P Global are essentially taken into account.

The Treasury and Asset Management department is responsible for current and non-current investments in the WSTW Group. It manages the credit risk from balances with banks and financial institutions. In order to keep risk concentration as low as possible, investments (in the context of cash pooling as well as in the context of non-current investments) may only be made with approved banks, taking into account the limits valid for the respective banks at the time of the investment.

The following table gives an overview of the gross carrying amounts of financial assets in the reporting period and in the previous reporting period, broken down by risk category.

EUR m	Equivalent Moody's rating/ time bands for trade receivables	Bonds (OCI)	Loans (at cost)	Contract receiv-ables	Trade receivables*	Other Trade re-ceivables	Cash and time deposits	Total
Risk exposure class A	up to Aa3/not overdue or 30 days past due	**303.1**	**13.9**	**6.0**	**370.9**	**86.2**	**1,655.8**	**2,435.8**
Risk exposure class B	up to A3/31-60 days past due	**226.8**	**0.0**	**0.0**	**14.1**	**0.1**	**100.0**	**340.9**
Risk exposure class C	up to Baa3/61-90 days past due	**192.9**	**0.0**	**0.0**	**9.7**	**0.0**	**0.0**	**202.6**
Risk exposure class D	below Baa3/more than 90 days past due	**1.1**	**0.0**	**0.0**	**4.0**	**15.8**	**0.0**	**21.0**
Unrated		**42.9**	**446.3**	**0.0**	**16.0**	**2.0**	**1.7**	**508.8**
Gross carrying amount		**766.8**	**460.2**	**6.0**	**414.7**	**104.2**	**1,757.5**	**3,509.2**
Impairment allowances for 12-month expected credit losses (Stage 1)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Impairment allowances for lifetime expected credit losses (Stage 2)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Individual impairment allowances (Stage 3)		**0.0**	**0.0**	**0.0**	**-9.9**	**-0.4**	**0.0**	**-10.3**
Simplified impairment approach		**0.0**	**0.0**	**0.0**	**-20.7**	**0.0**	**0.0**	**-20.7**
Carrying amount on 31 Dec. 2023		**766.8**	**460.1**	**6.0**	**384.2**	**103.7**	**1,757.5**	**3,478.2**

* The trade receivables shown here include non-current receivables of EUR 9.2m, which are recognised as other financial assets (see note 1.3).

EUR m	Equivalent Moody's rating/ time bands for trade receivables	Bonds (OCI)	Loans (at cost)	Contract receiv-ables	Trade receiv-ables*	Other Trade re-ceivables	Cash and time deposits	Total
Risk exposure class A	up to Aa3/not overdue or 30 days past due	267.3	455.1	9.9	651.7	81.3	1,277.2	2,742.5
Risk exposure class B	up to A3/ 31-60 days past due	173.1	0.0	0.0	21.5	0.3	30.1	224.9
Risk exposure class C	up to Baa3/ 61-90 days past due	213.4	0.0	0.0	7.8	0.1	0.0	221.2
Risk exposure class D	below Baa3/more than 90 days past due	0.0	0.0	0.0	6.8	10.3	0.0	17.1
Unrated		16.1	373.0	0.0	15.0	5.0	0.4	409.4
Gross carrying amount		**669.7**	**828.0**	**9.9**	**702.8**	**96.9**	**1,307.7**	**3,615.1**
Impairment allowances for 12-month expected credit losses (Stage 1)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment allowances for lifetime expected credit losses (Stage 2)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Individual impairment allowances (Stage 3)		0.0	0.0	0.0	-9.0	0.0	0.0	-9.0
Simplified impairment approach		0.0	0.0	0.0	-15.5	-0.1	0.0	-15.6
Carrying amount on 31 Dec. 2022		**669.7**	**828.0**	**9.9**	**678.4**	**96.8**	**1,307.7**	**3,590.6**

* The trade receivables shown here include non-current receivables of EUR 9.1m, which are recognised as other financial assets (see note 11.3).

Allocation to the various risk exposure classes is based on the equivalent Moody's rating and the time bands for trade receivables or debtors for whom no ratings are available.

