Full Report 2021/22

Dear Ladies and Gentlemen, dear Shareholders,

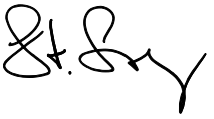
the European energy sector experienced a crisis of historic dimensions during EVN's 2021/22 financial year. This extraordinary situation began in summer 2021 with the economic recovery after the Covid-19 pandemic and the resulting surge in the demand for energy. The volatility on the energy markets was then further intensified by the war in Ukraine. Price distortions in recent months have had an enormous negative impact on many of our activities – and also on our highly motivated colleagues and, of course, our many customers.

Based on the results we are presenting for the 2021/22 financial year, EVN solidly mastered this historically most difficult crisis year in our branch. We owe this success to our diversified business model and the resulting resilience – but it also demonstrates our organisation's ability to quickly identify the right solutions for complex challenges. Effective crisis management defined the day-to-day work in many areas of our Group, whether in energy supply or customer relations, in South East Europe or the international project business, to name only a few of the particularly involved areas.

We cannot, however, overlook the fact that our branch – even without Covid-19, the war in Ukraine, the necessary diversification of natural gas supplies, inflation etc. – is faced with a gigantic task in the form of climate protection during the transformation towards a CO_2-neutral energy system. Our Strategy 2030 is focused exactly on that goal, and we are directing all our resources to its implementation. In EVN's 100th anniversary year, we invested more than ever before: We spent over half a billion euros on the energy future in 2021/22. These funds were used to expand renewable generation and the network infrastructure – both of which are key building blocks for a green and secure energy future.

This is underscored by our report in accordance with the EU Taxonomy Regulation, which we are presenting for the first time – and as an integral part of our full report: Roughly 85% of our investments in the reporting period flowed into ecologically sustainable, i.e. taxonomy aligned, economic activities. At the same time, we have agreed to meet objectively measurable reduction goals for our greenhouse gas emissions as part of the Science Based Targets initiative. That shows how seriously we take our climate strategy – and the related transparency. However, apart from all comparisons of forecasts and actual results, we still need the understanding and support of all our internal and external stakeholders to meet our climate goals. We therefore launched the campaign "EVN for the Climate – the EVN Climate Initiative" to win over our external and internal stakeholders to climate strategy.

Despite this increased stress and the many uncertainties which, for the most part, lie outside our sphere of influence, we are looking to the future with optimism. We remain a dedicated partner for the central concerns of our stakeholders, above all supply security, customer orientation, and climate and environmental protection. This promise is demonstrated by our plans to increase our investments in the networks, renewable generation and drinking water supplies. These investments will continue to exceed EUR 500m per year in the future. Against this backdrop, we will recommend the payment of a stable dividend of EUR 0.52 per share to the 94th Annual General Meeting. It represents the minimum level for future distributions in line with our dividend policy. We also want to confirm our commitment to appropriate participation for our shareholders in future earnings growth.



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Key figures

		2021/22	2020/21	+/– %	2019/20
Sales volumes					
Electricity generation volumes	GWh	3,365	3,997	–15.8	3,785
thereof from renewable energy	GWh	2,248	2,283	–1.5	2,250
Electricity sales volumes to end customers	GWh	20,853	20,207	3.2	19,813
Natural gas sales volumes to end customers	GWh	4,987	5,412	–7.9	4,957
Heat sales volumes to end customers	GWh	2,545	2,545	0.0	2,303
Consolidated statement of operations					
Revenue	EURm	4,062.2	2,394.9	69.6	2,107.5
EBITDA	EURm	754.8	836.5	–9.8	590.4
EBITDA margin[1]	%	18.6	34.9	–16.3	28.0
Results from operating activities (EBIT)	EURm	331.6	386.4	–14.2	273.1
EBIT margin[1]	%	8.2	16.1	–8.0	13.0
Result before income tax	EURm	301.2	366.4	–17.8	257.3
Group net result	EURm	209.6	325.3	–35.6	199.8
Consolidated statement of financial position					
Balance sheet total	EURm	12,430.5	11,139.8	11.6	8,365.7
Equity	EURm	7,321.1	6,544.3	11.9	4,543.3
Equity ratio[1]	%	58.9	58.7	0.1	54.3
Net debt	EURm	1,245.1	813.8	53.0	1,037.7
Gearing[1]	%	17.0	12.4	4.6	22.8
Return on equity (ROE)[1]	%	3.4	6.3	–2.9	5.0
Consolidated cash flow and investments					
Net cash flow from operating activities	EURm	151.0	789.6	–80.9	412.0
Investments[2]	EURm	564.0	415.0	35.9	367.9
Net debt coverage (FFO)[1]	%	55.8	92.9	–37.2	47.7
Interest cover (FFO)	x	20.7	13.1	57.7	11.6
Value added					
Net operating profit after tax (NOPAT)	EURm	313.4	312.8	0.2	274.6
Capital employed[3]	EURm	5,683.2	4,842.5	17.4	4,405.7
Operating return on capital employed (OpROCE)[1]	%	5.5	6.5	–0.9	6.2
Weighted average cost of capital (WACC)[1]	%	5.0	5.5	–0.5	5.5
Economic value added (EVA®)[4]	EURm	29.3	46.4	–37.0	32.3
Share					
Earnings	EUR	1.18	1.83	–35.6	1.12
Dividend	EUR	0.52[5]	0.52	0.0	0.49
Dividend yield[1]	%	3.1	2.3	0.8	3.4
Share performance					
Share price at 30 September	EUR	17.04	22.95	–25.8	14.28
Highest price	EUR	27.70	24.75	11.9	18.36
Lowest price	EUR	16.92	13.38	26.5	11.22
Market capitalisation at 30 September	EURm	3,065	4,128	–25.8	2,569
Credit rating					
Moody's		A1, stable	A1, stable		A1, stable
Scope Ratings[6]		A+, stable	A+, stable		–

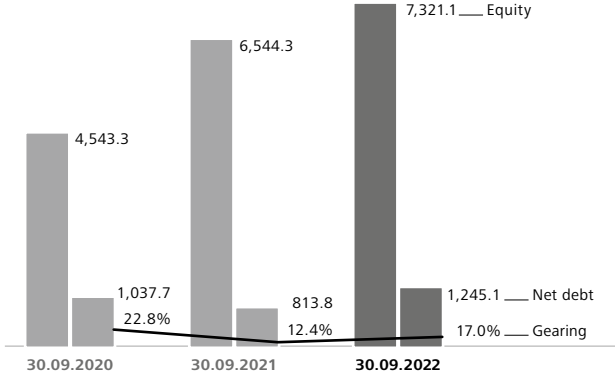
1) Changes reported in percentage points
2) In intangible assets and property, plant and equipment
3) Average adjusted capital employed
4) As defined by Stern Stewart & Co.
5) Proposal to the Annual General Meeting
6) The initial rating of EVN was published by Scope Ratings on 2 November 2021.

		2021/22	2020/21	2019/20
Employees				
Number of employees on a full-time equivalent basis (FTE)	Ø	7,135	7,126	7,007
Number of employees as of 30 September (headcount)	number	7,453	7,453	7,428
thereof women	number	1,744	1,711	1,717
thereof men	number	5,709	5,742	5,711
Proportion of women	%	23.4	23.0	23.1
Employee fluctuation	%	3.5	4.0	3.5
Training hours per employee	hrs.	26.9	28.8	27.5
Number of occupational accidents[1)]	number	78	78	64
Environment				
Direct greenhouse gas emissions (Scope 1)	t CO_2e	1,123,508	1,875,446	1,565,571
Specific greenhouse gas emissions (Scope 1)	t CO_2e/GWh	248.04	357.22	301.87
NO_x emissions	t	832	1,360	1,171
Hazardous waste and residual materials[2)]	t	14,608	17,489	17,107
Water consumption[3)]	m m³	36.0	34.8	33.4

1) Excluding commuting accidents
2) Without building residues
3) Drinking water supplies from purified ground water by EVN Wasser

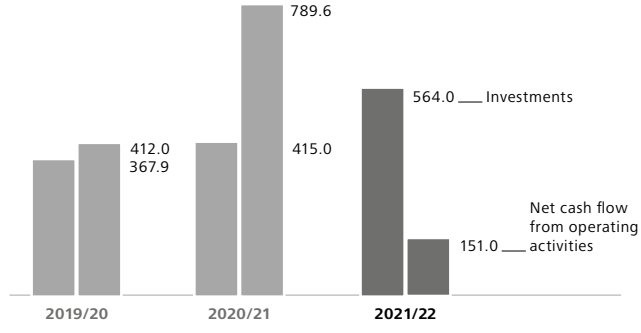
Equity, net debt and gearing

EURm and %



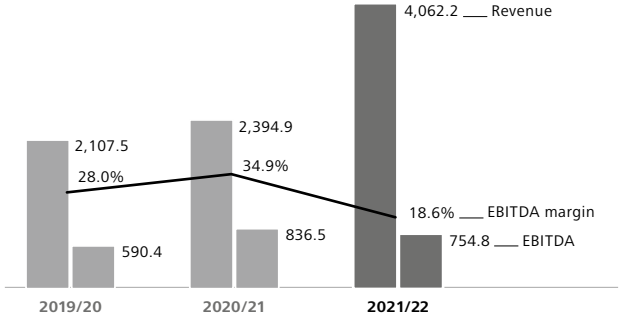
Cash flow and investments

EURm



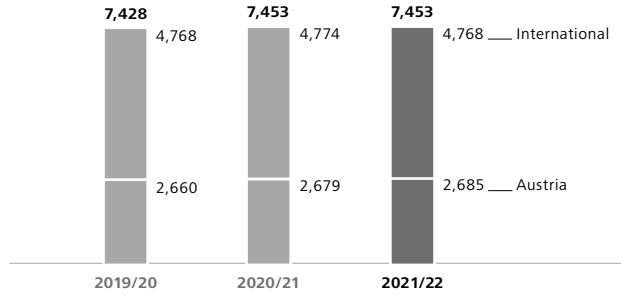
Revenue, EBITDA and EBITDA margin

EURm and %



Employees by region

Headcount as of 30 September



Highlights 2021/22

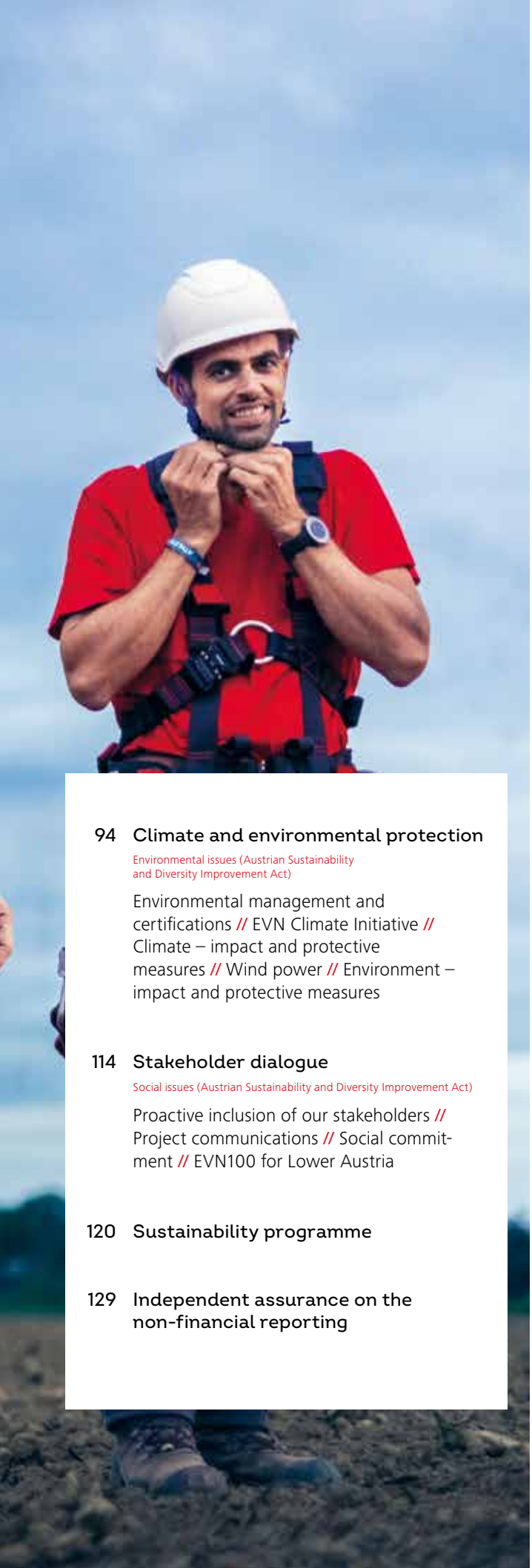
Revenue
EUR 4.1 bn

EBIT
EUR 331.6 m

Group net result
EUR 209.6 m

Dividend proposal
EUR 0.52 per share

Contents



About this report

Under the title "EVN Full Report", we publish an integrated annual and sustainability report for the previous financial year which covers the period from 1 October to 30 September. Our goal for this publication is to provide equal treatment for financial and non-financial information, including the corporate governance report.

Reporting in accordance with the Austrian Sustainability and Diversity Improvement Act

EU Directive 2014/95/EU on the disclosure of non-financial and diversity-related information (NFI Guideline) was implemented in Austria through the Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz"). In order to meet the related requirements, we selected the option to prepare a separate non-financial report for the 2021/22 consolidated financial statements and integrate this information in our full report. The disclosures required by the Sustainability and Diversity Improvement Act on environmental, social and employee issues, respect for human rights and the fight against corruption are therefore presented under the section "Non-financial report" and listed separately in the table of contents for easier orientation.

EU Taxonomy Regulation

EVN is required to meet the requirements defined by Article 8 of the EU Taxonomy Regulation for the first time in reporting on the 2021/22 financial year. Since the EU Taxonomy reporting requirements take effect in stages, EVN must only include an evaluation of its taxonomy-eligible economic activities for the environmental goals "climate change mitigation" and "climate change adaptation" as part of its reporting for 2021/22. However, we have decided to report voluntarily, and one year earlier than legally required, the share of turnover, capital expenditure and operating expenditure generated by our taxonomy-aligned economic activities to give our stakeholders, in particular investors, analysts and lenders, a comprehensive overview of our efforts in this area.

For information on the EU Taxonomy Regulation, see page 39ff

Applied standards and guidelines

This full report meets the high standards of the UN Global Compact and presents our progress in the related areas. The following corporate departments were responsible for the collection and calculation of data in accordance with national and international standards and with the guidelines for financial and sustainability reporting: accounting, controlling and human resources management as well as the staff department for innovation, sustainability and environmental protection. The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code based on the requirements of the IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which required mandatory application as of the balance sheet date and had been adopted by the European Union.

Non-financial reporting for the 2021/22 financial year is based on the applicable standards of the Global Reporting Initiative (GRI), option "core", and also includes additional performance indicators. The reported GRI indicators are summarised in the GRI content index to provide an overview of the subject matter.

For information on the GRI content index, see page 275ff

Reporting principles and structure

At EVN, we attach great importance to giving equal treatment to the interests and concerns of our various

stakeholders. The selection of the non-financial reporting content is based on its relevance for sustainability and our goal to achieve a balanced and complete presentation of the most important current issues in line with the following principles:

- **Inclusion of stakeholders:** The reporting content is based on legal requirements and the information needs of our stakeholders, which were last identified through a stakeholder survey in 2021. This structured survey process takes place every three years.
- **Materiality:** EVN's most important activity and subject areas are defined by the EVN materiality matrix based on the results of the stakeholder survey and are reflected in the structure for this full report. The classification by area of activity is intended to give equal treatment to the diverse and varied information needs of EVN's target groups. In agreement with the GRI reporting standards, information of low importance is not provided in order to maximise relevance and transparency by concentrating on the most significant issues.
- **Completeness:** This reporting meets applicable legal requirements as well as the applied GRI standards.

For information on EVN's materiality matrix, see page 16f

External verification

The limited assurance audit for the 2021/22 financial year was conducted by BDO Austria GmbH Wirtschafts- und Steuerberatungsgesellschaft and was performed in agreement with the requirements of the Austrian Sustainability and Diversity Improvement Act, respectively with § 267a of the Austrian Commercial Code and GRI standards 2016 option "core" as well as Article 8 of the EU Taxonomy Regulation (2020/852) in connection with Article 10 para. 2 and para. 4 of the delegated regulation of the European Commission (2021/2178) and in connection with Article 9 letter a and b of the EU Taxonomy Regulation (2020/852).

The auditors' report can be found on page 269ff
For the independent assurance report on the consolidated non-financial report, see page 129ff

Additional information

We prepared this full report and verified the data with the greatest possible diligence. Nevertheless, rounding, typesetting and/or printing errors cannot be excluded. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates. This full report also contains forward-looking statements, estimates and assumptions which are based on the information available to us up to the editorial deadline. Such statements are typically connected with terms such as "expect", "estimate", "plan", "anticipate" etc. We would like to point out that actual circumstances – and, in turn, the company's performance and results – may differ from the expectations and forward-looking statements contained in this report for a variety of reasons.

We use the following signs in this report:

- Reference to additional information in this full report
- Reference to content on the internet
- Reference to GRI standards

EVN is committed to equal treatment in references to all genders in its internal and external publications, i. e. also in this full report.

This full report is available in German and English. In case of doubt, the German version takes precedence.

The editorial deadline for this report was 23 November 2022.

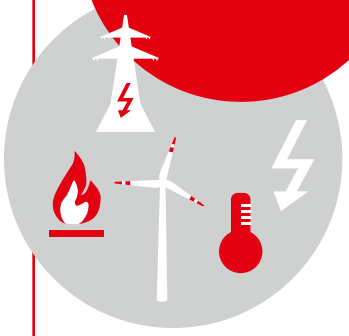
- For information on the Global Reporting Initiative, see www.globalreporting.org
- For information on the UN Global Compact, see www.unglobalcompact.org
- GRI indicators: GRI 102-46, GRI 102-54

Our EVN – the company for energy, water and environmental services

EVN's headquarters are located in Lower Austria, further core markets are Bulgaria and North Macedonia. In total, EVN is currently active in 14 countries.

Business areas

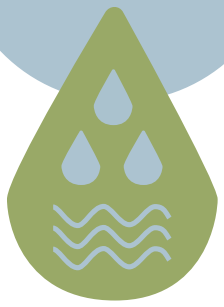
Energy business



Our integrated business model covers the entire value chain:

- → Energy generation
- → Operation of distribution networks
- → Supply of electricity, natural gas and heat to end customers (with different focal points in our individual markets)

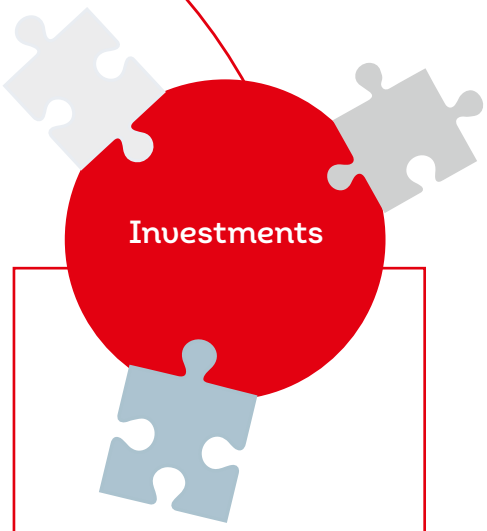
Environmental services business



The environmental services business covers the following activities:

- → Drinking water supplies in Lower Austria
- → International project business: planning, construction, financing and operation of plants for drinking water supplies, wastewater disposal as well as thermal waste and sludge utilisation

Investments



Investments in areas related to the core business supplement and hedge our value chain:

- → Verbund AG (12.63%)
- → Burgenland Holding (73.63%), which, in turn, holds 49.0% of Burgenland Energie
- → RAG (50.03%)

Markets[1] and business areas

Germany
- → **Generation:** electricity
- → **Energy supplies:** electricity
- → **Environmental services business:** drinking water supplies and wastewater treatment, thermal sludge utilisation

Austria
- → **Generation:** electricity, heat, thermal waste utilisation
- → **Network operations:** electricity, natural gas, heat, cable TV, telecommunications
- → **Energy supplies:** electricity, natural gas, heat
- → **Environmental services business:** drinking water supplies

Bulgaria
- → **Generation:** electricity, heat
- → **Network operations:** electricity, heat
- → **Energy supplies:** electricity, heat

Croatia
- → **Network operations:** natural gas
- → **Energy supplies:** natural gas
- → **Environmental services business:** wastewater treatment

North Macedonia
- → **Generation:** electricity
- → **Network operations:** electricity
- → **Energy supplies:** electricity

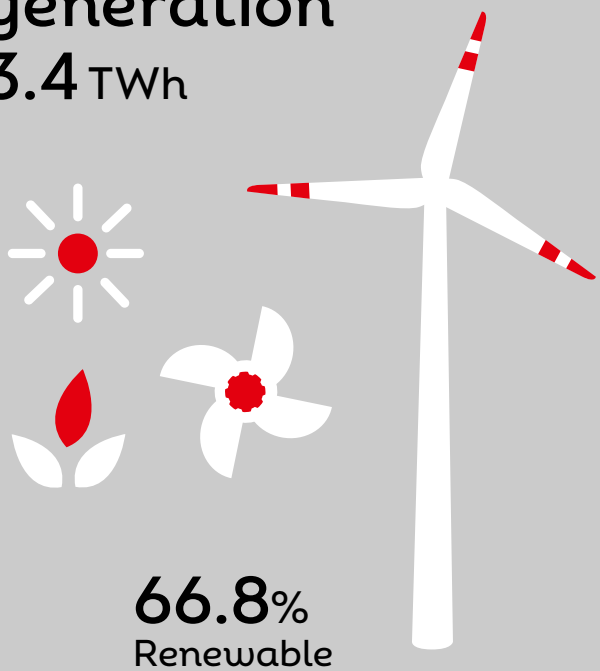
Albania
- → **Generation:** electricity

Other countries
- → **International project business:** WTE is responsible for the construction and operation of plants for drinking water supplies, wastewater treatment and thermal waste and sludge utilisation in Germany, Poland, Lithuania, Romania, Slovenia, Croatia, Cyprus, Bahrain and Kuwait

1) Map outlines markets in the energy business

Value chain and key data

Electricity generation
3.4 TWh



66.8%
Renewable

33.2%
Thermal

Trade and supply

Energy sales volumes
28.4 TWh

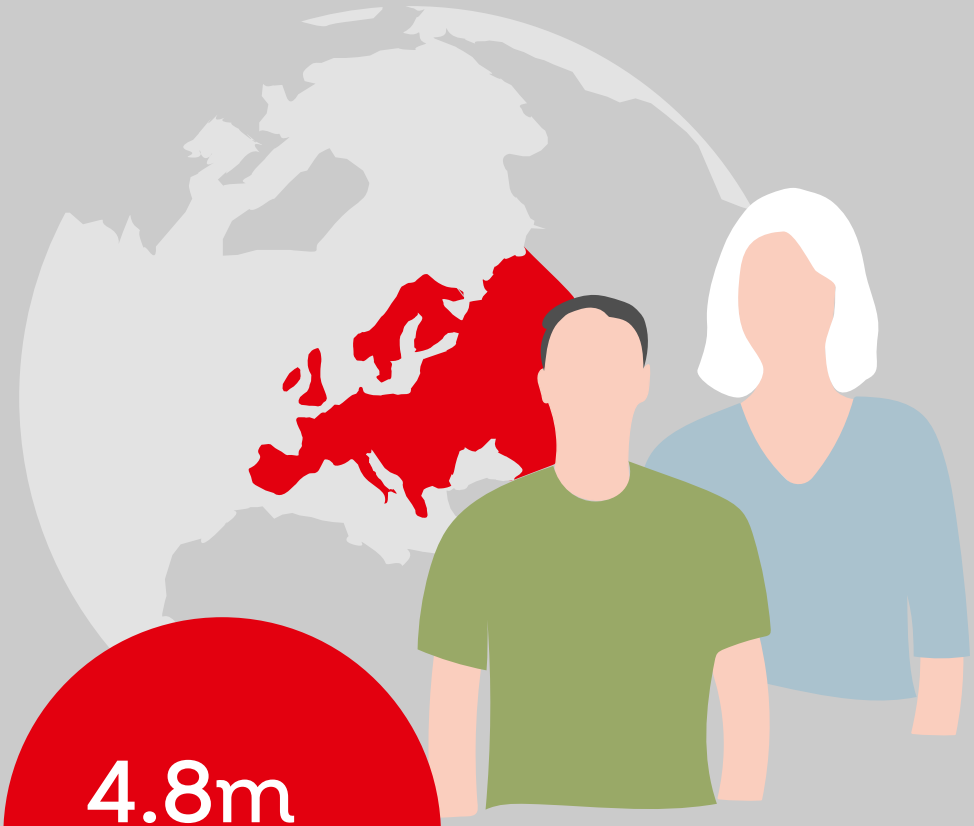
163,879 km Networks

148,961 km
Electricity

13,999 km
Natural gas

937 km
Heat

Storage
6.3 bn m³
Natural gas storage capacity of RAG



4.8m
Customers

3.5m
Electricity

0.3m
Natural gas

0.1m
Heat

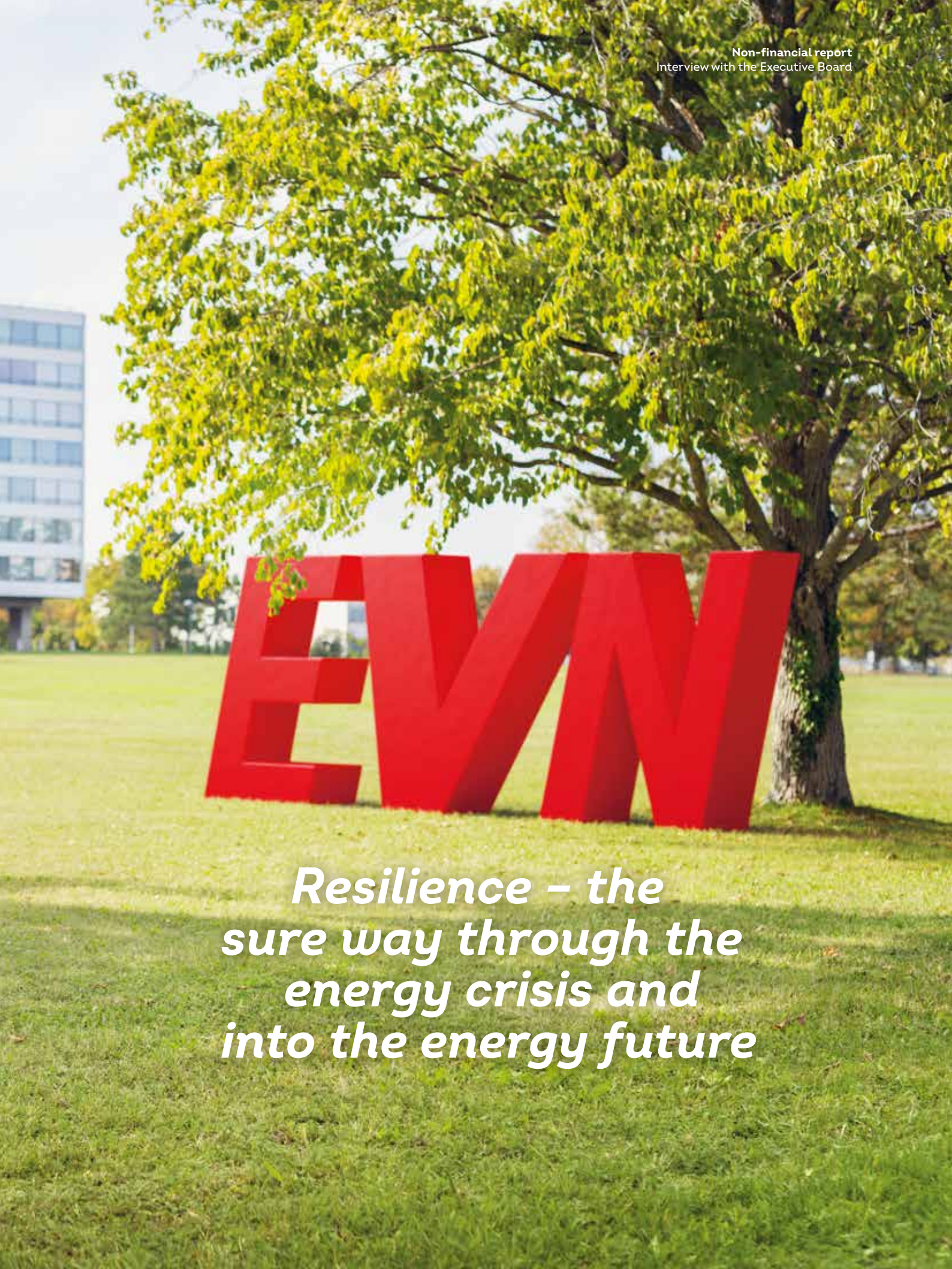
0.6m
Drinking water

0.3m
Cable TV and telecommunications

Environmental services business

Drinking water supply in Lower Austria and 14 international projects in realisation

Stefan Szyszkowitz, Franz Mittermayer
EVN Executive Board



Resilience – the sure way through the energy crisis and into the energy future

For EVN, 2022 was supposed to set the stage for the celebration of the company's 100th anniversary. The framework for these festivities was, however, clouded by unusually heavy disruptions throughout the energy branch. Taken as a whole, how would you judge the past year?

Stefan Szyszkowitz: There is absolutely no doubt that the energy branch is experiencing an unprecedented situation. The extent of the distortions is massive, and the dimensions are historic. An in-depth analysis shows that a combination of factors led to this unparalleled situation: In summer 2021, the start of the economic recovery after the Covid-19 pandemic was responsible for a surge in energy demand and, consequently, for an increase in energy prices. An additional driver for natural gas and electricity prices was the shortage of CO_2 emission certificates, and resulting higher prices, intentionally triggered by the European Union. These factors were followed by warlike rhetoric, then the start of the war in Ukraine during February 2022 and, since that time, a cycle of escalations involving Russian gas deliveries. The forward prices for energy became a mirror image of all these developments – and resulted not only in a continuing series of new highs but also in strong volatility and uncertainty. According to our estimates, it will be some time before we see any normalisation – and that is reflected in our updated forecasts.

When the greatest crisis in our branch coincides with the 100th anniversary of our company – just like the scenario in 2022 – that naturally influences our current position: "How is EVN doing in this centennial year?" Irrespective of the crisis, however, our résumé is very positive: EVN is – in spite of all the present-day adversities and uncertainty – in a very stable position! This resilience is, in the end, also the result of a corporate culture that we have actively lived for more than 100 years – a culture based on a mindset that includes values such as respect, foresight and the will to change, all of which are integral parts of our DNA. We owe this position to our many

» We are **clearly committed** to positioning EVN as **an attractive investment** for ESG investors. «

Stefan Szyszkowitz,
Spokesman of the Executive Board

colleagues who – now as well as then – have contributed to the diversification and further development of our business model with their expertise and commitment and will continue to do so in the future. This spirit creates the resilience for quick reaction to unexpected situations and solution-oriented answers.

Exactly how have your customers been affected by the energy crisis?

Franz Mittermayer: Price trends have, of course, been a particular focus of our monitoring since the beginning of the market disruptions. Our responsibility to protect the economic interests of EVN and its stakeholders is particularly challenged in the present situation. Against this backdrop, we had no alternative but to gradually pass on these higher procurement costs to our customers. A major concern at this same time was to provide the best possible support for vulnerable customer groups by ensuring the accuracy of the monetary assistance programmes initiated by the federal and provincial governments. For example: We launched a broad-based information campaign in September 2022 to make sure all Lower Austrian households could utilise their entitled rebates and subsidies as quickly as possible. We proactively contacted residents by sending our customer relations teams into the near and far corners of our supply area with the EVN bus for an entire month.

Our campaign included easy-to-implement electricity saving tips as well as specific opportunities for energy savings. With "Optima Smart Natur", we also developed an innovative offering with two tariff options that are based on the weekday or time of the day. The advantages created by smart meters are the key here – assuming they are activated – and enable the transmission of electricity consumption at quarter-hour intervals. This exact information on energy consumption makes it possible to reduce costs by using electricity, where possible, at a lower tariff during the evening or night hours, and consumption patterns can then be optimised from a pricing perspective. Roughly 5,000 customers have already switched to this tariff.

Do you have any examples of "crisis as an opportunity" in the present situation?

Franz Mittermayer: Without disregarding the enormous burden placed by rising energy prices on national economies, we can actually see several paradigm shifts. There has been a massive rethinking, for example, regarding energy consumption, and efficiency improvement as an incentive for customers is suddenly finding broad acceptance. In these times of pressing issues involving climate policy as well as the shortage of resources – in addition to natural gas, hydropower has also become a concern due to the low precipitation this past summer – it is now obvious that every kilowatt hour of electricity that is not needed contributes to the stability of the energy system. Another interesting development in discussions over the long-term transformation of this system is the realisation that the current price level will move new technologies from the niche of unprofitable futuristic options into the stage of initial industrial test facilities. One example is the electrolysis equipment required for the production of green gas.

The energy future and climate policy bring us right to the next subject. What are the latest developments in these areas?

Stefan Szyszkowitz: When we developed our Strategy 2030 two years ago, it was absolutely clear that we wanted to position EVN close to the relevant international frameworks for our branch – for example, the United Nations Sustainable Development Goals or the energy and climate policy goals of the Paris Climate Agreement and the European Green Deal. One year ago, we coordinated a path with the Science Based Targets initiative to successively reduce our greenhouse gas emissions by 2034. And we have integrated these goals in our medium- and long-term financial planning. We also launched a new campaign "EVN for the Climate – the EVN Climate Initiative" to strengthen the emotional ties between our own ambitions and our internal and external stakeholders. And we are well aware that we can only reach these goals when we work together and really want to make the energy future reality.

And that leads to our next subject, investments …

Franz Mittermayer: We remain committed to our investment programme with its annual volume of EUR 500m – or, generally speaking, more than that – as part of our Strategy 2030. These investments underscore EVN's clear positioning on all central future issues and play a key role in renewable generation, network infrastructure and drinking water supplies for Lower Austria. Roughly three-fourths of our annual capital expenditure is directed to these three areas.

The expansion of renewable energies – after many years of tedious approval procedures – is finally gaining momentum: Our installed wind power capacity equalled 407 MW as of 30 September 2022 and, based on available permits, we can realise two other wind parks with a combined capacity of 55 MW as well as a repowering project. That means we are on schedule to raise our total wind power capacity to 750 MW by 2030.

Our project pipeline for photovoltaics is also well filled, and we are on track to meet our target for a total capacity of 300 MW by 2030. We are currently constructing our first large-scale photovoltaic plant with a capacity of 10 MW on the grounds of a former landfill in Trumau, south of Vienna. The expansion of private photovoltaic construction in Lower Austria is also very impressive and underscores the need for our network investments: In Lower Austria, 58,000 photovoltaic plants with a combined output of over 684 MW now feed electricity into the network.

» EVN is optimally positioned and equipped to master the challenges of our times! «

Stefan Szyszkowitz,
Spokesman of the Executive Board

EVN's new biomass cogeneration plant in Krems is scheduled for commissioning at the beginning of 2023 after a construction period of only two years. We can then supply roughly 15,000 households with green electricity and nearly 30,000 households with natural heat from regional biomass. In addition to the further expansion of biomass heating plants – as you know, we have sufficient local supplies of biomass in Lower Austria – we are evaluating a number of other options to reduce the volume of natural gas needed to heat indoor rooms. These alternatives include heat pumps (driven by renewable electricity) as well as geothermal energy or the use of biogas as a substitute for natural gas.

In the field of water, EVN is responsible for operations in five natural filter plants. The fifth is located in Petronell and was commissioned in March 2022. It supplies nearly 50,000 customers in the region surrounding Vienna International Airport in Schwechat with drinking water that is softened by natural means. However, this past summer – with its above-average temperatures and below-average precipitation – demonstrated the importance of our ongoing investments in the expansion of our cross-regional supply pipelines. That's the only way we can continue to guarantee optimal distribution from our wells and elevated tanks in view of the rising demand for water and the decline in regional ground water volumes.

All these ambitious projects require qualified employees. Is the frequently mentioned lack of specialists and personnel shortage also an issue for EVN?

Stefan Szyszkowitz: We are convinced that progress must become an essential part of our workplace culture and never be reduced to keywords like mobile working. A substantial part of this change must also come from EVN as an employer. Let me give you one example to make this more tangible: EVN has always believed that our colleagues should work in changing fields, grow with challenges, and develop with increasing responsibility. If, in the future, we have a lack of qualified staff, especially in technical disciplines, and, at the same time, a smaller pool of suitable candidates, we must open EVN even more with a clear commitment to diversity. This will support the development of a culture that addresses today's diversity. In addition, our communications with the employment market across all regions and fields of activity are focused on employer branding and thus on the positive perception of EVN as an employer.

What are the latest developments in the international project business?

Franz Mittermayer: Good progress was made on our large-scale project in Kuwait during the past financial year, after a very difficult start due to corona-related lockdowns, especially the month-long shutdown of the Kuwait airport, as well as disruptions in international supply chains. We have filed for compensation for these delays, which were well beyond our control, and are in positive talks with the responsible ministries and public authorities. The important issue now is to keep construction on schedule: At the end of September 2022, the stage of completion on the wastewater treatment plant had reached nearly 60% and the related infrastructure roughly 40%. Assuming progress continues as planned, we will be able to complete the construction of this wastewater treatment plant by the end of the 2022/23 financial year.

We also have good news from our thermal sewage sludge utilisation projects. The plant in Halle-Lochau, which was built by our 50:50 joint venture sludge2energy, was commissioned in April 2022, and we started construction on a further sewage sludge utilisation plant in Berlin-Wassmannsdorf during September 2022.

Contrary to all reservations, EVN is continuing to work on the implementation of its Strategy 2030. That should also make the capital market happy …

Stefan Szyszkowitz: Actually, it does.

The EVN share successfully completed its intended returned to Vienna's benchmark index in March 2021 and is now well positioned in the ATX. Based on our strategy, we are clearly committed to positioning EVN as an attractive investment for ESG- and sustainability-oriented investors. That is reflected

in our decision to report voluntarily on the share of turnover, CapEx and OpEx generated by our taxonomy compliant economic activities in 2021/22.

We see ourselves as a stable partner for our shareholders. Our recommendation to the Annual General Meeting will call for the distribution of a EUR 0.52 dividend per share for the 2021/22 financial year. In the future, our dividend policy is designed to hold the annual dividend at least constant. We are also committed to appropriate participation for our shareholders in future earnings growth.

We also want to retain our rating in the solid A range and therefore pay particular attention to maintaining a balance between earnings and net debt. However, we do see a certain flexibility for temporary fluctuations in net debt – in view of our investment requirements and working capital financing needs.

The previously mentioned resilience of our business model, our Strategy 2030 and decarbonisation path as well as our investment programme with its clear focus on our regulated and stable business fields send a clear signal to the capital market: EVN is optimally positioned and equipped to master the challenges of our times!

» With **our investments,** we play **a key role** in renewable generation, network infrastructure and drinking water supplies **for Lower Austria.** «

Franz Mittermayer,
Member of the Executive Board

Clear values, focused strategy

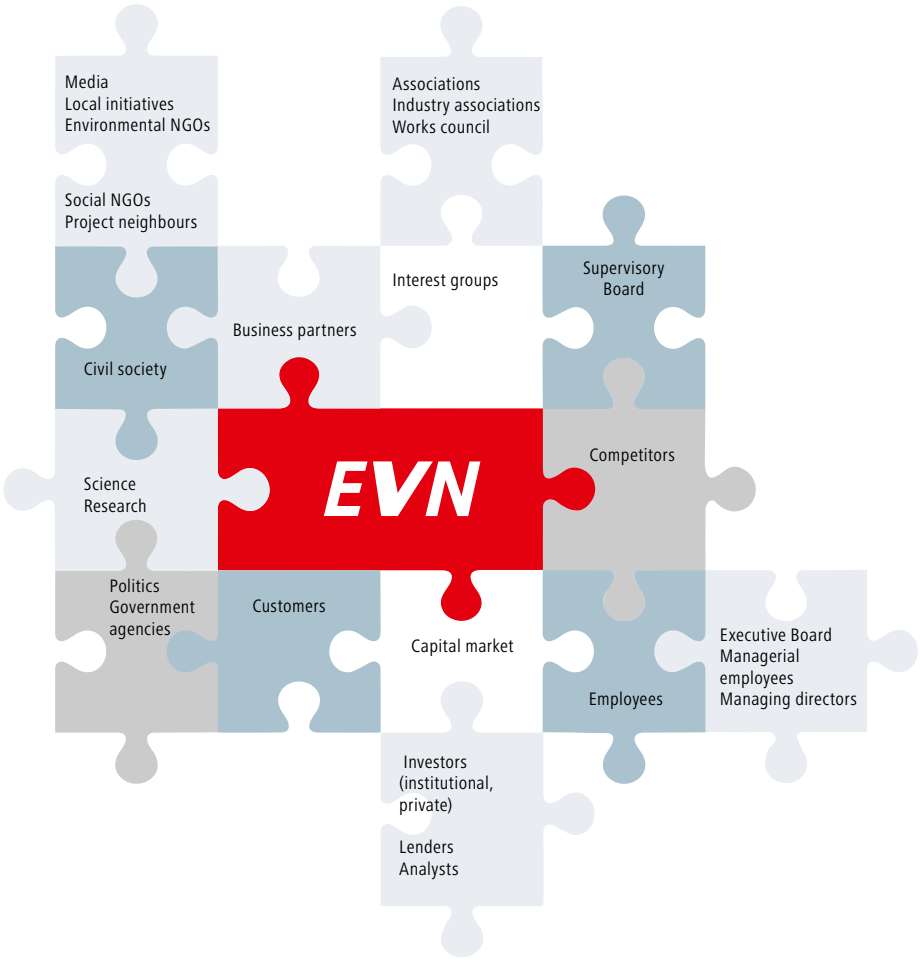
A clear set of values and a focus on areas of activity that we regularly review and prioritise together with our stakeholders form the basis for all our corporate actions. This structure determines the principles and rules for our interaction with our employees, suppliers and business partners – as well as our corporate strategy.

EVN's value structure includes fundamental statements on our vision, mission and corporate values as well as binding Group-wide standards for behaviour and actions. As a member of the UN Global Compact, we are expressly committed to compliance with the global principles of ethical business activities. Our strong sense of responsibility for our daily supply and disposal activities is reflected in strict standards for our business and the management of our Group. Compliance with ethical values and all applicable legal requirements is a matter of course.

We are committed to the concept of sustainable management and, in this sense, work to create a balance between economic, ecological and social factors. This covers the ethical, social and environmental aspects – meaning the subject areas summarised under Environment, Social and Governance (ESG) – which we combine under the term "sustainability". Our guiding principle is to achieve a fair balance between the concerns of everyone interested in our company – our stakeholders. Expertise and reliability create satisfaction for our customers and, in turn, safeguard our long-term success. We meet our responsibility for the climate and the environment, in particular, by minimising emissions, conserving resources and increasing the use of renewable energy carriers. Continuous innovation and efficiency improvements play a decisive role in this process. Our value system is strengthened by a clear commitment to social responsibility.