The change in impairment allowances for trade receivables and other receivables was as follows:

EUR m	Individual impairment allowances (Stage 3)	Simplified impairment approach	Total
As at 1 Jan. 2022	**8.8**	**11.2**	**20.1**
Remeasurement	0.6	5.3	**6.0**
Depreciation	-0.1	-0.2	**-0.3**
Reversals	-0.4	-0.8	**-1.2**
As at 31 Dec. 2022	**9.0**	**15.6**	**24.6**
Remeasurement	2.4	8.4	**10.8**
Depreciation	0.0	-0.2	**-0.2**
Reversals	-1.1	-3.2	**-4.3**
As at 31 Dec. 2023	**10.3**	**20.7**	**31.0**

For reasons of materiality, no impairment allowances are recognised for bonds and overnight deposits.

Financial assets must be derecognised as soon as their uncollectibility is established (bad debt loss). This is the case if the quota has been determined in the course of bankruptcy or composition proceedings or the proceedings have been dismissed for lack of assets. Likewise, uncollectibility is established in the case of waivers (for example, waivers after unsuccessful debt collection), unsuccessful seizure or if there is a court judgement. After expiry of the limitation period, which is usually three years, the claim should also be written off, apart from a few exceptions (e.g. insolvency proceedings).

The customer structure at Wiener Stadtwerke means that no material risk concentrations exist.

Interest rate risk

Such risk can result from changes in the fair value of fixed-interest instruments and in cash flows from variable-rate instruments. The Group is also exposed to reinvestment risk due to its reinvestment of funds from maturing bonds and time deposits, as a result of fluctuations in market interest rates.

Financial assets and liabilities broken down by the type of interest as at 31 December 2023 and 2022 are shown in the tables below.

Carrying amount 31 Dec. 2023

EUR m	Fixed-interest instruments	Variable-interest instruments
Financial assets	**2,017.2**	**963.6**
Financial liabilities	**-813.4**	**-904.7**
Total	**1,203.8**	**858.9**

Carrying amount 31 Dec. 2022

EUR m	Fixed-interest instruments	Variable-interest instruments
Financial assets	1,319.3	1,494.1
Financial liabilities	-2,839.8	-270.2
Total	**-1,520.5**	**1,223.8**

The majority of the bonds and loans held by the Group have fixed interest rates. Bonds are measured at fair value through other comprehensive income, not in profit or loss, while loans extended are reported at amortised cost. Therefore, only the bonds held by the WSTW investment funds are exposed to the risk of changes in fair value due to fluctuations in market interest rates.

Bond investments are primarily made in euro-denominated bonds, with a focus on the euro investment-grade bond market. Interest rate risk is determined by the average bond duration on the capital market concerned. At year-end 2023, the average duration was 3.9 years (previous year: 3.9 years) on the euro-denominated market. Around one-quarter of the Group's portfolio is not exposed to interest rate risk (e.g. liquid funds, shares), resulting in a portfolio duration of around three years, as in the previous year.

A 100-basis-point (bp) shift in interest rates would result in a pre-tax increase or decrease in equity of EUR 29.5m (previous year: EUR 26.0m) due to the resulting change in the fair values of bonds. This assumes that all other variables, and in particular exchange rates, remain unchanged.

Time deposits are usually short-term, fixed-interest investments. As they are measured at amortised cost, changes in market interest rates do not have an impact on equity, or on profit or loss.

In general, long-term financial liabilities are fixed-interest obligations. Financial liabilities are mainly recognised at amortised cost, so fluctuations in market interest rates that lead to a change in the fair values of fixed-rate financial liabilities do not have any effect on equity or on profit or loss.

Variable-interest financial assets and liabilities are predominantly receivables from the cash pooling arrangement with non-consolidated Group companies, associates and joint ventures, and the associated liabilities and current financial liabilities. A change of 100 bp in interest rates at the end of the reporting period, which is a reasonable assumption, would therefore only have a minor effect on equity and profit or loss.

Foreign exchange risk

The Group is exposed to foreign exchange risk mainly in connection with the securities held by the WSTW investment funds.

In line with the Group's strategic targets, the holdings of cash and bonds in the funds' diversified portfolios are subject to strict tolerance thresholds, meaning that the associated currency risk is low. Most of the Group's foreign-currency positions are denominated in Japanese yen and US dollars, with a small proportion in other currencies, in particular Swiss francs.