The EVN Code of Conduct: see page 28ff
Also see www.evn.at/corporate-policy-statement
Also see www.evn.at/environmental-policy-statement
Also see www.evn.at/integrity-clause
GRI indicators: GRI 102-16, GRI 102-21, GRI 102-40, GRI 102-42, GRI 102-43

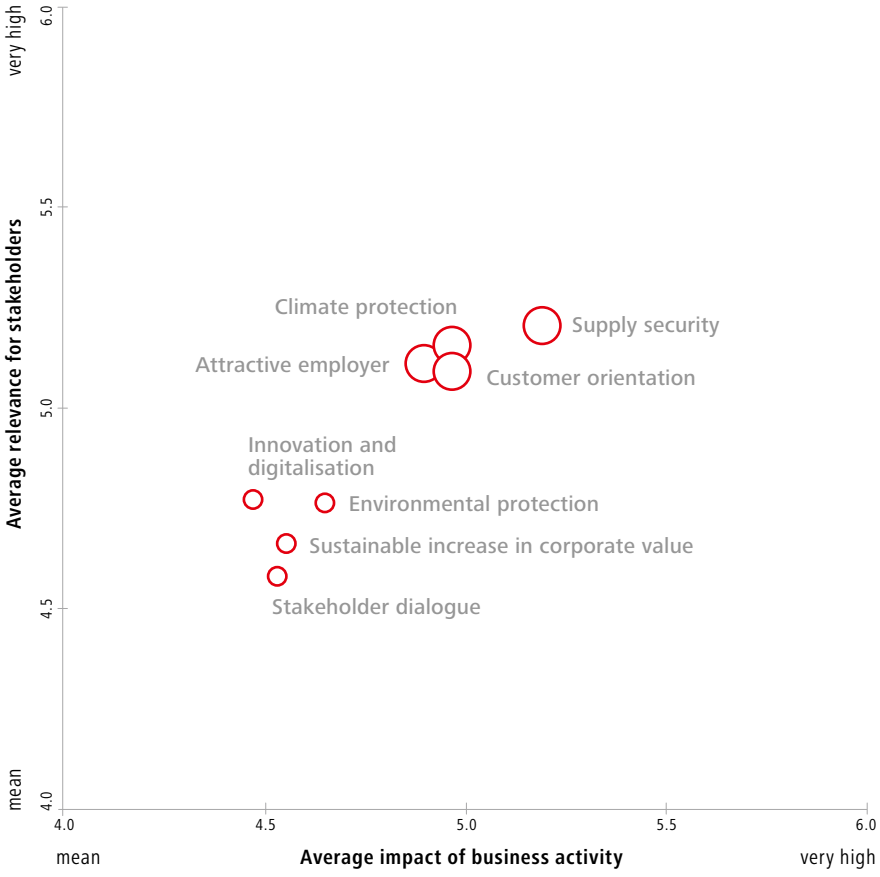
EVN's major stakeholders



Stakeholder interests and the EVN materiality matrix

We attach high importance to maintaining an institutionalised dialogue on strategic issues with our various stakeholder groups. Apart from the event-driven contacts at different levels that are related to our normal business activities, the regular updating of our materiality matrix – generally in a three-year cycle – forms the core of our stakeholder management in the area of sustainability. The last stakeholder survey was conducted in spring 2020 during the first lockdown triggered by the Covid-19 pandemic and was followed by a new survey in 2021 to verify the results.

EVN materiality matrix 2021/22



A representative selection of our internal and external stakeholders was asked to complete an online questionnaire and evaluate the relevance of the areas of activity and their impact on business activities. This structured survey process was designed to focus on the issues which have the highest priority for our stakeholders and, at the same time, represent the greatest economic, ecological or social impacts on our business activities. Our reporting is also directed to the key issues and areas of activity which have a mean to very high relevance for EVN in the materiality matrix.

In combination with our value system, this concept creates a clear framework for our entrepreneurial activities and our core strategies. The concerns and priorities of our internal and external stakeholders provide us with valuable input and guidance. The materiality matrix is an important element which helps us to focus on the relevant issues in updating our strategy.

- For information on the areas of activity, see page 23ff
- For information on the project-related stakeholder dialogue, see page 116ff

- GRI indicators: GRI 102-44, GRI 102-47

Strategy 2030: More sustainable. More digital. More efficient.

The 2019/20 financial year set the stage for the future-oriented development of our corporate strategy in a Group-wide process by EVN's management in close coordination with the Supervisory Board. It covers eight core strategies which are presented on the following double page.

Our strategy process is significantly influenced by the international frameworks applicable to the energy sector. Included here are the Sustainable Development Goals of the United Nations (SDGs) and the goals of energy and climate policy (e. g. the Paris Climate Agreement and European Green Deal). These goals and policies are leading, in part, to massive changes in the environment and in the legal and regulatory requirements on energy providers. The determining change for our industry – and a crucial factor for our strategy – is the result of social and political efforts to achieve the fastest possible transition to a functioning CO_2-free energy system in order to minimise sector-specific climate effects faster and even more clearly. Our answer to these developments is the EVN Climate Initiative, which is based on the Strategy 2030. It links relevant objectives, which include the decarbonisation goals coordinated with the Science Based Targets initiative and the climate neutrality of selected group companies, with EVN's overall strategy.

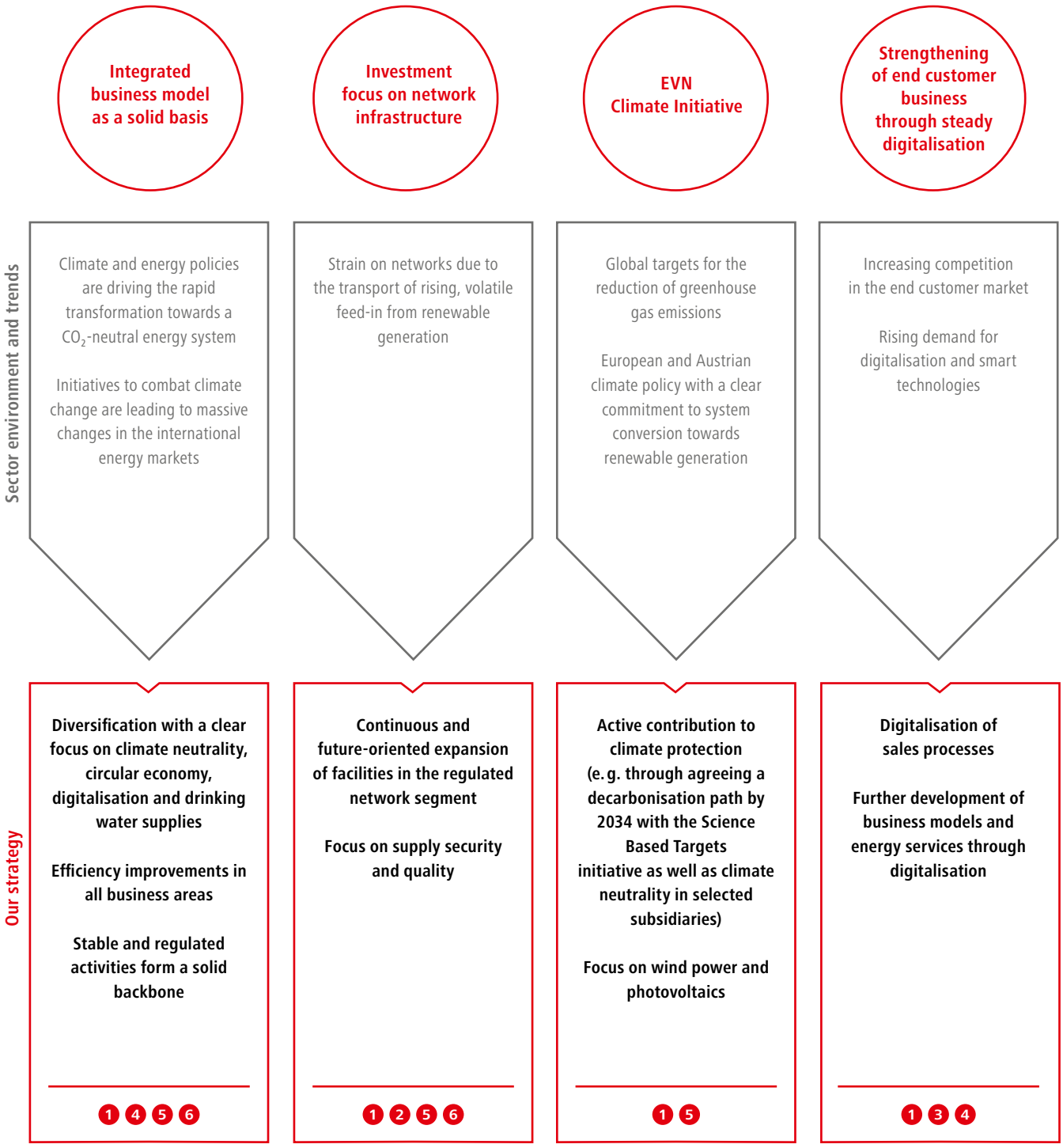
The development of many basic market and environmental factors is connected with uncertainty. Our strategy process therefore includes sensitivity and scenario analyses to support reliable conclusions for the identification of concrete measures. We also continuously monitor energy sector conditions and regularly discuss developments, including deviations from plan assumptions and their effects, at the management level – for example, at the quarterly segment steering committee meetings where the members of the Executive Board and managers exchange information with internal experts. The Executive Board then regularly discusses the aggregated findings with the Supervisory Board.

- For the EVN Climate Initiative, see page 100f

- GRI indicators: GRI 102-21, GRI 102-29, GRI 102-43, GRI 102-44, GRI 102-47, GRI 413-1

Continued on page 20→

Our core strategies 2030



Areas of activity

1. Sustainable increase in corporate value
2. Supply security
3. Customer orientation
4. Innovation and digitalisation
5. Climate protection
6. Environmental protection


Growth and efficiency improvement in South East Europe
Increased focus on drinking water supplies in Lower Austria
Focus on concepts to support a circular economy
Diversification through selected projects in the international environmental services business
High growth potential for renewable generation (very good wind and solar conditions)
Continued high demand for efficiency improvements in network operations
Progressive liberalisation as challenge for energy distribution
Increase in water consumption due to demographic changes (urbanisation) and growing number of weather-related peak periods
Rising quality demands on water supplies (e. g. hardness of the water)
Ban on spreading of sewage sludge and stricter EU requirements for the separation and recycling of household waste (e. g. plastic)
Specific regional characteristics and general conditions require individual solutions for municipal water supplies and wastewater disposal
Sector environment and trends
Growth through realisation of new wind power and photovoltaic projects
Commitment to supply security and quality
Focus on measures to reduce network losses and improve the collection rate
Efficiency improvements in the operating business
1 2 3 5
Increase in pumping station capacity to improve performance and expansion of cross-regional pipeline networks
Construction of natural filter plants to reduce the hardness of the water by natural means
Development of new drinking water sources
1 2 3 6
Concepts and projects for the thermal utilisation of sewage sludge and waste (focus on Austria and Germany)
1 5 6
Concentration of our solution expertise on selected projects in municipalities and countries with strong credit standings
Creation of added value for our customers as the basis for our economic success
1 6
Our strategy

Efficient sustainability organisation

The responsibility for ESG and its further development lies with the Executive Board, i. e. at the highest corporate level. All these issues flow into our sustainability strategy which, in turn, is derived from the corporate strategy (which is also the responsibility of the Executive Board). Moreover, the Executive Board exchanges information on the sustainability strategy with the Supervisory Board on a regular basis and reports quarterly on the principal developments and measures involving ESG.

The sustainability steering committee, which also meets four times each year, includes the members of the Executive Board, key managers from various areas of the company, the managing directors of the most important Austrian and international subsidiaries and the members of the intradepartmental sustainability team. This committee deals with current ESG issues, approves major ESG activities and, based on its broad composition, ensures that the strategies, measures and goals defined in these meetings are rolled out and implemented in operating activities throughout the EVN Group.

The staff department for innovation, sustainability and environmental protection, which reports directly to the Executive Board, is responsible for the coordination of sustainability activities and environment- and climate-related issues. Management conferences, in particular the biannual all-day innovation conferences, provide a platform for this staff department to report on the innovation and research projects under its direction. The primary objective of these projects is to make a positive contribution to environmental and climate protection and to customer benefits.

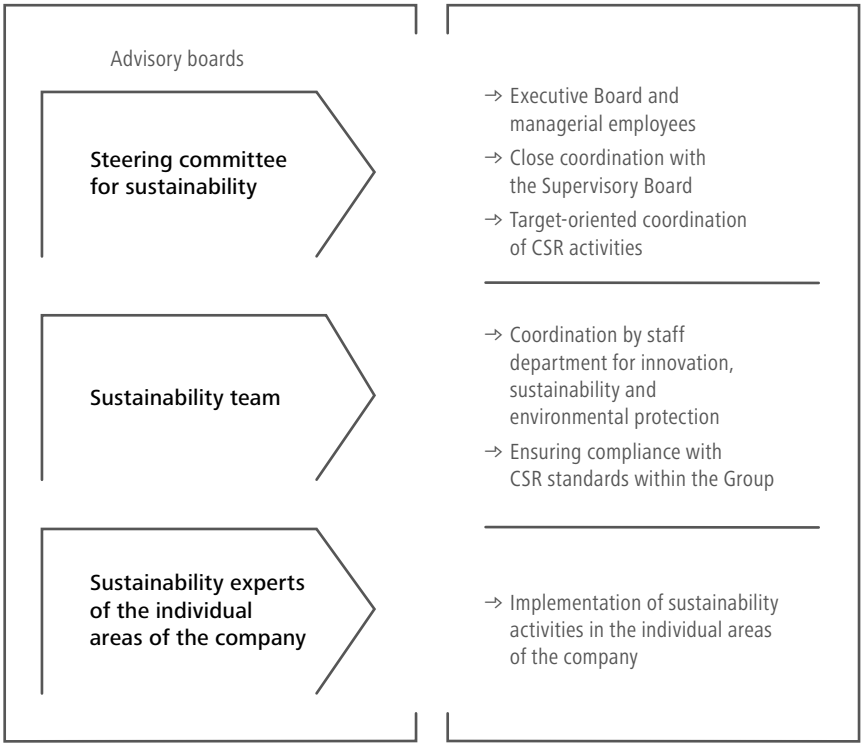
The staff department for innovation, sustainability and environmental protection also coordinates an intradepartmental sustainability team which ensures compliance with our high sustainability standards and the operational development and implementation of new ESG aspects in our Group. The aspects of climate change that are relevant for our business activities also have high priority for this team.

Valuable external inputs

In addition to the regular exchange of information with internal experts, our Executive Board and Supervisory Board are supported by various advisory boards. These panels include external experts from different disciplines who contribute their expertise and outside perspectives on the ESG aspects of our activities.

☐ For the Sustainability Advisory Board, see page 98
☐ For the EVN Social Fund, see page 119
○ For the Sustainability Advisory Board, see www.evn.at/sustainability-advisory-board
○ For the EVN Social Fund, see www.evn.at/social-fund
○ For the EVN Art Advisory Board, see www.evn-sammlung.at
△ GRI indicators: GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-21, GRI 102-27, GRI 102-31, GRI 102-44

EVN sustainability organisation



Impact of our business activities

Our annual risk inventory in line with the Sustainability and Diversity Improvement Act covers potential risks and the related effects of EVN's business activities and business relations on environmental, social and employee-related issues, the observance of human rights and the fight against corruption. It also includes an assessment of the resulting financial impact on the EVN Group.

This gives us a clearly structured and defined process to identify and analyse potential risks and their effects on various organisational and hierarchical levels and, in turn, develop suitable countermeasures. We ensure the inclusion of the management and Executive Board levels by presenting and discussing the results and findings of the risk inventory in the risk working group and the Group Risk Committee. In 2020/21, we also used the online questionnaire created for the update of the EVN materiality matrix to ask internal and external stakeholders about the effects of our business activities on society, the environment and the economy.

The following table summarises the most important potential effects. It also includes examples of the instruments and measures used or taken – in agreement with the EVN Code of Conduct and our overriding behavioural standards for compliance – to minimise any negative effects.

Focus on sustainability and, above all, on climate risks

The high priority given to climate protection is illustrated by our risk inventory with its focus on potential climate risks and their impact on our business activities in connection with climate change. Climate risk is, however, consciously not defined as a separate risk category but – where appropriate – assigned to the individual risk categories as an interdisciplinary issue. We differentiate between transition risks and physical risks. Transition risks represent the uncertainties resulting from the transformation towards a renewable energy system. Physical risks involve events and changes that are triggered directly by the climate.

We identify climate-related fluctuations in our earnings through our risk management and evaluate the potential quantitative effects with sensitivity and scenario analyses as part of our planning process. Comparable issues also influence the selection of the scenarios for the future development of energy and primary energy prices. This information forms the basis for discussions on climate change and its impact on our business activities at the management, Executive Board and Supervisory Board levels.

Damages caused by extreme weather events represent a threat to supply security. In a broader sustainability context, the risks in this area also include supply interruptions or physical dangers caused by explosions or accidents. In order to guarantee trouble-free operations and the technical security of our power plants – both of which are essential to protect reliable supplies – we conduct regular inspections and maintenance work that also involves scheduled downtime. We measure and monitor actual interruptions in network electricity supplies with the System Average Interruption Frequency Index (SAIFI) – which shows the mean supply interruption – and the System Average Interruption Duration Index (SAIDI) – which shows the average annualised duration of unplanned power interruptions.

Occupational safety and accident prevention are also prominent issues in all our business units. We guarantee the required high level of safety, above all, through training and by raising employees' awareness. In addition to legal requirements, we have developed an extensive set of internal rules, directives and guidelines. All work accidents in the EVN Group are recorded and analysed centrally by the occupational safety department. As shown in the following table under the area of activity "sustainable increase in corporate value", employee-related risks also cover the loss of highly qualified staff. We address these risks, among others, through the creation of an attractive work environment and flexible working time models. The risk analysis also includes the intended or unintended misrepresentation of transactions or positions in the annual financial statements, which we work to prevent with our internal control system (ICS).

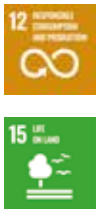
The staff department for innovation, sustainability and environmental protection is responsible for the identification and analysis of the ecological impact of our business activities with regard to the use of resources, energy and water consumption, emissions, biodiversity and transport as well as wastewater and waste disposal (environmental risks). Based on its analyses, this department also supports the operating units in preventing or minimising their effects on the environment.

- For information on the Group-wide risk management process, which includes the identification of sustainability risks, see page 158ff
- For information on SAIFI and SAIDI, see page 60f
- For information on occupational safety, accident prevention and compliance, see page 85ff and page 28ff
- For information on the ecological impact of EVN's activities, see page 96ff
- GRI indicators: GRI 102-11, GRI 102-15

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Sustainable increase in corporate value … stands for entrepreneurial actions which, in connection with strategic decisions, are intended to maintain a balance between value-oriented investments and an attractive return for our shareholders. Ethical and legally compliant behaviour by our employees is a matter of course. The anchoring of social and ecological aspects in procurement as well as in the awarding of contracts and compliance with human rights by our suppliers and business partners represent further focal points in this area.	– Risk of a loss in value for equity and debt investors – Compliance violations + Stable development of dividends + Improvement of the infrastructure in countries/regions where projects are in progress or were carried out + Job security + Regional added value through cooperation + Solid capital base eases effects of economic crises + Fair and transparent tenders	→ Goal: balance between investment projects and an attractive return for shareholders → Protection of projects through guarantees and insurance → Integrated business model with focus on regulated and stable activities → Goal: ratings in solid A-range → EVN Code of Conduct → EVN values → Corporate compliance management → Compliance training → EVN integrity clause as an integral part of every supplier relationship → Sustainable focus of all EVN procurement procedures → Self-reporting form for all bidders in tenders → Anonymous whistle-blowing procedure → Regular control of compliance with human rights and workers' rights in the supply chain	
Supply security … stands for reliable supplies, also in crisis situations. Uninterrupted supplies of the required energy and the technical quality of the networks are the key factors in the energy area. We focus on the sustainable expansion of our networks and technical infrastructure and on the reliable supply of and increase in the quality of drinking water.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions – Impact of network breakdowns on society and the economy + Increase in the share of renewable energy + Reliable energy supplies for society and the economy + Provision of infrastructure + Provision of high-quality drinking water	→ Certified environmental management systems → Goal until 2030: expand wind power from currently 407 MW to 750 MW and photovoltaics to 300 MW → Top priority for supply security and quality → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants, pandemics) → Extensive monitoring activities (e. g. water quality) → Low network losses and electricity supply interruptions → Ongoing investments to improve network infrastructure and drinking water supplies → Cybersecurity and insurance	
Customer orientation … stands for products and services that are transparent and meet individual needs, for high service quality, for target group-oriented communications and for support for our customers in the efficient and safe use of energy. The protection of personal data also has high priority.	– Data protection incidents – Rising exchange prices endanger the affordability of energy + Improved, more efficient use of energy + Cooperation projects protect jobs in the region + High standards for supply security + High availability of EVN power plants	→ Top priority for supply security and quality → Top priority for data protection → Extensive monitoring activities (e. g. water quality) → Monitoring of mean electricity supply interruption → Support for customers in improving consumption efficiency → Various communication channels for customers → Combatting energy poverty	

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Attractive employer … stands for our claim to be a responsible, fair and crisis-resistant employer. We support diversity and equal opportunity, are committed to employee training and to offering a wide range of responsibilities in a modern working environment. That allows us to pursue targeted and efficient human resources development in a continuously changing working world – and all this within the context of comprehensive occupational safety and health protection.	– Work accidents – Effect of stress on employees' health – Compliance violations + Job creation + Job security + Attractive working environment + Flexible working conditions + Macroeconomic contribution through training and continuing education	→ EVN values → Corporate social partnership → Sustainable human resources development → Principles and guidelines of the International Labour Organization (ILO) and UN Global Compact → High standards for health protection and occupational safety → Flexible working time models → Internal control system (ICS) → Re-entry of employees on parental leave; retention periods that exceed legal requirements → Group health insurance → Compliance training	
Climate protection … stands for the step-by-step system conversion towards climate-neutral energy generation while, at the same time, protecting supply security. Efficiency improvements and innovation initiatives – also to reduce greenhouse gas emissions – make an important contribution in all areas.	– Greenhouse gas emissions + High standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy + Contribution to meeting international and national climate targets + Reduction of greenhouse gas-relevant emissions + Necessary adjustments to business model to reflect climate change	→ Goal up to 2030 (at the Group level): expand wind power from the current level of 407 MW to 750 MW and photovoltaics to 300 MW → Decarbonisation targets according to SBTi (by 2034) → Climate neutrality for selected Group companies → Network investments to integrate electricity from volatile renewable generation → Focus on efficiency improvements, above all through minimisation of GHG emissions → Heat generation from biomass and heat pumps → Suitability of natural gas network for renewable and CO_2-free gas	
Environmental protection … stands for minimising the environmental impact of our activities, for the responsible use of resources, e. g. materials and water, for the protection of flora and fauna and for conservation of the natural habitats of the animals and plants in the areas surrounding our plants and projects. Environmentally compatible waste management represents another focal point. Full compliance with environmental regulations and requirements in all our activities is a matter of course.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions + High environmental standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy	→ Certified environmental management systems → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants) → Wide-ranging measures for species conservation, protection of biodiversity and the protection and restoration of natural habitats → Use of state-of-the-art environmental technology → Ongoing modernisation of natural gas pipeline network → Focus on efficiency improvements → Efficient and effective waste management → Restoration of contaminated sites and locations	

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Innovation and digitalisation … stand for the future-oriented development of our business model, among others with a focus on continuing adjustments to keep pace with our constantly changing environment through targeted innovations and digitalisation.	– Lack of customer acceptance for innovative products – Growing risk of cybercrime + Protection of competitive ability + More flexible working conditions for employees + Macroeconomic contribution through innovation initiatives, infrastructure projects and investments	→ Continuous monitoring of innovation processes → Extensive IT security measures → Innovation, research and development activities → Goal: balance between investment projects and attractive return for shareholders	
Stakeholder dialogue … stands for the acceptance of responsibility towards EVN's various interest groups through wide-ranging social and cultural initiatives, also outside our core operating business. The key element is a proactive dialogue with our stakeholder groups and the responsible handling of their concerns, e. g. through the involvement of neighbouring residents in the expansion and operation of our plants. Our social commitment is also reflected in the transfer of knowledge to children and young people and in the improvement of the quality of life for people in challenging situations, e. g. through measures to combat energy poverty.	– Asymmetric inclusion of various stakeholder groups – Lack of identification with the expectations and requirements of the various stakeholder groups – Adverse effects of air pollution from power plants – Adverse effects of noise from plant construction and operations + Protection of the interests of major stakeholder groups + Protection and improvement of the quality of life through reliable energy supplies + Protection of the quality of life through supplies of high-quality drinking water + Support for children and young people in challenging life situations + Improvement in customers' consumption behaviour + Instruction for elementary school children on the scientific and practical basics of electricity	→ EVN Customer Advisory Board to protect the interests of the different stakeholder groups in a balanced way → Advisory Committee for Environmental and Social Responsibility → Regular stakeholder survey → Proactive stakeholder involvement → Project-related stakeholder communications → EVN materiality matrix as an instrument to reconcile corporate and stakeholder interests → Combatting energy poverty → Support for customers in improving consumption efficiency → Responsibility for art and culture through the evn art collection → EVN Social Fund → EVN School Service → Free school workshops by kabelplus to strengthen young people's digital competence	

△ GRI indicator: GRI 102-11


EVN
Efficient


WIR
fürs Klima

Act efficiently, design the future

Honest, ethical, goal-oriented – this is the way we must and want to act. We always want to be a fair contract partner, also for our many suppliers and business partners.

Human rights, ethics and integrity

At EVN, we place particular importance on ethical and legally compliant behaviour by all our employees, business partners and suppliers. To guarantee full compliance with this commitment, we have implemented a series of compliance guidelines and measures that apply throughout the EVN Group. The starting point is the EVN Code of Conduct with its ten subject areas. It is based on the EVN values and regulates, among others, the aspects of our business activities in the areas of human rights, governance, corporate ethics, the prevention of corruption, data protection, confidentiality and competitive behaviour, occupational safety and accident prevention as well as climate and environmental protection. Full compliance and the strict observance of the EVN Code of Conduct represent Group-wide binding guidelines for our behaviour. The Code of Conduct is supplemented by additional guidelines for specific target groups such as employees or suppliers and for specific issues such as the prevention of corruption or competition regulations.

The rules in our Code of Conduct are based on a diverse group of principles and policies that were adapted to meet our company's characteristics and requirements. They range from national laws and international regulations, such as the OECD and UN Global Compact guidelines and agreements, to the policy statements and principles issued by the International Labour Organisation (ILO) as well as internal organisational directives and corporate principles that go beyond legal requirements. Reliability, transparency, trust and quality in our interaction with internal and external partners are the central guidelines. The EVN Code of Conduct was issued in German, English and the languages of our foreign subsidiaries. It is also available to the general public on our website. Interested business partners can obtain detailed information on our compliance management at any time.

❑ For EVN's integrity clause for suppliers, see page 35
○ Also see www.evn.at/Code-of-conduct

Organisation of compliance management

EVN has had a separate compliance management system (CMS) since 2012. It defines a standardised framework for the entire Group, which supports the honest and legally compliant behaviour of our employees in their everyday business activities. The CMS is built on three main elements:

- → Prevention through the creation of awareness and training
- → Identification of compliance risk areas and violations of the Code of Conduct
- → Reaction through information and improvement as well as the introduction of any necessary measures

Corporate compliance management (CCM), a staff department that reports directly to the Executive Board, is charged with the operation and continuous improvement of the CMS. In addition to the chief compliance officer and CCM staff, national compliance officers were installed in Bulgaria, North Macedonia and at WTE. Seven staff members in total are responsible for implementing compliance measures throughout the EVN Group in line with regional requirements.

In the ten years since its formation, EVN's CMS has been continuously improved and expanded to integrate new aspects. The improvements to the compliance-related structures, processes and organisational rules that were implemented with the responsible managers ensure that our CMS is capable of meeting international requirements. Based on the current high level – which was reached, not least, with extensive training and communication measures – the organisation will now be simplified. The role of the decentralised compliance officers in EVN's Austrian companies will be restructured in 2022/23. Their responsibilities will be transferred to the CCM staff, who will continue to receive support from the heads of the respective organisational units.

The chief compliance officer reports to the full Executive Board and the Supervisory Board's Audit Committee several times each year.

Prevention of corruption

We are decisively opposed to all types of corruption and define this term very broadly. For EVN, it covers illegal payments (e. g. bribes, kickback payments, fictitious services, false classification/account assignment) as well as all forms of gratuities (e. g. gifts, invitations, subjective benefits, immaterial advantages like awards and patronage). Our employees and their close family members are prohibited from accepting or granting any form of such advantages – with the exception, for example, of small mementoes that reflect local or national practices.

Apart from our restrictive internal catalogue of rules and values, all EVN employees and corporate bodies must comply with the strict Austrian laws for public officials. Corruption law is intended, among others, to prevent public officials from misusing their position to create an advantage for themselves or for third parties.

A comprehensive set of preventive measures – including internal behavioural guidelines and specific training programmes – has been implemented to create a greater awareness for the prevention of corruption among our employees. Accordingly, the issue of corruption represents a special focal point of the regular compliance risk surveys conducted by CCM.

The following measures and control mechanisms – in addition to EVN's values, behavioural rules and extensive training programme – are designed to prevent the violation of legal requirements and our company-specific compliance rules:

- → Anchoring of the principles for dual control and the separation of functions to ensure agreement with all compliance rules in our business activities (especially activities involving frequent contacts with suppliers, customers and public officials in connection with procurement, tenders, approvals, expert opinions, research and subsidy issues, real estate matters, recruiting and management skills)
- → Strict automated, system-supported procedures for the approval, invoicing and documentation of expenses incurred in connection with business trips, invitations etc.
- → Provisions in employment contracts to prevent conflicts of interest under labour law (e. g. requirement to report and obtain approval for secondary employment activities from the human resources department)
- → Integrity review of business partners
- → Strict criteria, rules and procedures in connection with the commissioning, execution and invoicing of consulting, brokerage and lobbying services
- → Group guidelines on sponsoring (requirements, rules, procedures)

△ GRI indicators: GRI 102-16, GRI 205-1, GRI 205-2

Compliance risk analysis

Within the framework of the CMS, a compliance risk analysis was carried out in agreement with the subject areas in the EVN Code of Conduct. The comprehensive compliance risk analysis described below – in addition to the further development of preventive measures and controls to prevent compliance violations – has improved awareness and strengthened compliance knowledge at all hierarchy levels.

We identified the business areas and processes which have a high or very high risk potential in a two-stage analysis and assessment process together with managers and representatives of the corporate units. Both external and internal criteria were used (e. g. precedence cases of compliance violations in specific branches or countries, respectively the design of business processes and control measures at EVN). The next step involved ranking the results of this specific risk assessment on a four-point scale. We then entered the business transactions with a high or very high probability of risk occurrence in a risk-control matrix and implemented specific process controls. Similar to the internal control and risk management system for our accounting process, these controls are reviewed annually by an auditor.

Data on compliance risks, which also include the protection of human rights and the prevention of corruption, are systematically collected each year for the entire corporation from different viewpoints. An important occasion is the annual risk inventory because compliance violations represent a risk factor from the perspective of EVN's risk management. Our internal audit department also reviews compliance with all rules and regulations during its audit work. The results of these reviews are communicated to management, the Executive Board and the Audit Committee of the Supervisory Board.

△ GRI indicators: GRI 102-17, GRI 205-1

Whistle-blowing procedure

Our employees have access to a confidential and anonymous whistle-blowing procedure, which permits the reporting of (presumed) compliance violations via the EVN Intranet or specific e-mail addresses. In Austria, Bulgaria, North Macedonia and Croatia and also at WTE, designated e-mail addresses are available in the main languages of the EVN Group to report concerns over unethical or illegal behaviour. Employees can also contact CCM via telephone at any time. Special compliance e-mail addresses allow business partners to also use the whistle-blowing procedure.

Training and communication measures provide employees with regular information on these low threshold communication channels where possible applications and the underlying principles of the whistle-blowing procedure are explained. A Group directive defines this information, as well as the process for dealing with reported concerns and protecting the whistle-blower against reprisals.

Compliance violations represent a breach of employees' responsibilities and may lead to consequences under criminal law, whereby decisions are the responsibility of the designated institutions. Confirmed suspicions result in prosecution under labour and/or civil law, depending on the severity of the case and the scope of the damage. Therefore, employees who unintentionally come into conflicts of interest or loyalty during their work should contact EVN's compliance officer directly and without delay.

There were no reports of alleged discrimination, but we did receive five reports of suspected corruption in 2021/22. The related investigations were still in progress at the end of the reporting year. One case of reported corruption from a previous financial year was confirmed. It did not result in a lawsuit, but the employment relationship was terminated. Appropriate steps were then taken to prevent similar cases in the future.

In connection with criminal investigations against the former management of the partly state-owned, Croatian natural gas company INA, allegations of reputed attempted collusion were raised in October 2022 against an employee of EVN Croatia who maintains a regular business relationship with INA. We are cooperating closely with the authorities and are interested in the rapid clarification of the allegations. EVN Croatia is not the subject of these claims.

No contracts with business partners were terminated in 2021/22.

△ GRI indicators: GRI 205-3, GRI 406-1

Review of business partners

Our business partners are also required to comply with strict ethical standards. We give high priority to the issues of human rights, working conditions and labour laws, environmental and climate protection and business ethics. Throughout the entire EVN Group, we attempt to avoid business relations with companies that have been proven to be directly or indirectly involved in or accused of offences against human rights or violations of corruption, antitrust or commercial law. The review process for potential business partners, which also includes the screening of sanction lists, follows a risk-based approach that is focused on industry and country risks. For Austria and at WTE, we also use the compliance database and software of a specialised external service provider. Risk-minimising measures are implemented if the screening reveals any sensitive issues.

△ GRI indicator: GRI 102-17

Compliance training

EVN's CMS is based on a carefully developed and continuously improved training and communication concept to ensure that all employees familiarise themselves regularly with compliance issues. Training on the subject areas in the EVN Code of Conduct is repeated each year and is focused, above all, on the following aspects:

- → Human rights
- → Corporate ethics
- → Prevention of corruption
- → Competitive behaviour

The multi-level compliance training programme on the EVN Code of Conduct was redesigned in agreement with management and launched in 2021/22 It requires mandatory completion by all new employees (incl. external employees):

- → Compliance Basics Webinar (two months after the start of employment)
- → Compliance E-Learning (six months after the Compliance Basics Webinar)
- → Compliance Update Webinar (24 months after the Compliance E-Learning)
- → Refresher courses and special training

These training programmes are also mandatory for all managers, and we offer separate complementary formats as needed.

The modules in this intensive learning path have a high degree of interaction and practical orientation. The webinars and e-learning modules combine self-study units with knowledge checks and the opportunity for collaborative work on virtual case studies. The Compliance Update Webinar and refresher courses include case studies that are tailored to the employee's individual area of responsibility. That makes it possible to train for the specific challenges involved

in the correct application of the EVN Code of Conduct, for example in connection with the prevention of corruption. We offer special coaching for persons in areas exposed to increased risk, e. g. employees in highly competitive business fields or the international project business and employees with direct contacts to public authorities. The members of the Supervisory Board have also received additional comprehensive training from external experts.

In addition to this extensive training programme, CCM also relies on alternative communication channels (e. g. the Intranet or EVN's employee newsletter) and on know-how transfer by managers who are closely integrated in the strengthening and further development of our ethical principles as well as our compliance principles and rules. The content developed with these managers in multi-hour workshops is then transferred to their staffs.

Human rights and minimum social protection

A central subject area in our Code of Conduct has always been the unlimited and unequivocal commitment to the respect, observance and protection of human rights and ethical principles in the interaction with our employees at all our locations and in all our business relations. The rejection of child labour and forced labour is an integral part of this subject area as are the prohibition of discrimination based on gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment, the protection of co-determination rights, occupational safety measures and human rights issues along the supply chain (especially on international projects).

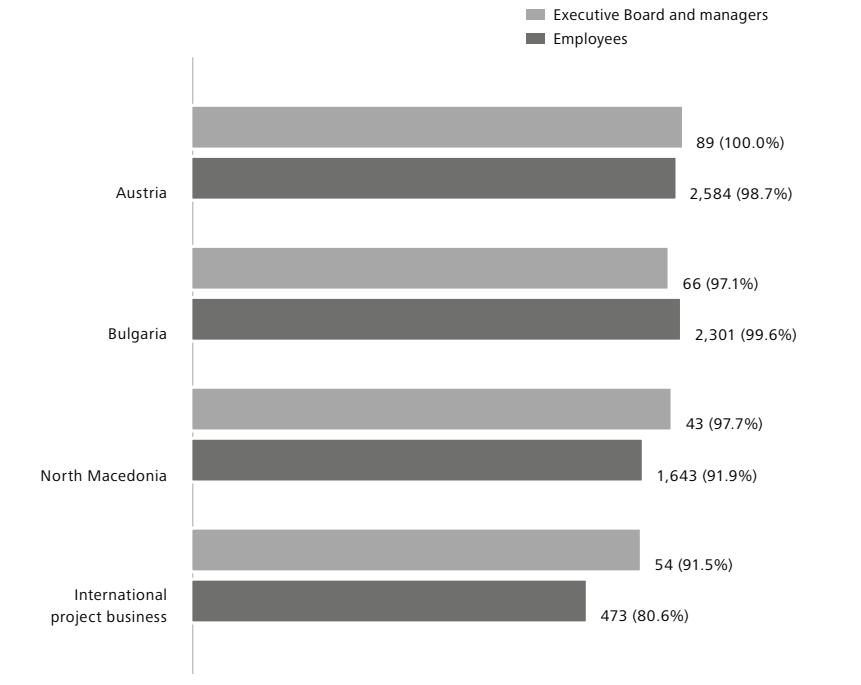
The framework for the observance of human rights and minimum social protection is created by internal policies which, in turn, are based on the relevant laws and international directives – above all on the ten principles of the UN Global Compact and the guidelines issued by the OECD, the United Nations and the International Labour Organisation. As an international corporation, we are also active in countries with a different history and understanding of human rights issues. Although the respective governments are primarily responsible for protecting human rights, we consider it our responsibility to ensure the observance of human rights and – within our possibilities – to encourage compliance in this area outside our direct scope of operation.

We reviewed and further developed our internal processes and guidelines on human rights and minimum social protection in 2021/22, also with a view towards first-time reporting in accordance with the EU Taxonomy Regulation.

Participation in mandatory compliance training[1)]

(as of 30.09.2022)

Number



1) Includes non-consolidated subsidiaries

FAIR TAX POLICY

Based on EVN's high ethical standards – which have been formalised, especially in the EVN Code of Conduct – we have defined a binding tax strategy for the EVN Group. We see it as our obligation towards the economy, environment and society to make a fair contribution to tax revenues in all countries where we are active. This belief is reflected in compliance with all relevant national and international tax laws and legal requirements and is illustrated, above all, by the following principles for the tax strategy of the EVN Group:

- → High compliance standards with regard to taxes, especially the legally compliant, timely and complete fulfilment of all reporting, clarification, submission and payment requirements
- → Risks under financial criminal law, especially the risks related to tax evasion or reduction, must be excluded at all times
- → Fair, constructive, cooperative and transparent dialogue with the fiscal authorities
- → Proactive tax controls based on the evaluation of tax-relevant risks and tax risks through the identification, analysis and assessment of these risks (documentation via risk-control matrix)
- → The avoidance of aggressive tax planning, in particular no use of artificial structures whose main purpose is tax reduction

In this way, we can ensure full compliance with all management approaches and organisational rules. These activities also ensure that the responsible organisational units in the EVN Group (in particular human resources, occupational safety, procurement and purchasing as well as the staff departments for corporate compliance management) deal with human rights and minimum social protection issues as interdisciplinary subjects.

This has facilitated a deeper understanding of human rights in the involved organisational units. The Executive Board and management were regularly informed of progress and newly implemented measures. In November 2022, an EVN Human Rights Policy was prepared and approved by the Executive Board and a human rights officer was appointed.

Risks related to non-compliance with human rights are assessed throughout the Group within the annual risk inventory.

Additional principles to protect the human rights of our employees (especially non-discrimination, co-determination rights and occupational safety) are described on page 81ff

For information on EVN's human rights policy, see www.evn.at/human-rights-policy

Procurement

Energy procurement

We cover the electricity supplies for our Austrian customers – via EnergieAllianz – through medium-term supply contracts and through purchases over the wholesale market. These supplies are purchased directly over the electricity exchange, through bilateral transactions with various trading partners or over-the-counter (OTC) platforms – and include the production from our own power plants. We also purchase green energy, which is allocated in accordance with the Green Electricity Act based on our share of electricity sales in the respective regulatory area. In addition, we take over the surplus electricity produced by our customers' own generation equipment (especially photovoltaic equipment).

For information on electricity labelling, see page 70f

Our electricity supply subsidiaries in Bulgaria and North Macedonia are required by law to purchase the electricity for sale to customers in the regulated market segments from the state-owned producers, i. e. NEK and ELEM respectively. The remainder of the electricity required for customers in previously liberalised segments is purchased over wholesale markets.

Long-term supply contracts cover a large part of our natural gas purchases. The remaining volumes are purchased on wholesale markets over national and international OTC trading centres and exchanges, for example in Austria (CEGH) or Germany (NCG). Most of the natural gas imported to Europe comes from Russia and Norway.

Procurement of products and services

EVN's business activities as a whole and, above all, the investment focal points on network infrastructure, renewable generation and drinking water supplies require intensive cooperation with construction firms, plant, pipeline and cable line construction companies as well as suppliers of electrotechnical equipment and components, pipes, transmission and cable lines, meters, hardware, software and work clothing. WTE serves as a general contractor and commissions subcontractors, in particular construction firms and suppliers of machinery, electrotechnical equipment and components, to perform additional services.

The procurement volume at our main locations in Austria, Bulgaria and North Macedonia totalled EUR 762.4m in 2021/22 (previous year: EUR 925.4m). In Austria, EVN maintained direct supplier relationships with 3,430 suppliers and contractors during this financial year.

GRI indicator: GRI 102-9

Organisation of procurement activities

Responsibilities for the procurement of products and services in the EVN Group are based on the relevant activity. All EVN purchase orders with a volume of EUR 10,000 or more are handled over a web-based procurement portal. The entire procurement process – from EU-wide announcement to the tender, submission of offers and contract award – is processed online. The broad-based rollout of e-procurement over this new platform has not only increased transparency but also paved the way for the introduction of strategic procurement.

GRI indicator: GRI 204-1

Procurement activity	Responsible organisational unit
Products and services	Procurement and purchasing
Primary energy and primary energy carriers	Energy procurement and supply
International project business (environmental services business)	Environment

Secure and sustainable supplies. Strategic supplier management at EVN

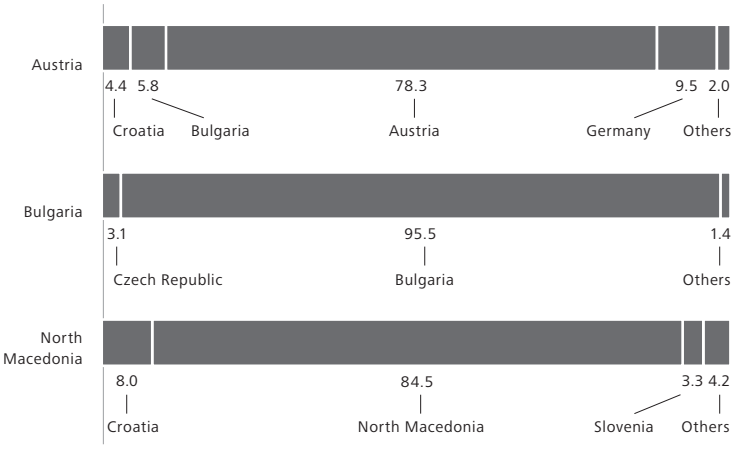
"We are creating a systematic, standardised and sustainable procedure for the analysis and evaluation of current and potential suppliers. Its objective is to improve our performance with regard to economy, quality, sustainability and supply security along the entire procurement chain." This statement marks the beginning of the extensive project on strategic supplier management that was started by EVN in October 2021.