Investments in shares are mainly based on the benchmark MSCI All Country World Index (ACWI), which contains the world's largest listed companies. As a rule, these securities are listed in the currency of the exchange located in the domicile of the company concerned. Accordingly, the bulk of the Group's global share portfolio is not denominated in euros, and due to the specific characteristics of the stock market, the Group does not take out any currency hedges against the euro. About 63% of the shares in the MSCI ACWI are denominated in USD, approximately 8% in EUR and the remaining 29% in other currencies.

Wiener Linien holds interest-bearing securities denominated in US dollars in connection with its US lease transactions. These are hedged by means of currency swaps. In this case, hedge accounting is not applied. For further details, see note 15.2 Cross-border lease.

The tables below list the assets with carrying amounts denominated partly in foreign currencies.

EUR m	31 December 2023 Carrying amount	Carrying amount in EUR if nominal value in EUR	Carrying amount in EUR if nominal value in USD	Carrying amount in EUR if nominal value in JPY	Carrying amount in EUR if nominal value in CHF	Carrying amount in EUR, other
Long-term loans	**46.9**	**36.2**	**10.7**	**0.0**	**0.0**	**0.0**
Other financial assets	**1,924.8**	**1,821.8**	**75.7**	**12.7**	**1.5**	**13.1**
Balances with banks	**1,755.2**	**1,752.9**	**0.6**	**0.2**	**0.0**	**1.4**

EUR m	31 December 2022 Carrying amount	Carrying amount in EUR if nominal value in EUR	Carrying amount in EUR if nominal value in USD	Carrying amount in EUR if nominal value in JPY	Carrying amount in EUR if nominal value in CHF	Carrying amount in EUR, other
Long-term loans	47.1	36.7	10.4	0.0	0.0	0.0
Other financial assets	2,645.6	2,509.7	95.1	17.2	2.1	21.4
Balances with banks	1,305.5	1,291.0	7.5	0.3	0.5	6.2

The Group has no foreign-currency liabilities, with the exception of derivatives (currency swaps – see note 15.2).

The following exchange rates were applied as at 31 December 2023 and 31 December 2022:

	31 Dec. 2022	31 Dec. 2023
USD	1.0666	**1.1050**
JPY	140.66	**156.33**
CHF	0.9847	**0.9260**

A possible appreciation or depreciation of the US dollar, Japanese yen or Swiss franc against the euro could influence the measurement of financial instruments denominated in foreign currencies. The resulting effects on equity and profit or loss are shown below. It is assumed that all other factors – notably interest rates – remain constant.

	Profit or loss		Equity before tax	
Effects, EUR m	**Appreciation**	**Depreciation**	**Appreciation**	**Depreciation**
31 Dec. 2023				
USD (5% change)	**0.6**	**-0.6**	**4.6**	**-4.2**
JPY (5% change)	**0.0**	**0.0**	**0.7**	**-0.6**
CHF (5% change)	**0.0**	**0.0**	**0.1**	**-0.1**

	Appreciation	Depreciation	Appreciation	Depreciation
31 Dec. 2022				
USD (5% change)	0.4	-0.4	5.9	-5.4
JPY (5% change)	0.0	0.0	0.9	-0.8
CHF (5% change)	0.0	0.0	0.1	-0.1

Raw material price risk

The only division exposed to raw material price risk is Energy. The energy business is subject to risks related to value drivers such as oil, gas, electricity and CO_2 prices, which can have a significant impact on profit. Price risks are minimised by means of forwards and futures, as well as other derivative financial instruments such as swaps and delivery contracts with performance options, which are used exclusively for hedging purposes.

Implementing joint market access for the sales and generating businesses allows the Group to take advantage of synergies, and to centrally manage and monitor all the risks related to energy trading (e.g. market liquidity risk and counterparty risk). Fluctuations in temperatures result in higher or lower heating sales. Sophisticated portfolio management enables the Group to continually monitor the market situation and optimise generating operations accordingly. Sales contracts are also continuously monitored for signs of impairment. Counterparties in the energy business are assessed and monitored, and potential risks are managed using a limit system.

The following tables illustrate how concluding supply contracts at prices 10% higher or lower would have affected the results reported in the consolidated statement of profit or loss in 2023 and 2022.

31 Dec. 2023	**Raw material price per unit at the end of the reporting period (EUR)**	**Volumes in 2023 – purchases/(sales), MWh**	**Change in income due to 10% increase in raw material price (EUR m)**	**Change in income due to 10% decrease in raw material price (EUR m)**
Description				
Gas	**32.4**	**9,874,135.2**	**-31.9**	**31.9**
Electricity	**55.2**	**-6,076,832.2**	**33.5**	**-33.5**
CO_2	**77.3**	**1,346,500.0**	**-10.4**	**10.4**

31 Dec. 2022	**Raw material price per unit at the end of the reporting period (EUR)**	**Volumes in 2022 – purchases/(sales), MWh**	**Change in income due to 10% increase in raw material price (EUR m)**	**Change in income due to 10% decrease in raw material price (EUR m)**
Description				
Gas	75.5	13,656,178.3	-103.0	103.0
Electricity	126.4	-7,171,212.9	90.6	-90.6
CO_2	80.8	1,436,000.0	-11.6	11.6

As mentioned above, raw material price risks are managed by means of derivatives, and in some cases using hedges (which qualify for hedge accounting). The tables below show the changes in the fair values of these derivatives as at 31 December 2023 and 31 December 2022 in the event of a 10% rise or fall in raw material prices:

EUR m	Carrying amount 31 Dec. 2023	Hedged volumes – purchases (TWh)	Hedged volumes – sales (TWh)	Change in fair value due to +10%	Change in fair value due to -10%
Financial assets					
Electricity derivatives – hedge accounting (OCI)	**888.24**	**0.45**	**11.39**	**60.36**	**-60.36**
Gas derivatives – hedge accounting (OCI)	**257.80**	**0.58**	**14.00**	**43.43**	**-43.43**
Financial liabilities					
Electricity derivatives – hedge accounting (OCI)	**-442.10**	**6.08**	**0.55**	**-30.53**	**30.53**
Gas derivatives – hedge accounting (OCI)	**-440.23**	**20.95**	**0.31**	**-66.76**	**66.76**

EUR m	Carrying amount 31 Dec. 2021	Hedged volumes – purchases (TWh)	Hedged volumes – sales (TWh)	Change in fair value due to +10%	Change in fair value due to -10%
Financial assets					
Electricity derivatives – hedge accounting (OCI)	1,677.53	4.37	8.17	47.98	-47.98
Gas derivatives – hedge accounting (OCI)	1,172.43	16.87	7.22	-72.78	72.78
Financial liabilities					
Electricity derivatives – hedge accounting (OCI)	-1,888.55	5.36	9.46	51.85	-51.85
Gas derivatives – hedge accounting (OCI)	-897.19	9.03	8.78	-1.93	1.93

Details on hedge accounting are provided in note 11.7.

15 Supplementary information

15.1 Contingent liabilities and other financial obligations

Contingent liabilities amounted to EUR 43.3m (previous year: EUR 52.7m) at the end of the reporting period. The majority relates to a contingent liability of EUR 33.1m (previous year: EUR 42.5m) to American International Group, Inc. (AIG) connected with the Wiener Linien cross-border leasing deal. See note 15.2 for further information. There are other material contingent liabilities of EUR 6.5m resulting from various obligations to Gemeinnützigen Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m.b.H (previous year: EUR 6.5m), and various contingent liabilities of Wiener Stadtwerke Vermögensverwaltung GmbH and WIPARK in the amount of EUR 3.6m (previous year: EUR 3.6m).

The Wiener Stadtwerke Group has contingent assets from Gemeinnützigen Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m.b.H in the amount of EUR 6.5m (previous year: EUR 6.5m), while Wiener Netze GmbH has various contingent assets amounting to EUR 2.7m (previous year: EUR 4.8m).