Supply security and sustainability

The primary objective of the new procurement strategy is to ensure the exact analysis and management of all procurement flows to improve performance – from an economic as well as a sustainability viewpoint. EVN wants to meet the high demands placed by ESG not only in its own business activities but also on its suppliers in their role as partners. Issues like human rights, labour practices, protection for the environment and resources as well as business ethics represent the

Countries of origin of suppliers at main operating locations

%, basis: order volume



primary focal points. This principle is specifically anchored in the description of "Sustainable increase in corporate value" as an area of activity in our materiality matrix.

At the same time, we must safeguard supplies of goods and services in sufficient quality and volumes. They are the strategic requirements for EVN's operations and the continuous expansion of our equipment and networks as well as key factors for meeting our service mission. Supply security and sustainability are among the most important motives behind our new strategic supplier management.

Numerous changes in our operating environment led to our decision to analyse and, where necessary, refocus our procurement management. These factors include the economic distortions and international supply chain interruptions caused by the Covid-19 pandemic, which were recently intensified by the war in Ukraine, as well as increasingly new – and further expected – regulations from supranational and national lawmakers, additional reporting requirements like the EU Taxonomy Regulation, and the growing demands of sustainability-oriented investors.

Ongoing development

This strategy represents the continuation of a development that began a long time ago. In addition to conventional purchasing criteria – price, quality, volume, market environment and legal requirements – sustainability aspects have always been part of our procurement processes. This was, and is, stated in more concrete terms in the EVN Integrity Clause, which represents a fixed part of every procurement contract. Numerous – generally larger – suppliers were also audited in the past, for example through on-site visits.

Also see www.evn.at/integrity-clause

Detailed supplier audits based on ESG criteria

All suppliers – existing as well as potential – are evaluated in advance and, after that, regularly with a tool created by a well-known international rating provider based on defined ESG criteria.

This procedure is supplemented by the self-declarations required from every EVN supplier as part of the on-boarding in the procurement portal, in connection with every tender, and as part of the ongoing contractual relationship.

Full compliance

It is an obvious fact that the standards and criteria defined in the tender are explicitly included in all awarded contracts. A clear procedure was also defined to deal with any contract violations – from the requirement to remedy defects up to cancellation of the contract if necessary. EVN wants to ensure the fulfilment of all contracts in the mutual interest of all involved parties and develop long-standing cooperation. In its relationships with suppliers, EVN relies on sustainable, responsible partnerships.

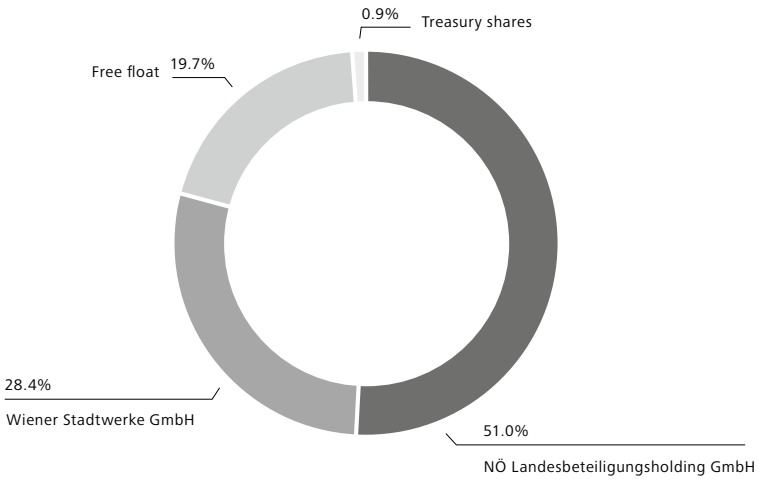
Sustainably attractive for our investors

EVN's business activities always reflect the economic interests of our investors. Not least for this reason, we concentrate on regulated and stable business areas. They form the basis not only for plannable cash flows, but also for continuity in our dividend policy. This clear strategic orientation is also crucial for the ratings which establish the conditions for our positioning on the debt market.

Our strategic decisions are intended to balance value-oriented investments and an attractive return for our shareholders. In addition to economic aspects, ecological and social issues are firmly anchored in our core strategies. We are therefore increasingly positioning the EVN share as an alternative for sustainability-oriented investors. This orientation is underscored by our efforts to achieve good evaluations from sustainability rating agencies, with whom we also maintain a proactive dialogue. Our website includes content on environmental, social and governance issues which is edited for specific target groups to provide transparent information for sustainability analysts.

- Information for ESG investors can be found under www.evn.at/ESG-Infos
- For EVN's ESG ratings, see www.evn.at/ESG-Ratings

Shareholder structure[1)]



1) As at 30 September 2022

Our focus on a sustainable increase in EVN's value is also communicated by the core points of our investment story:

→ Integrated business model
→ High share of regulated and stable activities
→ Active role in the transformation of the energy system
→ A clear sustainability and climate strategy
→ Stable home market in Lower Austria
→ Solid capital structure
→ Attractive and reliable dividends

We attach immense importance to achieving and maintaining a position as a reliable partner on the capital market and meeting the expectations of our equity and debt investors. Our capital market operations are based on a commitment to providing timely, transparent, understandable and substantial information. We work to strengthen the confidence of the capital market in EVN through active, regular and target-group oriented communications with all capital market participants.

Also see www.investor.evn.at

Dividend policy

The Executive Board will make a recommendation to the 94th Annual General Meeting which calls for the distribution of a dividend of EUR 0.52 per share for the 2021/22 financial year. EVN's future dividend policy is directed to holding the annual dividend at least constant, and we are also committed to appropriate participation for our shareholders in future earnings growth.

External ratings

Independent evaluations by the Moody's and Scope rating agencies represent an important part of EVN's financing strategy. Our goal is to maintain ratings in the solid A range. Both agencies confirmed the following ratings in April 2022 and May 2022:

→ Moody's: A1, outlook stable
→ Scope Ratings: A+, outlook stable

Market environment and performance

Numerous crises – triggered by the Covid-19 pandemic, the war in Ukraine and the steep rise in inflation – had a negative impact on the international stock markets during the reporting period from October 2021 to September 2022. The German benchmark index DAX fell by 20.6% during this period and Vienna's benchmark index ATX lost 26.4%, while the US benchmark index Dow Jones declined by 15.1%.

The DJ Euro Stoxx Utilities, the relevant industry index for EVN, reported a more moderate decrease of 10.9%. The EVN share was unable to disengage from this negative environment and closed the financial year with a decline of 25.7%.

EVN share		2021/22	2020/21	2019/20
Share price at 30 September	EUR	17.04	22.95	14.28
Highest price	EUR	27.70	24.75	18.36
Lowest price	EUR	16.92	13.38	11.22
Price performance	%	–25.8	60.7	–11.5
Total shareholder return	%	–23.5	64.2	–8.4
Performance ATX	%	–26.4	73.5	–30.0
Performance Dow Jones Euro Stoxx Utilities	%	–10.9	1.4	–0.8
Value of shares traded[1)]	EURm	490.0	350.6	190.1
Average daily turnover[1)]	Shares	84,288	72,753	50,045
Market capitalisation at 30 September	EURm	3,065	4,128	2,569
Weighting ATX prime	%	1.93	1.96	2.06
Earnings per share[2)]	EUR	1.18	1.83	1.12
Dividend per share	EUR	0.52[3)]	0.52	0.49
Price/earnings per share		14.5	12.6	12.8
Dividend yield	%	3.1	2.3	3.4

1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Proposal to the Annual General Meeting

Value creation for our stakeholders

EVN's economic success is significantly influenced by our stakeholders who, at the same time, share in our financial results. Our most important stakeholder groups – shareholders, society as a whole, the public sector, employees, suppliers and debt investors – also receive a direct financial benefit from our activities.

On the revenue side, in particular the income generated by our business operations and investments contributes to the creation of value. This value is distributed primarily to our investors and lenders (dividends, interest), to the public sector (taxes, duties) and to society as a whole (donations, sponsoring, social programmes) as well as to our employees (wages, salaries, social security contributions) and suppliers (primary energy carriers, materials and purchased services). The table below shows the economic value generated by EVN as well as the composition of the distributed economic value. The difference between revenues and the amounts distributed represents economic value retained which is available, among others, for the further development of our company through important future-oriented investments.

△ GRI indicator: GRI 201-1

Direct economic value generated

EURm	2021/22	2020/21	2019/20
Direct economic value generated	3,904.3	2,478.0	1,986.7
thereof economic value distributed	3,684.6	2,252.0	1,878.7
thereof economic value retained	219.7	226.0	107.9
Economic value distributed	3,684.6	2,252.0	1,878.7
thereof energy suppliers	2,278.2	1,064.7	888.3
thereof other suppliers	804.8	595.0	404.6
thereof employees	372.2	361.3	349.3
thereof providers of capital (equity and debt)	158.1	173.0	164.9
thereof public sector	69.3	56.2	69.3
thereof society	2.0	1.8	2.4

EU Taxonomy Regulation

In order to implement the requirements of Regulation (EU) 2020/852 of the European Parliament and the Council as of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("EU Taxonomy Regulation") on non-financial reporting, the EVN Group launched a Group-wide project in 2020/21. It included legal, business and technical experts from the relevant Group companies together with corporate representatives from legal and public affairs, the general secretariat and investment management and controlling as well as the staff department for innovation, sustainability and environmental protection. Other experts from human resources, occupational safety, procurement and purchasing, risk management and corporate compliance management were also included to develop the requirements and the reporting for (social) minimum safeguards in accordance with Art. 18 of the EU Taxonomy Regulation. The project was segmented in various work packages and steps to develop a uniform system for the collection and (technical) screening of EVN's economic activities. The Executive Board, management and the managing directors of relevant Group companies were regularly informed of progress on the project and integrated in the process.

Identification and assessment of economic activity

The first step involved the identification of the economic activities carried out by the EVN Group. This work was based on Delegated Regulation (EU) 2021/2139 of the Commission as of 4 June 2021 concerning the environmental objectives "climate change mitigation" and "climate change adaptation" of the economic activities to reflect climate change adaption and supplemented by Regulation (EU) Nr. 1893/2006 of the European Parliament and the Council as of 20 December 2006 on the installation of a statistical system for the economic sectors defined by NACE Revision 2. It also covered the amendment of Regulation (EEC) No. 3037/90 of the Council and several other EU regulations for specific areas of the economic activities listed in the statistics.

This project led to the identification of the following economic activities of the EVN Group for the 2021/22 financial year:

Taxonomy-eligible economic activities

	Description	NACE code
4.1.	Electricity generation using solar photovoltaic technology	D.35.11
4.3.	Electricity generation from wind power	D.35.11
4.5.	Electricity generation from hydropower	D.35.11
4.9.	Transmission and distribution of electricity	D.35.13
4.11.	Storage of thermal energy	Not assigned to any specific NACE code
4.14.	Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21
4.15.	District heating/cooling distribution	D.35.30
4.16.	Installation and operation of electric heat pumps	D.35.30
4.20.	Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30
4.24.	Production of heat/cool from bioenergy	D.35.30
4.25.	Production of heat/cool using waste heat	D.35.30
5.1.	Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99
5.3.	Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99
7.6.	Installation, maintenance and repair of renewable energy technologies	F.42

Delegated Regulation (EU) 2022/1214 of the Commission from 9 March 2022 to amend Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors only requires application as of 1 January 2023 and was therefore not included.

The NACE codes in this report reflect the codes in the technical screening criteria listed in Annex 1 of Delegated Regulation (EU) 2021/2139 of the Commission from 4 June 2021.

The EU Taxonomy currently does not include any criteria for the economic activities of kabelplus (telecommunications).

The other four environmental objectives of the EU Taxonomy Regulation (the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems) will be addressed for the first time beginning with the 2022/23 financial year.

Voluntary reporting on taxonomy alignment

EVN is required to report for the first time in accordance with Article 8 of the EU Taxonomy for the 2021/22 financial year. The reporting requirements of the EU Taxonomy Regulation will be implemented successively, and EVN is therefore only required to disclose the (non-)taxonomy-eligible share of revenue, capital expenditure and operating expenditure and provide selected qualitative disclosures on the environmental objectives "climate change mitigation" and "climate change adaptation" for the 2021/22 financial year.

In order to give our stakeholders, and above all our investors, analysts and lenders, a comprehensive overview, we decided voluntarily – and one year earlier than legally required – to report the respective share of taxonomy-aligned economic activities for revenue, capital expenditure and operating expenditure in our 2021/22 Full Report.

Therefore, in a second step, the identified taxonomy-eligible economic activities – classified according to the environmental objectives "climate change mitigation" and "climate change adaptation" – were technically evaluated to determine whether they represent taxonomy-aligned or ecologically sustainable economic activities. This analysis covered the economic activities that meet the requirements of Art. 3 of the EU Taxonomy Regulation.

The economic activities classified as taxonomy-aligned are assigned to the environmental objective climate change mitigation in line with the technical evaluation. This prevents double counting when the performance indicators are assigned.

For this purpose, the technical and commercial experts in the respective Group companies analysed the previously identified taxonomy-eligible economic activities based on Delegated Regulation (EU) 2021/2139 of the Commission from 4 June 2021 on the environmental objectives for climate change mitigation and climate change adaptation and in accordance with technical screening criteria. The findings were subsequently documented in a transparent and comprehensible manner.

Minimum safeguards under Art. 18 EU Taxonomy Regulation

Compliance with the required minimum (social) safeguards required by Art. 18 of the EU Taxonomy Regulation and by the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance (October 2022) was analysed based on the subject areas of human rights, worker rights and occupational safety, the prevention of corruption, fair competition and tax policy. Established, relevant management approaches and organisational guidelines (e. g. directives, instructions) represented the benchmark for measuring compliance. The implementation of specific processes and measures in procurement will ensure that the principles and rules relevant for this area also apply to EVN's business partners and suppliers.

For information on the management approaches and organisational rules for

- human rights, see page 32f
- employee rights, see page 81ff
- occupational safety, see page 85ff
- corruption prevention and fair competition, see page 28ff
- tax policy, see page 33
- procurement, see page 34f

Key performance indicators on taxonomy-aligned economic activities

EVN defined the reportable performance indicators listed in Annex I of the Delegated Regulation (EU) 2021/2178 from 6 July 2021 as follows:

Key performance indicator related to turnover (turnover KPI)

This indicator shows the per cent of revenue generated by taxonomy-aligned economic activities.

The denominator represents the total net revenue generated by the EVN Group during the reporting year based on the definition in IFRS 15 (see note **25. Revenue** in the notes to the consolidated financial statements for 2021/22).

The numerator represents the part of total net revenue generated by the EVN Group from taxonomy-aligned economic activities in the reporting year.

A large part of the non-taxonomy-eligible revenue (EUR 2,309.7m) is attributable to electricity trading and is therefore allocated to other economic activities in accordance with the EU Taxonomy Regulation.

In 2021/22, the share of EVN's taxonomy-aligned net revenue equalled 27.2%.

Key performance indicator related to capital expenditure (CapEx KPI)

This indicator shows the per cent of capital expenditure in taxonomy-aligned economic activities.

The denominator represents the additions to intangible assets and property, plant and equipment recorded by the EVN Group during the reporting period in accordance with IAS 38 (additions to intangible assets), IAS 16 (additions to property, plant and equipment) and IFRS 16 (additions to rights of use) (see the line item "additions" under the tables in note **35. Intangible assets** and note **36. Property, plant and equipment** in the consolidated financial statements for 2021/22). The EVN Group made no additions to investment property during the 2021/22 financial year (IAS 40).

The numerator represents the capital expenditure recorded by the EVN Group for taxonomy-aligned economic activities in the reporting year.

In 2021/22, the share of EVN's taxonomy-aligned capital expenditure equalled 84.7%.

Key performance indicator related to operating expenditure (OpEx KPI)

This indicator shows the per cent of operating expenditure for taxonomy-aligned economic activities.

In contrast to revenue and capital expenditure, the denominator cannot be allocated to corresponding positions in the annual financial statements because the Delegated Regulation (EU) 2021/2178 from 6 June 2021 only permits the inclusion of certain expenses for reporting in the sense of the EU Taxonomy Regulation.

The denominator covers direct, non-capitalised costs for research and development, building renovation, short-term leasing, maintenance and repairs as well as all other direct costs connected with the daily maintenance of property, plant and equipment by the company or by third parties.

The numerator represents the expenses incurred by the EVN Group for taxonomy-aligned economic activities in the reporting year.

In 2021/22, the share of EVN's taxonomy aligned operating expenditure equalled 75.2%.

Turnover		**2021/22**
Turnover (= denominator of KPI)	EURm	4,062.2
thereof taxonomy-aligned (= numerator of KPI)	EURm	1,105.8
Turnover KPI	%	27.2

CapEx		**2021/22**
Additions to intangible assets, fixed assets and rights of use (= denominator of KPI)	EURm	572.1
thereof taxonomy-aligned (= numerator of KPI)	EURm	484.4
CapEx KPI	%	84.7

OpEx		**2021/22**
OpEx (= denominator of KPI)	EURm	59.9
thereof taxonomy-aligned (= numerator of KPI)	EURm	45.1
OpEx KPI	%	75.2

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail turnover

Economic activities	Code(s)	Absolute turnover	Proportion of turnover
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	4.8	0.1
4.3. Electricity generation from wind power	D.35.11	144.6	3.6
4.5. Electricity generation from hydropower	D.35.11	46.5	1.1
4.9. Transmission and distribution of electricity	D.35.13	564.6	13.9
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	104.1	2.6
4.15. District heating/cooling distribution	D.35.30	156.8	3.9
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	6.5	0.2
4.24. Production of heat/cool from bioenergy	D.35.30	4.5	0.1
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	46.6	1.1
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	26.7	0.7
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.1	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,105.8**	**27.2**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	10.6	0.3
4.5. Electricity generation from hydropower	D.35.11	92.2	2.3
4.9. Transmission and distribution of electricity	D.35.13	23.5	0.6
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	3.6	0.1
4.15. District heating/cooling distribution	D.35.30	10.4	0.3
4.16. Installation and operation of electric heat pumps	D.35.30	0.6	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.0	0.0
4.24. Production of heat/cool from bioenergy	D.35.30	0.7	0.0
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	9.7	0.2
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	495.4	12.2
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**646.7**	**15.9**
TOTAL (A.1 + A.2)		**1,752.5**	**43.1**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		**2,309.7**	**56.9**
Total (A + B)		**4,062.2**	**100.0**

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of turnover 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.6		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	13.9	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	2.6	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.9		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.2		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.7		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail CapEx

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	6.2	1.1
4.3. Electricity generation from wind power	D.35.11	36.4	6.4
4.5. Electricity generation from hydropower	D.35.11	1.8	0.3
4.9. Transmission and distribution of electricity	D.35.13	345.3	60.4
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	32.0	5.6
4.15. District heating/cooling distribution	D.35.30	21.9	3.8
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	20.4	3.6
4.24. Production of heat/cool from bioenergy	D.35.30	1.5	0.3
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	18.8	3.3
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		484.4	84.7
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	2.6	0.5
4.5. Electricity generation from hydropower	D.35.11	2.9	0.5
4.9. Transmission and distribution of electricity	D.35.13	17.0	3.0
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	13.0	2.3
4.15. District heating/cooling distribution	D.35.30	0.7	0.1
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.3	0.0
4.24. Production of heat/cool from bioenergy	D.35.30	0.2	0.0
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	0.0	0.0
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		36.6	6.4
TOTAL (A.1 + A.2)		521.0	91.1
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		51.1	8.9
Total (A + B)		572.1	100.0

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of CapEx 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	6.4		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	60.4	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	5.6	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.8		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.6		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail OpEx

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	7.6	12.7
4.5. Electricity generation from hydropower	D.35.11	0.6	1.0
4.9. Transmission and distribution of electricity	D.35.13	14.4	24.1
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	9.7	16.3
4.15. District heating/cooling distribution	D.35.30	1.8	3.0
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.5	0.8
4.24. Production of heat/cool from bioenergy	D.35.30	0.7	1.2
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	9.6	16.1
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**45.1**	**75.2**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	0.0	0.0
4.5. Electricity generation from hydropower	D.35.11	0.4	0.6
4.9. Transmission and distribution of electricity	D.35.13	0.0	0.0
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	0.3	0.6
4.15. District heating/cooling distribution	D.35.30	0.2	0.3
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.2	0.3
4.24. Production of heat/cool from bioenergy	D.35.30	0.1	0.2
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	0.0	0.0
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1.2**	**2.0**
TOTAL (A.1 + A.2)		**46.3**	**77.2**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		**13.7**	**22.8**
Total (A + B)		**59.9**	**100.0**

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of OpEx 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	12.7		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	24.1	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	16.3	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.8		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.2		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	16.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	


EVN
Energetic


NÖ Netz
EVN

Strong networks for the energy system of tomorrow

Modern lives and economies are hardly imaginable without a reliable supply infrastructure. But as we move towards the transformation of our energy system, high-performance networks will be required to create the foundation for the development of renewable energy sources. At EVN, we are fully committed to meeting the related challenges.

Protection of supply security – also in challenging times

Our central promise to customers is, and will always remain, to provide reliable supplies around the clock. These basic supplies must be available without limitation in every area where our energy and environmental services are offered. EVN customers must be able to rely on having sufficient energy – whether it be electricity, natural gas and heat or high-quality drinking water – in the required quantities and top quality at their disposal whenever it is needed. Despite the current challenges created by climate change, the transformation of the energy system,


NÖ
Netz
EVN

OVER 800,000 SMART METERS INSTALLED

In September 2022, we reached a key milestone in our smart meter roll-out: More than 800,000 of these meters have already been installed, which means 95% of all equipment in the Netz Niederösterreich supply area is now equipped with an intelligent electricity measuring device. Up to 1,900 smart meters have been fitted and connected to central IT systems every day since September 2020. More than half have already been activated for market communications. These customers can obtain information on their daily or monthly consumption, electricity costs and billing options and can also use the customer interface on the "My EVN" web portal. With these results, EVN successfully reached the 40% target set by Austrian law ("Intelligente Messgeräte-Einführungsverordnung") earlier than required at the end of 2022. More than 50,000 customers currently use the related functions in our web portal, and the number is increasing daily. Shared generation equipment and renewable energy communities have also been integrated in the system. This step marks the completion – on schedule – of the smart meter introduction in the Netz Niederösterreich supply area at the end of 2021/22 after a two-year period.

the war in Ukraine and its impact, for example through rising energy prices, we want to remain a reliable partner for our customers because electricity, natural gas, heat and water are among the most important drivers for our economy and society.

The European Green Deal with its goal to attain EU-wide climate neutrality by 2050 will require the rapid transformation of the European energy system towards fully CO_2-neutral generation. For energy companies, this creates new opportunities as well as substantial challenges: A conversion as fundamental as this, which reaches deep into a large-scale infrastructure, not only includes generation but also involves the transport and distribution of energy, the way in which necessary reserve capacity is ensured, and the management and optimisation of the entire system.

We have implemented a broad range of measures in all our business areas to meet our promise to protect supply security. Our activities include large-scale investments in our network infrastructure as well as the expansion of our renewable generation capacity and, in cooperation with other companies, universities and research institutes, the development of innovative concepts and technological approaches to realise the energy transformation.

Energy generation		**2021/22**	2020/21	2019/20
Coverage ratio	%	**16.1**	19.8	19.1
Share of renewable energy in the total energy generation mix	%	**66.8**	57.1	59.5

Electricity

The passage of the Austrian Renewable Energy Expansion Act in July 2021 formalised the country's intention to convert to 100% renewable energy sources by 2030. For an energy provider, this system change will bring numerous technical requirements. Electricity generation will become much more decentralised and involve a larger number of independent plants managed by different operators. Electricity from renewable sources is, by nature, volatile. At the same time, customers' behaviour is changing: On the one hand, the use of e-mobility, smart home technologies and heat pumps is leading to an increase in the demand for electricity; on the other hand, a growing number of customers with photovoltaic equipment generate their own electricity or join together in energy communities, and these trends require solutions for complex issues like pricing, network access and supply security.

Bringing all these factors together and, at the same time, ensuring reliable supplies of electricity without substantial interruptions is one of our major challenges. We therefore plan to make massive investments, above all in the Group-wide expansion of our wind power and photovoltaic capacity, in the coming years. Flexible backup services for power plants, electricity storage and reserve capacity are other key issues for our daily activities and areas in which we invest to make an active contribution to the energy transformation without compromising supply security or quality.

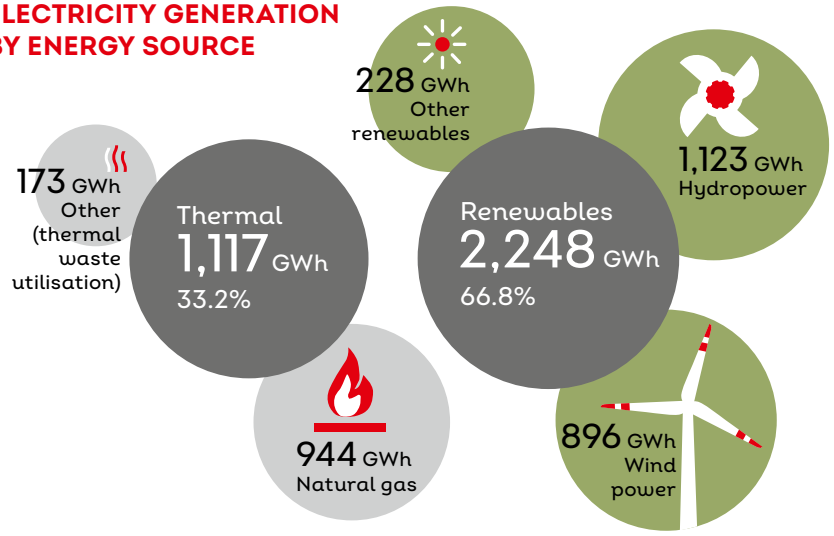
Natural gas

Our long-term contracts for natural gas storage facilities ensure uninterrupted supplies, especially during periods with temperature-related higher consumption or possible shortages at the European level (e. g. due to political crises in transit or origin countries). This strategy has proven to be very successful, especially in the challenging environment that has characterised the energy market in recent months and helps us to remain a reliable partner for our customers.

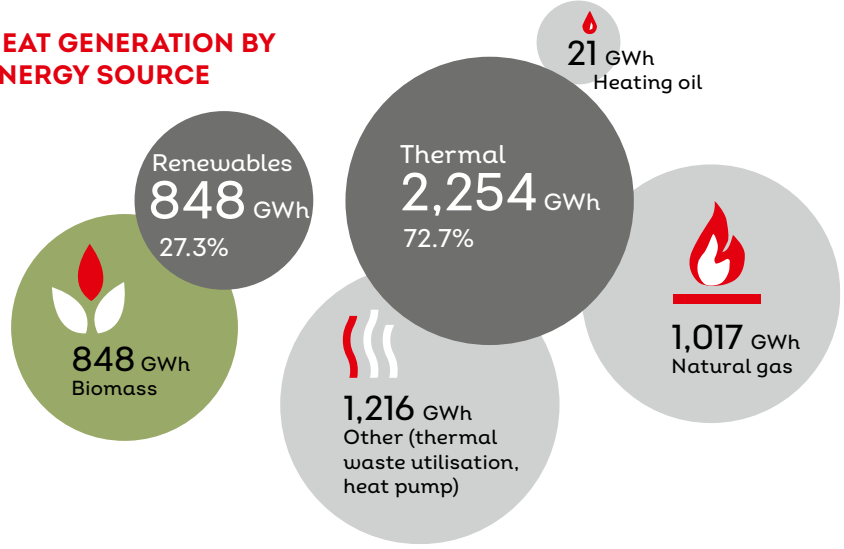
Also see page 54f

Our investment in RAG – with its strategic focus, above all, on the natural gas storage business – has high strategic importance in this context. In the development of hydrogen technologies and green natural gas, RAG is also seen as a pioneer in the branch due to successful pilot projects that make an important contribution to a future, environmentally friendly energy system.

ELECTRICITY GENERATION BY ENERGY SOURCE



HEAT GENERATION BY ENERGY SOURCE



The energy crisis: Questions and answers

Three EVN energy sector experts answer questions on supply security with natural gas and the current situation on the energy markets.

What steps do you take to guarantee energy supplies for your customers?

Klaus Stricker: We always take a proactive approach to securing our energy requirements. And that applies to electricity as well as the natural gas we need to supply our end customers and to generate electricity in our own plants. Proactive means that we secure certain volumes in advance with bilateral procurement contracts and hedge prices at intervals of roughly 12 to 18 months on a rolling basis. That gives us planning security and is the reason we can offer our customers fixed prices for specific time periods.

Paul Kaluza is the head of the energy trading department.

How do you make sure you always have natural gas physically available?

Paul Kaluza: EVN holds an investment of 50.03% in RAG. With roughly 6.3 bn m³ of storage capacity, it is the largest gas storage company in Austria and the fourth largest in Europe. However, EVN is not only a RAG shareholder but also a customer because we use part of its storage capacity to physically store natural gas based on long-term contracts. We have always stockpiled sufficient volumes with RAG and other storage facility operators in Austria during the autumn months to cover our customer requirements in the winter half-year and to operate our district heating plants and supply the Theiss power plant with the natural gas needed for network stability. Here, we are talking about roughly 4 TWh.

Have these measures changed as a result of the war in Ukraine?

Paul Kaluza: No, this year – as of October 2022 – we also had roughly 4 TWh in storage. In other words, nearly 70% of our annual requirements were "in stock" at the beginning of the winter half-year. These storage volumes are sufficient to cover our customers' requirements during the coming winter. However, we must continue to expect supply shortages in an extreme situation as the result of government-approved energy control measures.

Where does EVN purchase its natural gas?

Jörg Sollfelner: We purchase our natural gas from Austrian suppliers and have no supply contracts with Russian producers. However, a significant part of the natural gas used in Austria originates in Russia – this situation is a result of the gas pipeline infrastructure in Europe. In reaction to the war in Ukraine and the related uncertainty over natural gas deliveries from Russia, we proactively purchased natural gas for the coming winter from non-Russian sources. It is now in our storage facilities at RAG.

How could the shortage of Russian natural gas deliveries to the European Union create such massive distortions, especially for electricity prices?

Paul Kaluza: All this started in summer 2021. There are two main reasons: first, the rising demand for energy that followed the Covid-19 pandemic and, second, the deliberate increase by the European Union in the price of the CO_2 emission certificates required for thermal electricity generation. The massive distortions on the markets beginning in the spring were then a result of the war in Ukraine and limited Russian gas deliveries to Europe. Gas prices rose sharply which led, in turn, to an increase in the price of electricity from natural gas power plants. One other aspect here is important to understand this complex issue: The shutdown of coal-fired and nuclear power plants in Germany over the last ten years and the inspection-related standstill of numerous nuclear power plants in France has created a problem where there is not enough plannable generation capacity in the European electricity system, at least over the short term. That also had a negative impact on the supply and, in turn, on prices.

Electricity can be produced at comparatively favourable prices in Austria due to hydropower and wind power. Why can't the Austrian customers benefit more from this situation?

Klaus Stricker: Over 20 years ago, the European Union developed a wide range of laws, directives and rules that were designed, among others, to ensure supply security while providing optimal protection for competition in the interests of consumers. One basic principle in a liberalised electricity market is "unbundling", meaning the legal, organisational and accounting separation of networks, generation and supply. It is intended to ensure that electricity production always flows into the entire market where prices are set on the commodity exchanges – and, like in every other market, determined by supply and demand. The uniform market price is reached when the available supply can cover demand. Since the plannable capacity of conventional power plants must frequently be used to satisfy demand, this capacity ultimately determines the market price. The previously mentioned increase in the natural gas price also triggered a sharp rise in the market price for electricity. That price then applies to theoretically less expensive production forms like wind power and hydropower.

Klaus Stricker is the head of the energy sector planning department.

In what way do the wholesale prices determined on the electricity exchanges influence the energy prices paid by your customers?

Jörg Sollfelner: Since we must purchase at these prices on the market, the wholesale prices also determine the prices we charge our customers. Our customers can, however, choose between various tariff models: delivery contracts with a floating tariff, where the consumer price is automatically adjusted each month to reflect the trend in wholesale prices, and delivery contracts with a fixed consumer price – the so-called flexible tariff. When a customer selects this tariff, the price remains stable for one year. In the current market environment with its unpredictable fluctuations, we are advising our customers to conclude flexible contracts with a one-year fixed consumer price.

How would you evaluate the further development of the prices for electricity and natural gas?

Klaus Stricker: We must be particularly careful with forecasts, especially in the current situation. Our updated planning assumes that this phase of high uncertainty and stronger price volatility will continue. However, the extremely high prices for natural gas and electricity recorded in August 2022 have declined slightly in recent weeks. And this autumn, the futures markets pointed towards a declining price level in 2023 and 2024.

Jörg Sollfelner is the managing director of EVN KG, which is responsible for the energy supply business.

What can we do to make sure energy remains affordable?

Jörg Sollfelner: The European economies will still be dependent on natural gas supplies over the coming years. But the increased expansion of renewable generation and the intensified focus on energy storage will make us gradually more autonomous. Energy prices will then – hopefully – also be lower and more plannable.

Networks and network infrastructure

Our networks create the basis for supplies to our customers. The smooth functioning of this extensive, but sensitive infrastructure requires a wide range of measures which generally remain unnoticed by consumers. In particular, the integration of electricity from renewable sources, which is delivered from a growing number of decentralised plants, and the related changing and volatile energy flows place additional high demands on our networks. Protecting the performance of these networks in the same high quality requires the massive expansion, continuous modernisation and digitalisation of this infrastructure – high-voltage power lines, transformer stations and medium-voltage capacity as well as substations, local networks and smart meters. The energy transformation has also turned the network infrastructure into a data hub and made intelligent networks the backbone of the electricity system of the future.

An important role is also played by customers who generate their own electricity or are part of an energy community because our networks must also be able to meet these users' requirements when there is no local energy production. We are therefore strengthening our networks, above all at the low- and medium-voltage levels and relying on digitalisation and sensor technology. The energy system transformation and the continuous changes in consumer behaviour are also leading to a significant increase in the complexity of network planning, management and operations. Here too, ongoing high investments and new solutions are needed to maintain the high quality levels.

For smart solutions for a sustainable energy future, also see page 73ff

In addition to the threatening climate change, another important reason for the rapid conversion to renewable energy sources materialised at the beginning of 2022: Russia's invasion of Ukraine was followed by an unparalleled energy crisis that once again made Europe's dependence on fossil energy carriers very clear. A successful transition to an independent energy future will not only require the development of renewable sources but also a high-performance network infrastructure.

EVN took a proactive approach many years ago with the start of an extensive investment campaign for the expansion of its networks. In the coming financial year alone, roughly EUR 300m are scheduled for new construction and replacement. Most of these funds, namely approximately EUR 250m, will flow into the field of electricity and the related IT infrastructure. Netz Niederösterreich has invested an average of EUR 250m in the expansion and strengthening of its networks in recent years – and the demand for investments will remain high over the near term.

Record investments in the electricity network

"The investments planned for our networks in the coming year will reach a level never before seen in the history of our company", explains Werner Hengst, managing director of Netz Niederösterreich. This company is responsible for the construction, operation and maintenance of EVN's electricity and natural gas infrastructure in its home market. This all-time investment high has its reasons: Lower Austria's electricity mix has the largest share of energy from wind power and photovoltaics than any other province in the country. This is made possible by the large wind parks and photovoltaic plants that are located, above all, in the sparsely populated north-eastern areas of the province. And transporting the generated electricity to distant population centres requires high-performance long-distance power lines and feeders, transformer stations and substations.

Cooperation on large-scale projects

Netz Niederösterreich cooperates with the Austrian Power Grid AG (APG) on the construction of these facilities. As the operator of the Austrian transmission network, APG erects the 380 kV power lines that transport the electricity over great distances, while EVN, as the regional network operator, is responsible for the medium- and low-voltage power lines that bring the electricity into residential areas and individual households. Werner Hengst: "APG builds the electricity motorways, and we take care of the federal and local roads. It's obvious that close coordination is required here to make sure we have full coverage for the network. Most recently, we completed the Weinviertel regional power line project very successfully together with APG." This power line project was realised by APG from 2019 to 2022 with support from Netz Niederösterreich and connects the wind power and photovoltaic equipment in the eastern area of the Weinviertel region with the consumer areas in Austria. As part of this project, Netz Niederösterreich installed during the first project phase two 110 kV power lines over 35 km in total as well as a number of transformer stations, substations and feeder lines.

In addition to power lines, the company is also currently responsible for the construction, maintenance and operation of 92 transformer stations. 40 such stations will be newly constructed or modernised by 2030. And that is also an important building block for supply security in the energy future.

Digitalisation – the key to decentralised generation

A further focus of investments by Netz Niederösterreich is digitalisation – above all due to the massive increase in decentralised electricity generation. Werner Hengst: "In the first six months of 2022 alone, we received 27,000 applications to connect photovoltaic equipment with a combined output of 1,200 MW to our networks. That represents nearly double our present connection volume." Specifically, 58,000 photovoltaic plants with a maximum output of 684 MW currently feed electricity into EVN's distribution network. The integration of this and other new equipment in the Netz Niederösterreich infrastructure requires the same highly complex measurement and control technology that is used for energy communities – and is also an area where EVN is the Austrian leader.

Integration of renewable gas

Netz Niederösterreich is not only responsible for the electricity network but also for the entire gas supply infrastructure. The EUR 30m investment package planned for this area in 2022/23 is focused on the maintenance of the existing network as well as the integration of renewable gas. These projects will require the installation of green gas pipelines to the producers as well as additional compressors for Netz Niederösterreich. At the same time, the importance of caloric value measurement is increasing. "Natural gas and renewable gases often have very different caloric values. Hydrogen, for example, only has a one-third the caloric value of natural gas. Consequently, the precise measurement of caloric value is a key requirement for the commercial use of biogas. And that is the only way to make sure the end user is charged for the energy he or she actually receives", explains Werner Hengst. Numerous devices will be required for the precise collection of data on energy flows by the beginning of 2024.

In conclusion: a clear focus on renewable energy

The investments in the Netz Niederösterreich infrastructure have one common goal: to pave the way for energy supplies from CO_2-neutral sources. Netz Niederösterreich has been working on the operational implementation of this strategy for many years – and these concentrated efforts will make a valuable contribution to the design of an independent and green energy future.

District heating

According to the Renewable Energy Expansion Act, district heating will make a significant contribution to meeting climate goals in Austria through expansion and decarbonisation. The use of renewable energy in the heating field has played an important role at EVN for many years. As the largest natural heat supplier in Austria, we currently operate roughly 70 biomass heating plants in Lower Austria. Three large cross-regional district heating transport pipelines – including the longest such line in Austria from the energy utilisation centre in Dürnrohr to St. Pölten (32 km) – as well as four natural cooling plants complete our extensive natural heating infrastructure. In the municipal district heating business, nearly 80% of our customers receive 100% CO_2-neutral natural heat from renewable energy sources. The wood chips used in our plants are sourced from areas within a maximum of 70 km from the respective heating plant. In this way, we support the regional agriculture and forestry sector and contribute to local added value.

Drinking water

Demographic trends in our supply area as well as changing climatic conditions are responsible for a continuous increase in the demand for drinking water. In addition to the ongoing operation of numerous local networks that are supplied by EVN Wasser with drinking water, connecting water-rich and water-poor areas via cross-regional transport pipelines represents a particular challenge. Currently, our wide-ranging drinking water pipeline network covers nearly 3,000 km and is fed by well fields and high-level tanks throughout Lower Austria. In order to offset a climate-related decline in precipitation or regional breakdowns, we must construct new pipelines, increase the performance of our current network and develop new well fields. We are currently constructing a 60 km cross-regional supply pipeline between Krems and Zwettl in the Waldviertel region. The first section of construction was successfully completed, and the entire project is scheduled for commissioning by 2025.

The responsible use of drinking water involves new pipeline construction as well as the upgrading of the existing infrastructure – primarily through the identification and repair of leaks and the protection or improvement of the water quality while minimising the negative impact on the environment. One good example is the construction of natural filter plants to improve quality through the physical softening of water. Magnesium, calcium and other trace substances are dissolved and removed from the water without the use of chemicals. We commissioned the fifth plant of this type in Petronell-Carnuntum during spring 2022, and three more are currently in planning.

Cable TV and telecommunication services

Sufficiently dimensioned, high-quality networks and technical infrastructure also form the basis for the reliable flow of data. The high-performance

RAPID PROGRESS ON CONSTRUCTION OF THE BIOMASS COMBINED HEAT AND POWER PLANT IN KREMS

We are investing continuously in the maintenance, modernisation and new construction of our biomass heating plants and the expansion of our district heating network. One of our largest projects at the moment is the biomass combined heat and power plant in Krems with 5 MW of electrical and at least 15 MW of thermal output at an investment volume of approximately EUR 38m. Construction is proceeding as planned, and commissioning is scheduled for the end of 2022. Starting in spring 2023, this new plant will generate green electricity for roughly 15,000 households and deliver natural heat for up to 30,000 households in the region. The entire timber requirements will be sourced from the region to supply the connected district heating network largely without the use of fossil fuels. This plant will make an important contribution to decarbonising the fifth largest city in Lower Austria and also support the regional economy: The added value through biomass, which also includes damaged timber, totals more than EUR 4m per year.

network operated by kabelplus offers digital cable television in HD, and partially also in UHD quality. The use of modern glass fibre technology, which is the focus of continuous expansion, also supports Internet usage with upload and download speeds in the Gigabit range.

Basic supplies for e-mobility

Electromobility is expanding constantly throughout Austria. We made an early and decisive contribution to advance this new mobility solution in our home market with the installation of an area-wide basic supply network of e-charging stations. We construct and operate charging stations and, in 2014, introduced an electricity fuel card that was in use by more than 11,800 customers at the end of September 2022. Joint roaming agreements allow customers with the EVN electricity fuel card to choose from nearly 8,400 loading stations throughout Austria – the largest charging network in the country – without additional costs. Our "Autoladen 2.0" app helps our customers to locate the next free charging station and can also be used to start the charging process quickly and easily. EVN's charging stations are, of course, included in the most frequently used charging station registers.

We made an important contribution to an emission-free future in the area of public transportation during 2021/22 through a cooperation with Postbus. In the southern Weinviertel region, we installed charging stations for a battery-operated e-bus system that is unique in Austria. The batteries of the e-buses can be quickly recharged via charging poles during operating hours. The delivery of 100% green electricity supports continuous CO_2 savings and, what is more, the e-buses are much quieter than their conventional counterparts.

Selected measures to support supply security

Expansion of our renewable generation capacity

We intend to make massive investments in the Group-wide expansion of our generation capacity, above all for wind power and photovoltaics, over the coming years. The construction of the wind park in Schildberg (12.6 MW) raised our total wind power network generation capacity to 407 MW, most of which is located in Lower Austria. Projects are also currently in progress at three other locations: repowering of the Japons wind park (12.6 MW) and the new construction of wind parks in Paltern-dorf-Dobermannsdorf (42 MW) and Grosskrut-Altlichtenwarth (12.4 MW).