15.2 Cross Border Lease

Between 1998 and 2003, Wiener Linien concluded various leasing transactions in the United States. These involved lease agreements for underground trains and trams on a lease-in, lease-out basis. The vehicles were leased to a US trust administered by an American fiduciary under a head-lease agreement. At the same time, Wiener Linien subleased the vehicles back from the trust. The US trust paid the full lease payment in advance. In order to finance this advance payment, the trust raised equity capital from an investor and debt financing from several banks. Wiener Linien used the US trust's lease payment to make allocations to an equity account and a debt account. The allocation to the equity account was identical to the equity portion of the lease payment, and the debt account allocation was equal to the financing provided by the banks. The lease payments to be made by Wiener Linien under the sublease were made using cash flows from the accounts. The difference between the lease payment received and the necessary allocations to the accounts is recognised as a net present value benefit under contract liabilities and reversed over the term of the lease. US leases VI and IIIa were still outstanding at the end of the financial year.

Paragraph B2 IFRS 16 provides for the combination of two or more contracts if certain criteria are met. Several financially related transactions must be assessed in terms of their overall commercial objective and may, under certain circumstances, be treated as a single transaction. As all of the contracts connected with the US leases were negotiated as a package with a single overall commercial objective that cannot be understood without considering the contracts together, in accordance with IFRS 16, the transactions are accounted for as a single transaction. Therefore, a lease in the meaning of IFRS 16 has not been concluded, and the underground trains and trams that are the subject of the US leases will continue to be recognised as property, plant and equipment in the accounts of Wiener Linien GmbH & Co KG., in accordance with IAS 16.

The following assets and liabilities related to the US cross-border leases were included in Wiener Stadtwerke's consolidated statement of financial position on the reporting date:

EUR m	31 Dec. 2022	31 Dec. 2023
Securities (FVOCI)	7.4	**11.4**
Other loans	10.4	**10.7**
Foreign currency forwards (outside hedge accounting)	-2.7	**-1.7**
Provisions for contingent losses and other contingencies	-0.2	**-0.1**
Non-current contract liabilities arising from the cross-border lease	-0.6	**-0.3**
Current contract liabilities arising from the cross-border lease	-0.4	**-0.3**

Securities (FVOCI)

The securities (FVOCI) relate to the custody account for the furnishing of additional collateral. AIG provides insurance coverage against the potential risk of default by Wiener Linien on its obligations to the investor. If the rating falls below a certain minimum level, the contract requires furnishing of additional collateral. The opening of a custody account for this purpose became necessary following AIG's downgrade in 2008.

The custody account covers the difference between the termination value, i.e. the amount required to repay the equity portion in the event of termination of the contract, and the equity account, and the balance of the custody account is reduced over time. The custody account, which has been pledged to the investor, is allocated to the "hold to collect and sell" business model and is measured at fair value outside profit or loss.

Other loans

This item refers to a receivable from Bank Austria, which was initially recognised in March 2015. On maturity, the equity portion of the lease liability will be repaid by Bank Austria.

Foreign currency forwards (outside hedge accounting)

Foreign currency forwards were concluded in order to hedge the loans to Bank Austria, which are denominated in US dollars, against exchange rate fluctuations. The loan and the concluded foreign currency forwards are not designated as items in a hedging relationship.

The foreign currency forwards are measured at fair value through profit or loss.

The translation of the US dollar-denominated loan in the reporting period and in the previous year gave rise to the following foreign exchange result:

EUR m	31 Dec. 2022	31 Dec. 2023
Other finance income	0.5	**1.0**
Other financial expenses	1.0	**0.4**

Provisions for contingent losses and other contingencies

With regard to the contractual parties for which there is no statutory guarantee liability, in the case of a significant deterioration in their credit ratings either impairment losses or provisions must be recognised for the residual credit risk. A provision has been recognised in relation to this risk. In view of AIG's rating, in order to cover this risk it was necessary to recognise provisions for contingent losses and other contingencies at 31 December 2023 and at 31 December 2022.

Liabilities arising from the cross-border lease

As a result of the cross-border lease transactions described above, Wiener Linien recognised a net present value benefit resulting from the difference between the advance lease payments made by the US trust and the necessary allocations to the custody account used to cover Wiener Linien's discounted obligations under the sublease agreement. This net present value benefit is related to the tax benefit accruing to the investor over the term of the lease in question. As the benefit from the lease accrues to the investor continuously over the term of the agreement, the net present value benefit is realised over time. The benefit over the residual term is recognised as a contract liability and is reversed over the residual term of the agreement concerned on a straight-line basis. The evolution of the net present value benefit is presented below, in accordance with IFRS 15.116:

EUR m	31 Dec. 2022	31 Dec. 2023
Contract liabilities from the cross-border lease as at 1 Jan.	1.3	**0.9**
less revenue recognised	-0.4	**-0.4**
Contract liabilities from the cross-border lease as at 31 Dec.	**0.9**	**0.6**

The net present value benefit will be reversed through profit or loss over time as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
In the next year	0.4	**0.3**
In the next five years	0.9	**0.6**

The off-balance-sheet assets and liabilities as at 31 December 2023 are shown below:

EUR m	Assets	Liabilities
US lease IIIa	12.6	-12.6
US lease VI (R)	64.0	-64.0
US lease VI (AIG)	29.5	-29.5

The bonds related to US lease IIIa and US lease VI (R), and the loan related to US lease VI were offset against the associated liabilities. The interest income and interest expenses associated with these assets and liabilities, each in the amount of EUR 6.4m as at 31 December 2023 (previous year: EUR 6.6m), were also netted out.

15.3 Proposed dividend

No distribution to the sole shareholder, the City of Vienna, is planned for 2023 (previous year: EUR 16.0m).

15.4 Governing bodies

The members of the Management Board are:

- Martin Krajcsir
  (Chief Executive Officer, departed on 31 December 2023)
- Peter Weinelt
  (Deputy Chief Executive Officer until 31 December 2023, Chief Executive Officer since 1 January 2024)
- Roman Fuchs
  (Deputy Chief Executive Officer since 1 January 2024)
- Monika Unterholzner
  (Deputy Chief Executive Officer since 1 January 2024)

The members of the Supervisory Board during the reporting period were:

- Dietmar Griebler (Chair)
- Christoph Maschek (First Deputy Chair)
- Andrea Faast (Second Deputy Chair)
- Andreas Bauer
- Elfriede Baumann
- Michael Dedic
- Alexander Hauser
- Jutta Löffler
- Karin Rest
- Thomas Ritt
- Michael Sprengnagl
- Andreas Staribacher

No loans or advances have been granted to Management Board or Supervisory Board members.

15.5 Events after the reporting period

Up to the time that the balance sheet was drawn up, there had been no events that would significantly influence value.

Vienna, 22 March 2024

The Management Board

Peter Weinelt
Chief Executive Officer

Monika Unterholzner
Deputy Chief Executive Officer

Roman Fuchs
Deputy Chief Executive Officer

Information

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

WIENER STADTWERKE GmbH, Vienna, Austria

and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Financial Position as at 31 December 2023, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for Opinion
We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate to the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion
In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

Statement
Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Engagement Partner

The engagement partner is Mr Michael Nayer.

Vienna, 22 March 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Michael Nayer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Glossary

Adjusted EBITDA
This value corresponds to EBITDA adjusted for the foreign procurement right and other one-off or rare expenses and income, and is a key reporting indicator.

Adjusted profit for the year
The adjusted profit for the year eliminates material one-off expenses/income with regard to the employer contribution in the Wiener Stadtwerke Group, along with effects from asset valuation, effects related to the provision for impending losses for electricity procurement rights abroad and resulting from the sale of property and land. The value is a key reporting indicator.

Biodiversity
Biodiversity (biological diversity) is the variety and variability of living organisms of all origins.

Bonded loan
Bonded loans are a form of long-term corporate debt. A loan is extended to a borrower by a large financial intermediary without recourse to the organised capital market. These instruments are only available to companies with impeccable credit ratings.

Capex ratio
The capex ratio is a measure of a company's propensity to invest. It indicates the percentage of revenue that an enterprise reinvests in intangible assets, and property, plant and equipment.

Carbon emission allowances
These entitle the holder to emit a given amount of CO_2. They are tradeable, and their price is determined by supply and demand.

Cash flow
This is a measure of a company's financial strength and its ability to independently generate the resources required for dividend payments, debt servicing and investment spending.