Our plans call for the expansion of capacity to a total of 750 MW by 2030 through projects in Lower Austria and Bulgaria.

Expansion plans have also been prepared for the photovoltaic business, whereby projects in Lower Austria, North Macedonia and Bulgaria are expected to increase our photovoltaic capacity to 300 MW by 2030. We have also been working on the construction

of a freestanding photovoltaic plant with a capacity of 10 MW on a former landfill in Trumau, south of Vienna. In Grafenwörth, near the Danube River, we are constructing a floating 24.5 MW photovoltaic plant together with ECOwind. Another large-scale photovoltaic plant with a capacity of 20 MW is in the planning stage and will be located on the grounds of the former coal storage area at the decommissioned Dürnrohr power plant.

Highly efficient electricity networks

As a result of our ongoing investments to improve the network infrastructure, network losses in Lower Austria remain stable at roughly 4% – which is a very low level in international comparison. A direct comparison with our supply areas in Bulgaria and North Macedonia is hardly possible due to the different customer and network structures. The indicators in these two South-Eastern European markets are higher, and our investment programmes there concentrate on the further reduction of network losses and the continuous improvement of efficiency. We have successfully reduced our network losses in Bulgaria from approximately 20% at the time of our market entry in 2004/05 to a recent level of 6.5% and from approximately 25% in 2005/06 to 14.0% in North Macedonia.

Electricity disruptions far below the sector average

The reliability of our electricity supplies is also confirmed by externally calculated indicators. The mean supply interruption[1] – calculated according to the System Average Interruption Frequency Index (SAIFI) equalled 0.91 in the 2021 calendar year (previous year: 1.16). This SAIFI value means an EVN customer experienced one unplanned power interruption on average during 2021. The average annualised duration of unplanned power interruptions[1], as calculated according to the System Average Interruption Duration Index (SAIDI), equalled 19.81 minutes in 2021 (previous year: 25.14 minutes) and was

Average non-availability of power plants 2021/22

		Planned		Unplanned	
		Hours	%[1]	Hours	%[1]
Wind power plants[2]	Austria	112.3	1.3	303.8	3.5
Small hydropower plants	Austria	99.0	1.1	605.3	6.9
Pump storage plants	Austria	158.6	1.8	236.5	2.7
Natural gas-fired power plant Theiss[3]	Austria	1,719.3	19.6	859.4	9.8

1) Reference value: 8,760 operating hours per year (standard operational capacity)
2) Average value per wind turbine
3) The values only refer to the installed capacity in the amount of 470 MW which are held under contract as reserve capacity

EVN power generation capacities

	30.09.2022		30.09.2021		30.09.2020	
	MW	%	MW	%	MW	%
Renewable energy	**771**	**55.0**	**752**	**54.4**	**720**	**42.3**
thereof hydropower[1]	312	22.2	307	22.2	307	18.0
thereof wind power	407	29.0	394	28.5	367	21.5
thereof photovoltaics	14	1.0	12	0.9	7	0.4
thereof biomass	13	0.9	13	0.9	13	0.7
thereof other renewables[2]	26	1.9	26	1.9	26	1.5
Thermal energy	**630**	**45.0**	**630**	**45.6**	**985**	**57.8**
thereof natural gas[3]	583	41.6	583	42.2	583	34.2
thereof hard coal[4]	0	0.0	0	0.0	355	20.8
thereof energy hub Dürnrohr[5]	47	3.3	47	3.4	47	2.7
Total	**1,401**	**100.0**	**1,382**	**100.0**	**1,706**	**100.0**

1) Includes purchasing rights from the Danube hydropower plants in Melk, Greifenstein and Freudenau and from investments in the hydropower plants Nussdorf in Vienna and Ashta in Albania as well as in Verbund Innkraftwerke
2) Includes two sludge-fired combined heat and power plants in Moscow
3) Incl. the Theiss power plant (net output of 485 MW, 470 MW of which are held under contract as reserve capacity) as well as co-generation and combined heat and power plants in Austria and Bulgaria
4) The 49% investment in the Walsum 10 hard coal-fired power plant was sold as of 30 September 2021, and electricity purchases from this source were terminated as of the same date.
5) Includes the steam co-generation from thermal waste utilisation in Zwentendorf/Dürnrohr

again clearly below the Austrian average[2] of 24.01 minutes (previous year: 38.07 minutes). Information is not provided on the SAIDI and SAIFI at EVN's locations in Bulgaria and North Macedonia because a clear database is not available for the necessary calculations.

1) Source: Netz Niederösterreich, breakdown and disruption statistics for 2020 and 2021
2) Source: Energie-Control Austria, breakdown and disruption statistics for 2020 and 2021

High availability of our power plants

The table on the adjoining page shows the scheduled and unscheduled periods in 2021/22 when our operational thermal power plants and wind parks were not available. The data does not include the capacity at the Theiss thermal power plant that is not under contract as reserve capacity. A total of 470 MW at this location were available as reserve capacity for the Austrian transmission network operator (APG) in 2021/22, and we are also providing 470 MW of reserve capacity for APG in the coming financial year.

Cybersecurity

Digitalisation has also led to wide-ranging changes in energy supplies. The trend is currently shifting from pure energy delivery to complex energy management with intelligent networks and meters as well as the individual optimisation of consumption and individual tariff models. The professional management of these significantly more complex energy systems with their many smaller components brings greater comfort and increased efficiency, but the growing interconnectedness also increases the risk of disruptions and cyberattacks. Information and cybersecurity therefore represent a central part of every project at EVN, and we are working hard to steadily improve our cyberresilience.

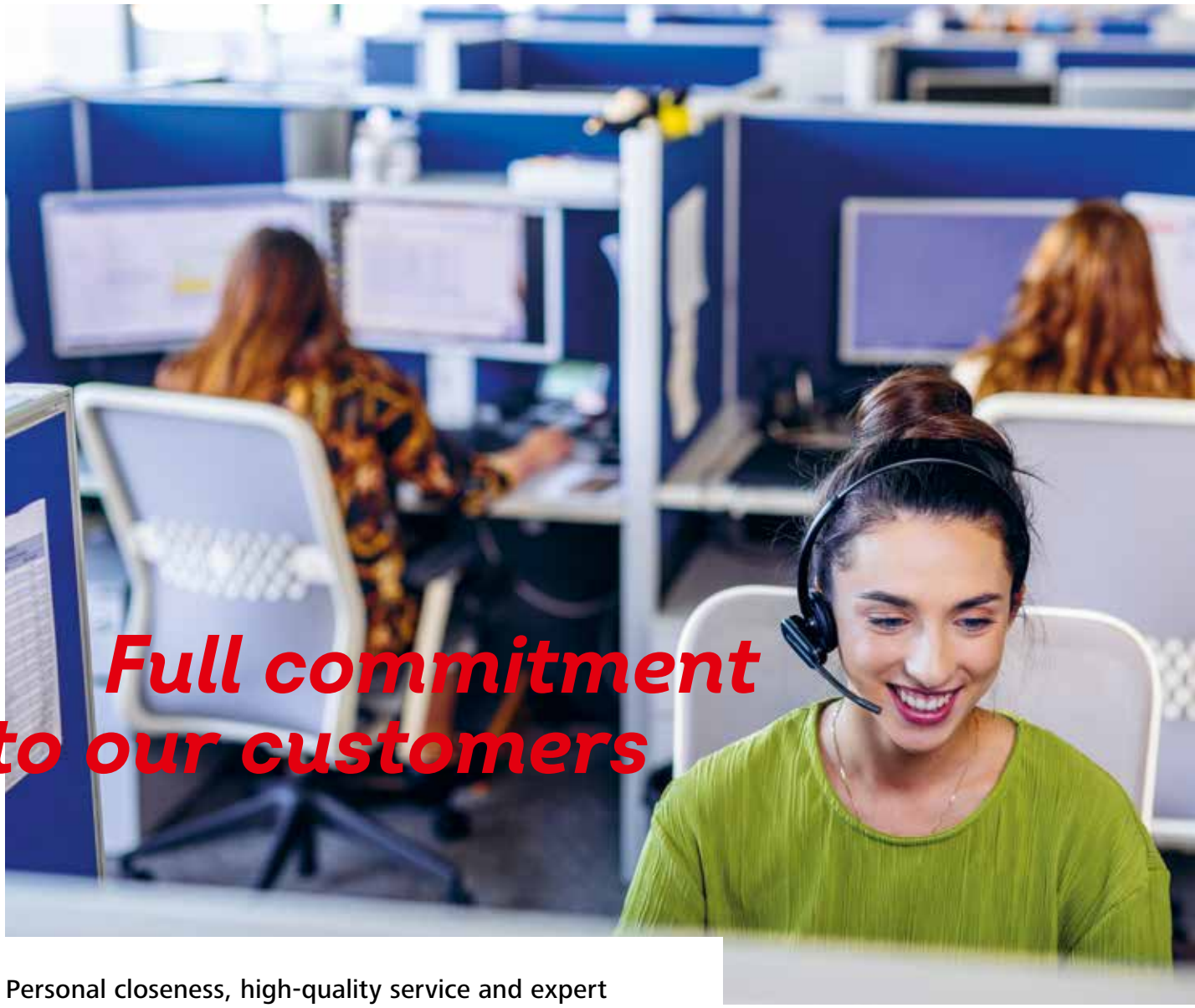
We give top priority, in particular, to the security of our networks and information systems in order to meet our commitment to supply security through the uninterrupted availability of all systems. A protection requirement analysis forms the basis for the identification of technical and organisational safety measures. We view the strict separation of IT systems and commercial and technical areas as essential. In addition to the isolation of critical infrastructure, the data networks represent another focal point of our activities. Their security is becoming more and more important due to the progressive digitalisation of the electricity and natural gas networks. EVN's chief information security officer is responsible for the operation and ongoing improvement of our Group-wide information security management system and is supported by local security officers in the individual companies. Our employees also receive regular information and training on current issues via internal communication channels.

As operators of essential services, several EVN Group companies are directly affected by the scope of application of the NIS Directive (Directive (EU) 2016/1148 of the European Parliament and of the Council), the first EU-wide legal requirements related to cybersecurity. This directive requires high security standards for critical network and information systems as well as the review of compliance through regular audits. The established protection and identification measures are regularly audited and continuously improved based on the latest technological standards. The involved companies decided to implement an information security management system (ISMS) according to ISO 27001 at a very early stage. Two of these companies (Netz Niederösterreich and EVN Wärmekraftwerke) arranged for certification of their ISMS by an accredited institution. The organisational preparations for the legal NIS audit have been completed, and the related security measures are being implemented on a continuous basis. New legal requirements, respectively the expansion of these requirements (e.g. NIS2), are the subject of regular monitoring and the effects on the individual Group companies are assessed continuously.

TEC CENTRE

A new building has been under construction at EVN's headquarters since September 2021: the Tec Centre. It will serve as a modern and safe location for our IT infrastructure and certain components of the technical network. Workstations with the highest demands on security will also be installed in this building. Completion is scheduled for the end of 2022 and will be followed by three-month test operations.


Nearby



Full commitment to our customers

Personal closeness, high-quality service and expert advising that covers a wide range of contact options from physical to digital. These criteria form the basis for contacts with our customers – also in challenging times.

Maximum customer orientation

The current framework conditions on the energy markets have also created significant challenges for our customers. Despite the related enormous increase in contacts over all our communication channels, we still take sufficient time to find solutions for our customers' concerns – because our top priority is to provide people with elementary services, especially in difficult times. This begins with a continuous, fully operational and optimally dimensioned infrastructure. It is the basic requirement for the realisation of our overriding goal: to always reliably supply our customers with energy products and services, high-quality drinking water, and cable TV and telecommunication services.

These activities are accompanied by a wide variety of services, advising and dialogue. Our aim for everything we do: to stay as close as possible to our customers. For our customers in Austria, Bulgaria, North Macedonia and Croatia, we have created analogue and digital 24/7 communication channels for all types of questions and concerns:

→ Personal customer advising (e. g. 19 EVN Service Centres, info tour with the EVN bus in Lower Austria, trade fairs, on-site advising at the customer's location)

→ A service telephone with individual numbers for specific topics and concerns
→ Digital communication options (e. g. e-mail, self-service portals, video advising)

Top professionalism and maximum customer closeness define our services and advising. Extensive know-how is required here because our portfolio of products and services is just as diverse as our customers' concerns. Our communications involve basic issues – like the registration and cancellation of services, assistance with tariffs or questions on invoices – as well as special requests for energy advising or in connection with energy efficiency services and products.

For information on energy efficiency services and products, also see page 102

Continuous improvement in service quality

We define customer satisfaction, on the one hand, through products and services that meet individual needs and are transparently invoiced. On the other hand, customer satisfaction is also a result of high service quality, target group-oriented communications, and assistance for our customers on issues involving the efficient use of energy. In these key areas, our goal is to create and maintain a fair and highly professional partnership with our customers in all our markets. Service is an area where we want to distinguish ourselves from the competition through stronger commitment and, in this way, better meet our customers' needs and become even more successful.

Active complaint management is also one of our top priorities. We document and evaluate all reports from unsatisfied customers and analyse them monthly to develop specific measures for improvement. This structured quality assurance cycle makes an important contribution to improving the quality of our services. In Bulgaria and North Macedonia, for example, we substantially accelerated the processing of complaints during the past financial year through specially designed measures.

To continuously improve our performance at our customer interfaces, we organise regular events to give our customer service staffs from Austria, Bulgaria and North Macedonia an opportunity to share their experiences. These events create a platform for the discussion of specific content and the challenges faced in daily activities, which then form the basis for the development of Group-wide measures.

These quality assurance measures are reinforced by our high priority on focused modules and training programmes for the customer relations team. Similar to our other training programmes, we are increasingly relying on digital e-learning formats in this area. Our intensive training cycle for new customer relations employees has been condensed to three weeks to make these men and women fit for customer contacts as quickly as possible. It is followed by further in-depth training modules.

Digital customer feedback

The EVN Customer Advisory Board was created in 2011 as a separate advisory committee to support the regular and systematic exchange of our customers' needs and concerns with EVN's management and experts. After extensive preparations, the EVN Customer Advisory Board will be relaunched in a new digital format starting in 2022/23. Customers interested in providing feedback have been able to register online under https://mein-feedback.at/ since October 2022. Their responses will flow into a large pool of test customers who will be asked online and on-site – quickly, flexibly and easily – to express their opinions on current and future products and services.

We also plan to introduce real-time-feedback in a digital format on a real-time basis in 2022/23. Customers will be contacted via SMS or e-mail and asked to answer three short questions on their personal customer experience with EVN. We hope this feedback will help us to quickly evaluate and analyse the quality of our customer contacts.

Continued on page 68 →

Customer relations: Personal contact as a key strength

Rising energy prices, concerns over possible supply shortages caused by the war in Ukraine and the conversion to renewable energy sources – these are only some of the many reasons for the rush on EVN's (telephone) lines in recent months. EVN's front office registered 120,000 contacts in September 2022, twice the nearly 60,000 recorded only one year before. And that is, by far, not all. The length of an average call grew from roughly six to 14 minutes during this same period. EVN's customer relations team saw similar increase in incoming e-mails and their personal contacts in the company's 19 Service Centres.

These numbers underscore the unprecedented challenges for EVN's customer service in recent months. To meet customers' increased need for up-to-date information and in-depth advising, the company introduced a variety of measures: The first took place at the personnel level and involved the increased readiness of customer relations employees to work overtime. This core team was supported in specific processes by temporary staff and leasing personnel. And employees from other EVN departments were invited to help answer the growing volume of e-mails on a voluntary basis. The great response to this appeal clearly demonstrates the team spirit that characterises the EVN Group.

The personnel reinforcement was by far not the only reaction to this development, emphasised Bernd Löschnig, head of customer relations at EVN: "Our colleagues are, from time to time, faced with highly complex issues and our customers expect competent answers. That made the training and on-boarding process even more complex and led to further optimisation in recent

The major effects on customer relations since autumn 2021

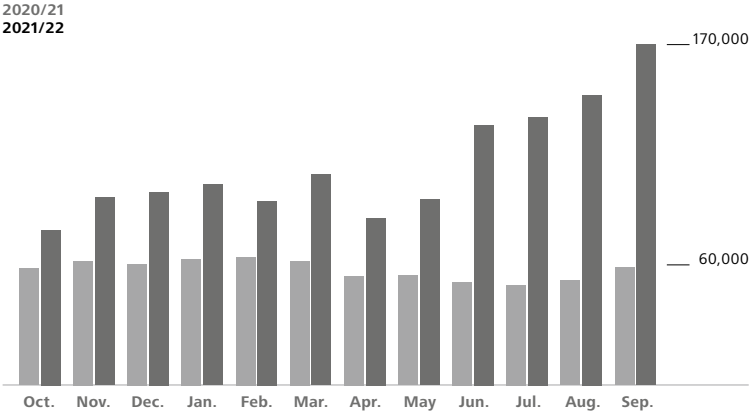
Influencing factors

- → Rising energy prices
- → Media reports over possible blackouts
- → Gas supply shortages due to the war in Ukraine
- → Market shake-out (competition)
- → Staff sick leave due to the corona pandemic
- → Compensation for energy costs
- → Price adjustments for electricity and gas
- → Rebate campaigns by EVN
- → Electricity price rebates by the province of Lower Austria

Key customer concerns

- → Invoices and instalments adjustments
- → Tariff advising
- → Changes to master data in view of the electricity price rebate
- → Change of suppliers
- → Subsidy and meter applications related to the construction of photovoltaic equipment
- → Supply security
- → Instalment plans and deferrals

Number of phone enquiries at Customer Relations



months." The training plan was streamlined and restructured to allow for faster assignment at the hotline and Service Centres. The quarterly training modules were replaced by more frequent, in part monthly sessions. "In the past, the on-boarding of a new employee took several months. Now we can selectively use these colleagues in customer advising already during their training period", explains Bernd Löschnig.

EVN is also increasingly using digital tools for electronic inquiries, which are received primarily via e-mail. Electronic mail is automatically sorted by subject and forwarded directly to specifically trained employees for processing. Many of these e-mail inquiries were also answered on Saturdays, so-called power days, during the past months – which was the only way to handle the backlog of incoming mails.

Our online service offering was also massively expanded and optimised, and many questions can, as a result, be answered quickly and intuitively through the customer section of EVN's website. The processing of the entered data is also largely automated, which frees up additional capacity for direct customer contacts.

In spite of all these measures, callers in EVN's front office were faced with a waiting time of more than 30 minutes. Bernd Löschnig: "Many of our customers are very concerned over the current situation. They are normally understanding if it takes a little longer to reach us because they are aware of the massive increase in contacts due to the current energy market distortions. We also take all the time necessary to answer questions and deal with our customers' concerns in a competent and supportive way."

The energy market distortions mentioned by Bernd Löschnig are reflected in a wide variety of issues for the customer relations team: On the one hand, they include questions over rising energy prices and the further development of the energy market, possible blackouts, changes in the tariff landscape or individual deferral and payment agreements. On the other hand, they involve extensive information by EVN's staff on government-approved support measures. Other central issues concern the construction of photovoltaic equipment and new applications for service or the resumption of service from customers who previously purchased their energy from competitors. Many of these companies can no longer fulfil their customer contracts due to the increase in wholesale prices or have terminated their business activities and left the market. Alone from October 2021 to September 2022, roughly 32,000 customers returned to EVN. Bernd Löschnig: "In uncertain times, people want stability. EVN is not only the largest energy supplier in Lower Austria. We also work to assist our customers in many cases – for example, to prevent energy poverty." The offering includes intensive customer advising and a separate EVN social fund for customers in financial distress. In addition, the comparatively attractive tariffs benefit all households. "Naturally, our size and strong market position give us a competitive advantage in the current crisis. But our responsibility is also very important to us and demonstrated by numerous offers that help our customers with energy purchases in crisis times. The most important factor right now, however, is comprehensive personal and regional contact with our customers – regardless of the channel they use for our communications. That is currently one of our greatest strengths."

Evaluation of customer satisfaction

We commission regular independent, external surveys to proactively analyse and evaluate the quality of our customer service and customer satisfaction in our three core markets. The survey data and analyses combined with long-term trends show the development of customer satisfaction and help us to analyse relevant business transactions. The results provide valuable information on opportunities for improvement and, in a next step, are evaluated by the involved departments. This information is used to define concrete approaches for improvement measures.

In Austria, we also evaluate our customers' satisfaction with various aspects of their business relations with EVN based on a customer loyalty index which was specially designed to meet our requirements. The underlying indicators support the monthly monitoring and measurement of customer loyalty, while the index allows us to swiftly identify and react to changes in customer behaviour.

Strategies to combat energy poverty

EVN's values also include a commitment to social responsibility, an obligation that has become increasingly important in today's environment. We are well aware that the massive increase in energy prices has created an enormous burden, especially for financially weak households. As a result, we have intensified our efforts and initiatives to combat energy poverty. One measure that has proven its success for many years is our cooperation with the Caritas social service organisation and the debt counselling service in Lower Austria, and we have recently intensified this mutual assistance. The projects concentrate, among others, on measures to reduce energy consumption and the realisation of cost-cutting opportunities that often lead to significant savings. We have had very good experience with programmes based on the "train the trainer" principle, which prepare social counsellors to conduct advising discussions (e. g. on subjects such as energy savings, potential subsidies for heating costs etc.), and we also accompany the counsellors in their work with people threatened by poverty.

Our regular contacts with the Lower Austrian debt counselling service and the Caritas social service organisation make it easier to coordinate targeted measures for socially disadvantaged customers. The related measures include, for example, individual agreements for payment deferrals or instalment payments as well as solutions developed together with aid organisations and social service providers. In justified individual cases, we are particularly accommodating to our customers' problems and see the termination of contracts, for example, as an absolute last resort. Our primary goal is to avoid such steps wherever possible.