CGU – Cash Generating Unit
A cash-generating unit is defined in the context of the impairment test as the smallest group of assets that generates cash inflows and outflows independent of the use of other assets or other cash-generating units.

City of Vienna Climate Roadmap
The Climate Roadmap is part of the new Climate Governance Structure and defines the City of Vienna's climate and energy objectives. Alongside the Roadmap, a comprehensive package of measures has been set out that aims to achieve a number of goals, including reducing greenhouse gas emissions per capita by 55% by 2030 and making Vienna climate-neutral by 2040.

Combined heat and power (CHP)
The simultaneous generation of electricity and heat (combined heat and power) maximises fuel efficiency.

Consolidation
The financial statements of the parent company and those of the subsidiaries are combined when the consolidated financial statements are prepared by the parent company. During this process, intragroup equity interests, interim results, receivables and payables and income and expenses are netted.

Decarbonisation
Decarbonisation refers to the reduction of carbon dioxide emissions. In order to drive decarbonisation forwards, the use of fossil fuels must be reduced by making use of low-carbon energy sources, including renewable energy sources such as wind power, solar power, geothermal energy and biomass. The long-term goal is to replace natural gas with hydrogen that is produced using renewable energies and to thereby reduce carbon emissions.

Derivatives
These are forward contracts based on underlying assets. The term derivative refers to a financial instrument for which the price is derived from an underlying market instrument. To hedge financial risks, companies can minimise the risks of an underlying transaction by entering into an offsetting derivative. This is referred to as a hedge. Underlying transactions can be recognised financial assets and liabilities or expected future transactions, for example. Hedge accounting is the accounting of opposing changes in the value of underlying transactions and hedges in the case of derivative financial instruments used for hedging purposes.

District cooling
This refers to the delivery of a cooling medium used to air-condition buildings. Either a central district cooling station generates the cooling energy and it is transported to consumers via a heat-insulated network, or absorbers at distributed refrigeration centres are used to produce it from the hot water supplied via the district heating network.

EBIT
Earnings before interest and taxes.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

Energy efficiency
Energy efficiency is the ratio of energy output to energy input. (Power generation at power stations inevitably involves the transformation of a large part of the primary energy employed into heat. This heat is used at CHP stations for district heating.)

Environmental Social Governance
Environmental Social Governance (ESG) is another way of referring to Corporate Social Responsibility (CSR). It refers to the evaluation of CSR efforts; in other words, it looks at a company's voluntary contributions to sustainable development that go beyond its statutory requirements.

European Green Deal
In December 2019, the European Commission set out the Green Deal – a far-reaching programme that promotes climate and environmental protection within the EU. At the heart of the Green Deal are the objectives of making the EU the world's first greenhouse gas-neutral confederation by 2050, significantly reducing the emission of pollutants, and further promoting a circular economy in Europe.

EU taxonomy
The EU taxonomy is a catalogue of criteria defined by the EU that aims to provide a standard classification of the sustainability of economic activities. When used in conjunction with the EU Disclosures Regulation, the taxonomy will help stakeholders within the financial system, such as investors, to select environmentally friendly financial products and prevent greenwashing. The EU Taxonomy Regulation sets out specific environmental objectives, such as climate change mitigation, climate change adaptation and pollution prevention and control.

FVOCI, FVPL
Under IFRS 9, all financial assets are divided into two classification categories – those measured at amortised cost and those measured at fair value. If financial assets are measured at fair value, expenses and income may be recognised either in full in profit or loss (at fair value through profit or loss, FVPL) or in other comprehensive income (at fair value through other comprehensive income, FVOCI).

GDPR
The General Data Protection Regulation (GDPR) is a European Union regulation that harmonises the rules for the processing of personal data by private entities and public authorities throughout the EU. It is aimed at protecting personal data within the EU and ensuring the free movement of data within the European single market.

Green gases
Green gases are defined as gases that, when burned to generate energy, do not give off more CO_2 than was previously in the atmosphere. This means that they are virtually climate neutral. Hydrogen is considered to be a green gas.

IFRS/IAS
International Financial Reporting Standards, International Accounting Standards

Margins
Transactions in derivatives that are not subject to the clearing obligation must be collateralised in the EU. Variation margins and initial margins are considered to be collateral instruments. A variation margin serves to regularly offset value fluctuations of derivatives contracts. An initial margin, on the other hand, covers the current and expected future value fluctuations that can occur between the last exchange of margins and the hedging of the exposure or the liquidation of the position if one of the counterparties defaults (is unable to meet its contractual obligations).

Modal split
This refers to the percentage breakdown of total traffic volume into the various transport modes.

OCI – Other Comprehensive Income
Other comprehensive income includes income and expense items that are not recognised in profit or loss under IFRS. These are therefore changes in the value of asset or liability items that are recognised directly in equity and result neither from transactions with shareholders nor from the items included in the income statement.

Photovoltaic system
A system that uses sunlight to produce electricity. If it produces heat, it is called a solar thermal system.

PT
Public transport

PUC
The projected unit credit (PUC) method is an actuarial method for calculating company pension obligations.

Rating
A rating is an evaluation of the creditworthiness of a debtor (countries, companies, etc.), often carried out by a specialised rating agency. The evaluation is expressed as a kind of grading. It is very similar to a school grading system. The rating systems of the agencies use different grading schemes and their own symbols. See also Standard and Poor's.

Renewable Energy Directive – RED III
The amendment to the Renewable Energy Directive (Renewable Energy Directive III – RED III) entered into force on 20 November. With this amendment, the EU has set out additional requirements for further advancing the development of renewable energies. RED III is intended to support the achievement of the goals under the Green Deal

Risk management
Risk management is the systematic recognition and evaluation of risk, and the management of responses to identified risks. This process has many areas of application, including the management of business, credit, financial investment, environmental, insurance and technical risk.

Seat kilometres
The seat kilometre is a unit employed in the public transport industry. It refers to the product of the seats offered by a transport company and the distance travelled by the means of transport concerned. It takes no account of whether the seats are occupied.

Smart city
The expression "smart city" refers to a city where information and communication technology, and resource-efficient technologies are systematically deployed in order to conserve resources, enhance citizens' quality of life and the competitiveness of the local economy, and ultimately increase the city's sustainability. At the very least, energy, mobility, urban planning and governance are addressed.

Smart metering
Smart metering combines cutting-edge meter technology with information and communication technology to give consumers near-real-time updates on their power consumption, transmit meter readings to the system operator electronically, and price electricity according to current supply availability.

Statement of cash flows
The statement of cash flows presents movements in cash and cash equivalents during a financial year with a breakdown into three areas: operating activities, investing activities, and financing activities. The aim is to obtain information about the financial strength of the company.

Total heating degrees
The difference between a given room temperature (measured in degrees Celsius) and the average air temperature for a day is referred to as a degree day figure. The total of all the degree days for a year is the total heating degrees. Total heating degrees is the heating demand during a year, and hence an important indicator of energy suppliers' business performance.

VOR
Verkehrsverbund Ost-Region (VOR) Gesellschaft m.b.H. is a public transport service provider in the Eastern Region of Austria. It is responsible for coordinating timetables and prices and for commissioning local trains and regional bus services in the region.

WACC
WACC stands for "weighted average cost of capital" and is used when valuing a company and in conjunction with value-oriented management indicators. It is calculated using the weighted values of a company's equity and debt capital, whereby the weighting is worked out by dividing the equity and debt capital each by the total capital.

Contact and imprint

Imprint

Published by:
Wiener Stadtwerke GmbH
Thomas-Klestil-Platz 13
1030 Vienna, Austria

Design & implementation:
Berichtsmanufaktur GmbH, Hamburg

Photo
Cover: Wiener Stadtwerke
S.2-7: Wiener Stadtwerke/Ehm

As at May 2024

Note
The financial report is published in German and English, but the German version is authoritative
The financial report can also be found at https://www.wienerstadtwerke.at/berichtswelt/en/index.html

Contact

If you have any questions, please contact us:

Group Communications
Thomas Geiblinger
+43 1 531 23-73953
thomas.geiblinger@wienerstadtwerke.at
Group Press Officer

David Millmann-Stolz, B. A.
+43 664 88 48 0259
david.millmann@wienerstadtwerke.at
Press Officer