We had already waived the suspension of electricity, natural gas, and district heating services for household customers from 23 December 2021 to 31 March 2022 and, at the beginning of August 2022, announced a further voluntary waiver for the suspension of services from 1 December 2022 to 31 March 2023.

As support for particular hardship cases – in this, our 100th anniversary year – we have established a social energy help fund with an endowment of EUR 3m that will be directed to helping households in need. The distributions from this fund will be handled by social institutions.

Monetary assistance

Households in Lower Austria have been able to benefit from various relief measures approved at the federal and provincial level in 2022. The entitlement for these measures is, in part, linked to social needs and, in part, not tied to special requirements. Moreover, customers affected by price adjustments in connection with the amendment of our general delivery terms could receive a bonus of up to 17% by changing to a tariff with a 12-month fixed energy price and actively reducing our operating costs (e. g. through registration on the EVN customer portal, changeover to e-mail invoices and direct debit payment etc.).

INFORMATION CAMPAIGN "ELECTRICITY SAVINGS IN SEPTEMBER"

A wide variety of communication measures bundled under the title "Electricity Savings in September" marked the start of our proactive information campaign for residents in Lower Austria. It explains the relief measures announced by Austria's federal and provincial governments and also covers EVN's direct support programmes, our new tariff offering and concrete energy saving tips and opportunities. One declared objective of this campaign – which includes mailings to our customers as well as a wide range of information media like flyers, advertisements, radio spots and online banners – is to support as many households as possible in utilising their entitlement to rebates and subsidies and, in that way, to cushion the burden created by rising energy prices. EVN employees also received extensive information on the energy price situation via the EVN Intranet and mandatory e-learning modules to help them communicate the content of our campaign to their families and friends. Our 19 Service Centres were also available to help complete the online applications. This offering was directed, above all, to people with a low Internet affinity, especially senior citizens. In addition, the EVN bus toured through 40 communities for four weeks and enjoyed a particularly positive reception with its offering of personal advising.

For information on our energy saving tips, also see evn.at/energiespartipps

Responsibility beyond the core business

In addition to meeting our customers' requirements for energy, water and cable TV and telecommunication services, our activities also give high priority to other legitimate interests. Included here, above all, are product labelling, safety, and health and data protection – and we have implemented various measures to meet these concerns.

Transparent product labelling

In accordance with legal electricity labelling requirements, we disclose all information on the electricity delivered to our customers in Austria. This information includes the geographical origin, composition by primary energy carriers and the environmental impact of its generation. We have made a voluntary, long-standing commitment to include no nuclear-generated electricity in our Austrian electricity products. The electricity we deliver originates entirely from certified Austrian sources.

An offering of tariffs based on these principles is available for every customer segment (household, commercial, industrial and municipalities) as electricity from 100% renewable sources and as a hybrid alternative. The hybrid alternative now also only includes a very low volume of thermally generated electricity: In the 2021 calendar year, 2.9% of the total volume was generated by natural gas and 2.0% by thermal waste utilisation; the remaining 95.1% came from renewable sources. Our electricity products from hybrid carriers therefore included no electricity generated from hard coal. The CO_2 emissions in the supply mix were, consequently, low at 23.36 g/kWh (previous year: 23.34 g/kWh).

Compliance with electricity labelling requirements is verified each year by an independent auditor. Our "Natur-Produkt" offering is also evaluated and certified by TÜV Austria. This certification confirms completely CO_2-free generation for all our electricity deliveries from 100% renewable sources in Austria; 37.5% of the electricity delivered by EVN KG to its end customers is completely CO_2-free.

In Bulgaria, electricity in the regulated market segments must be purchased from the state-owned energy supplier NEK. This company does not label its generation or offer any product options, and our Bulgarian sales company therefore has no influence over the composition of the delivered electricity.

The situation in North Macedonia is similar: Our sales subsidiary in this country is also required to purchase electricity for its customers in regulated markets from the state-owned electricity company ELEM and, therefore, cannot influence the composition of

the delivered electricity. The sales companies in these two countries are not required to label their electricity.

For information on energy procurement, also see page 34
Also see www.evn.at/herkunft
GRI indicator: GRI 417-1

Customer health and safety

We minimise the potential negative effects from our products on the health and safety of the public, in general, and our customers, in particular, through careful, responsible actions along our entire value chain. The protection of our customers has top priority, above all with regard to energy supplies and network operations. The numerous measures and concepts in this area include, among others:

- Information (e. g. website) on the early identification of damages to power lines and equipment as well as safety rules if there is a smell of gas
- Synergies through extensive occupational safety measures
- Replacement and/or maintenance investments to prevent technical defects and potential hazards
- Protection and prevention concepts (especially for equipment in the electrical voltage range)
- Continuous inspection of natural gas networks and location of any leaky spots
- Regular inspection of all natural gas equipment (based on the Natural Gas Safety Act)
- Ongoing control of equipment and safety measures

Emergency services 24/7

An emergency call centre is on duty around the clock, seven days a week, to handle disruptions and breakdowns. In addition to the fastest possible damage repair and restoration of supplies with our products, our employees take the necessary steps immediately on their arrival at the damage location to protect any involved persons. The emergency staff receive regular training, while duty personnel take part in annual training courses and all employees attend annual security training.

Crisis management

We have prepared comprehensive plans to deal with crises, emergencies and other contingencies and developed training programmes for major segments of our business, especially for vulnerable areas that also affect the population and the environment. Crisis situations are simulated regularly at all EVN locations. In addition, internal and external exercises and training sessions on crisis management are held in Lower Austria. Crisis management systems have also been installed at our operations in Bulgaria and North Macedonia.

For information on occupational protection and safety, see page 85ff
Also see www.evn.at/customer-safety and www.evn.at/crisis-management
GRI indicator: GRI 416-1

Data protection

The professional protection and non-disclosure of personal data and business information have always represented central behavioural norms for our company and, consequently, are included as a separate section in the EVN Code of Conduct. The high importance of this subject is also reflected in our corporate organisation: Data protection is anchored in the corporate compliance management staff department, which reports directly to the Executive Board. In addition, we have installed a local data protection officer in each of our markets.

Our data protection management system ensures that the EVN Group has implemented and met all requirements of the EU General Data Protection Regulation (GDPR) that took effect in May 2018 as well as the requirements of the Austrian Data Protection Act which was enacted in 2018. Standardised data protection processes have been implemented to allow for the timely and efficient evaluation and handling of data privacy requests and/or the deletion of information. All complaints involving the failure to protect personal data – whether they come from the Data Protection Authority or an involved person – are recorded and processed quickly to allow for the fast implementation of any necessary corrective measures.

We received no requests from the Data Protection Authority for comments and identified no incidents involving the potential loss of customer data in 2021/22.

A separate e-mail address is available for direct contact with EVN's data protection officer: datenschutz@evn.at

GRI indicator: GRI 418-1


krems EVN
VOLLEKRAFT
Strom-Tankstelle

Smart solutions for a sustainable energy future

Innovation at EVN

Our widespread innovation activities are also based on the central themes defined by the EVN materiality matrix: supply security, customer orientation and sustainability. This last topic not only includes resource conservation and climate protection but also covers economic and social aspects – for example, energy supplies that remain affordable over the long term. Especially in the current environment with market distortions that have been far-reaching in recent months, this issue has become increasingly important. It also closes the circle to customer orientation which, of course, has high priority for a service provider.

EVN traditionally concentrates on the latest technical trends in the broadest sense of the term and works to test and integrate new solutions in its own operations as early as possible. Innovation has been one of the central pillars of our company's successful growth over the last 100 years. The many innovation projects and initiatives currently in progress underscore this open approach.

Many of these activities take place in the Green Energy Lab, Austria's largest innovation laboratory to date for green energy. It links over 200 partners from research, business and the public sector who are developing customer- and demand-oriented scalable solutions. Our commitment to this innovation lab is important not only from a strategic perspective but has also produced a number of highly interesting projects for the green energy future.

See page 75 for a selection of projects

We spent a total of EUR 2.6m (of which 5.7% represented subsidies) on innovation, research and development proj-ects in 2021/22. With our Green the Flex project – which involves the bundling and marketing of flexibilities from private, commercial and industrial companies – EVN was the only Austrian company to receive a subsidy from the EU's Innovation Fund this year.

Also see page 158

Greater flexibility through demand-side management

One of the main focal points of our current projects and field tests is to make electricity consumption manageable, at least in selected areas and, in this way, prevent peak loads or shortages in generation and distribution. The reasoning behind this: When we have the flexibility to disconnect individual high-consumption plants or equipment from the network when the demand for electricity is high or postpone their operations to a time when demand is low, we can avoid peak loads on the power plants and the transport and distribution networks. This will allow us, for example, to reduce the use of the gas-fired power plants which are regularly in operation to cover peak periods and support network stability.

Any temporary shifts in the private customer segment would only involve plants and equipment with sufficient storage capacity that are not immediately needed, e. g. for heat pumps or boilers. The charging procedures for autos or lorries could also be regulated if necessary. All these options will, of course, be implemented without any influence on the comfort of customers.

The result: a reduction in natural gas consumption and fewer CO_2 emissions. Moreover, the natural gas that is not needed for power plant operations can be used for other purposes, and that helps to protect supply security in the current environment. The reduced stress on the cross-regional and regional electricity networks also supports reliable, uninterrupted supplies. Our customers also benefit by shifting their electricity consumption to times when they can take advantage of more favourable tariffs.

The involved consumers, in total, form a so-called virtual power plant that provides indirect services and, therefore, eases the burden on the entire system. The potential here is impressive: In Lower Austria alone, a suitably dimensioned virtual power plant could save roughly 60 GWh of natural gas consumption per year – and that represents an annual reduction of nearly 35,000 tonnes of CO_2 emissions.

The many different options to implement these concepts cover the bundling and targeted use of flexibilities from private households and commercial and industrial companies as well as the bi-directional charging of e-vehicles and scheduling and charging management for entire logistics fleets. E-vehicles play a particularly important role here because they not only help to reduce fuel consumption and emissions but can also serve as interim storage for renewable energy that is currently not needed and help to stabilise electricity consumption. By the way, EVN is a pioneer in this area: At our corporate headquarters and all district centres in Lower Austria, the charging schedules for our company e-vehicles are optimised in line with these goals.

Renewable energy storage

In addition to storage in the short-term range, we are also working on longer-term storage options for renewable energy – which, naturally, is not always produced when it is actually needed. One example is our SEKOHS Theiss pilot project with its large battery and thermal storage for the physical storage of electricity or heat. EVN is also involved in another project with RAG where we are investigating the large-volume seasonal storage of up to 100% pure hydrogen in underground natural gas storage facilities. If this works as planned, hydrogen can be used as a storage medium for electricity from wind and solar energy and support safe green energy supplies throughout the entire year.

cyberGRID: IT development in-house

With the acquisition of 100% of the shares in cyberGRID, a successful specialist for the integration of renewable energies and battery storage, in March 2022, EVN took an important step towards making consumption flexible. The utilisation of all options for demand-side management not only

requires technical innovation and new business models but also creative IT solutions. The integration and management of producers and consumers in line with their individual capabilities and requirements require complex IT tools that efficiently connect and network all facets of the entire system. cyberGRID technology is already successfully in operation on commercial projects in Austria and Slovenia and in numerous EU-subsidised projects, and its further development will now be managed by EVN in-house and throughout Europe.

Energiezukunft Niederösterreich: targeted subsidies for renewable energy communities

Regional and local renewable energy communities – as new players on the energy market in their catchment areas – can generate, consume and store energy (e. g. in photovoltaic or wind power plants). These communities, which are based on the share economy, have numerous advantages: A local network takes over primary responsibility for electricity distribution, cross-regional electricity transport is reduced, and the members pay lower network fees, taxes and duties. Their solidarity also makes an important contribution to regional added value and the realisation of energy and climate goals.

At EVN, we have also completed important preliminary work on several projects to realise this concept. Examples include the collection and aggregation of the necessary data and the development of platforms for the easy and efficient operation of energy communities.

We took on a pioneering role in Europe during the reporting period with the founding of Energiezukunft Niederösterreich. As a joint service company founded by EVN and the Lower Austrian Energy and Environmental Agency, it offers extensive advising and services for energy communities and supports Lower Austria's goal to become the model region for decentralised renewable energy generation. Its services include founding assistance, energy analyses and configuration or communication with public authorities, network operators and market players up to invoicing procedures. This joint venture is currently accompanying 120 projects in Lower Austria, and a further 100 have already registered for 2023.

WIDE-RANGING INNOVATION INITIATIVES

Our projects in 2021/22 (selection)

- → Green the Flex: bundling and marketing of flexibilities from private households, commercial and industrial companies
- → Industry4Redispatch: regulation and/or deactivation of industrial equipment to prevent peak loads and/or bottlenecks
- → car2flex: decentralised electricity storage through bi-directional charging of e-vehicles
- → MEGAWATT-LOGISTICS: conversion of heavy-duty utility vehicles from diesel to electricity and charging and scheduling management for logistics fleets
- → Open Data Platform: data collection and aggregation to improve knowledge of energy system connections
- → NETSE: user-oriented (further) development of platforms for the easy and efficient operation of energy communities
- → Hybrid LSC: pilot projects for local sustainable communities with different focal points (multi-family houses and developments)
- → R2EC: simulation of decentralised energy cells based on renewable energies in three sample energy regions
- → Underground Sun Storage 2030: investigation of large-volume seasonal storage of renewable energy in underground natural gas storage facilities with a hydrogen component of up to 100% in real-world scale

Versatile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Katharina
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Dynamic, motivated, diverse

The working world is changing. A healthy balance between free time and work is becoming increasingly important for many people, while the labour market is witnessing growing competition for the best brains. We are addressing these changes with an attractive working environment and wide ranging offers for our employees.

The changing working world

Today's social and technical developments are revolutionising the way we work. These fundamental changes are also reflected in the needs and aspirations of our employees.

The Covid-19 pandemic has permanently influenced and accelerated the transition of our working culture towards digitalisation. The use of digital tools and the increase in mobile working are changing our daily life and the design of our workplaces, our understanding of work and, above all, our cooperation with each other. At EVN, we believe it is important to react promptly to these changes and create an optimal working environment for employees that allows them to develop and share collective success.

The EVN Working World, a project started before the pandemic, is designed to create a highly flexible working environment for our employees. The opening of additional office areas, numerous technical improvements and the introduction of innovative technologies and digital equipment have notably improved internal information and communication flows. Follow-up work on this project has already started. It should make cooperation even more active and expand our digital expertise. The framework is illustrated by our motto "More sustainable. More digital. More efficient." Concepts for flexible working time models, mobile work and the smarter use of space through desk sharing as well as their influence on existing management models are in preparation; they will be tested together and regularly adjusted based on feedback loops.

Also see www.evn.at/evn-working-world

Our training and professional development programmes in Austria, Bulgaria and North Macedonia are organised and managed by the local EVN Academies. The implementation of an IT-based learning and seminar coordination platform (ELI – EVN Learning Interface) in Austria during the past financial year is linked to our plans for an increased emphasis on virtual presence with visualised training plans and an individual training history. Training programmes will be available in different formats: anywhere at any time, in a pure digital form as web-based training, digital and synchronised at different locations as a webinar or as blended learning, i. e. as a combination of digital elements and on-site training.

In Austria, the roughly 200 events organised by the EVN Academy each year make sure the motto "We live training!" is put into practice. Efficient and modern solutions form the focal point for these activities. A trainer workshop in April 2021 set the stage for the team from the EVN Academy and 51 EVN internal trainers to exchange their views on learning in the future. They discussed, among others, the professional management of the new learning platform ELI, digitalisation opportunities and approaches to win over new trainers. Compliance Basics was launched as a webinar in January 2022 and was completed by 220 employees within the first few months. Specially selected case studies, interactive elements and active exchange, together with individual registration options formed the basis for the participants' very positive feedback.

Training and professional development in North Macedonia involved the introduction of an e-learning management system and the improvement of the trainee programme. "EVN the Next Generation", our well-established programme for the development and training of young engineers, also served as the basis for the implementation of the new trainee modules for young IT specialists. The circle of participants in the "EVN the Next Generation" training programme from 2021 included 59% women. The "Career Development Programme" now includes clear and transparent criteria as well as an objective assessment process for engineers' career development. We awarded a total of 24 scholarships to socially disadvantaged students and high potentials in 2021/22.

EVN is currently expanding its dual training programme in Bulgaria through the addition of new school partnerships. In 2021/22, our cooperation covered schools in 11 cities and involved 280 schoolchildren. All participants complete the practical part of this programme at EVN's operations in Bulgaria, and many of them join EVN on a permanent basis after their training. New concepts for hybrid working are currently in preparation and should be introduced during the coming financial year to offer all employees in Bulgaria greater flexibility and a better work-life balance.

Principles and models for our cooperation

National laws and international guidelines such as the Universal Declaration of Human Rights and the basic values described in the Code of Conduct are the fundamental principles for EVN's corporate culture in dealing with our employees. A set of binding documents defines and substantiates the principles and mission statements that govern our daily interaction. These same high standards apply in all countries where we work. Our activities in this area led to the definition of three key values – ensure, encourage and enable – for the EVN Group several years ago.

We have also integrated these values in key documents for our corporate and management culture, for example in our managerial mission statement and the feedback and orientation sessions

ensure

We ensure quality and corporate success.

We are committed to continuity and safety. Our employees are hardworking, competent, reliable and quality conscious.

Through their individual contributions, each of our employees ensures that we can implement our strategy and provide energy and environmental services to our customers in the best possible way.

This position ensures the healthy growth of the EVN Group.

encourage

We encourage people.

The way we think and act encourages people.

A good atmosphere and a positive working climate are just as important for our corporate success as for our employees' development.

We are the right company for people who love to learn and who – where necessary – also offer constructive criticism.

enable

We enable the future.

We not only talk, we also enable.

We always choose the correct and solution-oriented way.

Whatever we do, our focus is always on the environment, as it is the source of the energy we generate.

We are committed to sustainability in all areas.

FAIR LANGUAGE

At EVN, we also want our language to be fair. We have called on all our employees to use more sensible phrasing and ideally non-discriminatory, gender-neutral language. Our recommendations included the use of neutral phrasing, the "gender star" (in German-language texts) or specific reference to all genders.

which we regularly hold with our employees in Austria. These discussions allow for structured reciprocal feedback on work performance and quality plus the definition of goals for the employee as part of individual career planning. In 2021/22, 76% of our employees (368 women (69%) and 1,676 men (78%)) in Austria took advantage of these feedback sessions.

We motivate our employees not only by meeting our legal obligations as an employer, but also by providing numerous additional voluntary benefits. The following fundamental principles define our corporate culture:

- → Equal treatment and equal opportunity
- → Work-life balance
- → Human resources development and advancement
- → Occupational safety and accident prevention
- → Corporate health care
- → Corporate social partnership and internal communication
- → Additional company benefits

⚠ GRI indicators: GRI 102-16, GRI 404-3

Equal treatment and equal opportunity

The EVN Group had an average of 7,135 employees (FTE, full time equivalent) in 2021/22. The workforce totalled 7,453 as of 30 September 2022 (headcount).

Our workforce includes 172 wage employees (38 in Austria and 134 in other countries) and 7,281 salaried employees (2,647 in Austria and 454 in other countries). There is no differentiation between wage and salaried employees in Bulgaria (2,312 salaried employees) or North Macedonia (1,868 salaried employees).

As of 30 September 2022, our workforce consisted of 1,744 women (23.4%) and 5,709 men (76.6%). In order to increase the percentage of women in the EVN Group and to facilitate career planning – above all for highly qualified women – a variety of programmes and initiatives have been in operation in Austria, Bulgaria and North Macedonia for many years. Their objective is to increase the percentage of women over the medium term to a level that mirrors the current educational levels in the applicable professional groups.

The Women@EVN programme includes, among others, the opportunity to attend requirements-oriented seminars and develop internal networks. The first class of a mentoring programme with seven participants was completed during the past financial year. This programme is designed to support women in their management positions and thereby create the basis for increasing the number of female managers. EVN also consciously supports management positions on a part-time basis.

Our company's international market presence is also reflected in our workforce: It includes people from different nations, cultures and generations who come from more than 58 countries, above all from Austria, Bulgaria and North Macedonia. We are firmly committed to the hiring and advancement of regional employees because this improves our understanding of the special characteristics of the local culture and increases the economic benefits of our business activities. We therefore make sure that most of the employees and managers in our markets come from the respective region (approximately 71%). This value is lower than the previous year (approximately 90%) because it is based on a narrower definition of the term "manager". In particular, the strengthening of local management capacity represents an important aspect of our corporate strategy.

In addition to our own staff, 143 leased employees, representing 1.9% of our total workforce, also worked for the EVN Group as of 30 September 2022. We use personnel leasing for several reasons: first, as a preliminary step to a conventional employment relationship (integration leasing); second, for tasks and projects covering a limited time period; and third, to handle peak work.

In keeping with our commitment to equal treatment and opportunity, we also support the integration of people with special needs. We employed 126 persons with special needs in 2021/22, representing 1.7% of the total workforce.

In agreement with the Universal Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the International Labour Organisation, all EVN employees are treated equally regardless of gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment. We expressly reject any form of discrimination in hiring, training, career development, working conditions and compensation for employees with the same professional and personal qualifications. Our employees' compensation is based solely on the applicable collective bargaining agreement or the specific responsibilities and qualifications. At EVN, there is no difference in the compensation paid to women and men who have the same education and perform the same activities. The remuneration of leased employees is based on the salary or wage defined by collective bargaining agreements or legal regulations for our employees in comparable positions. In 2021/22, the ratio of the highest salary and average salary at EVN in Austria equalled approximately 8.0:1.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 135f

For information on EVN's human rights policy, see www.evn.at/human-rights-policy

GRI indicators: GRI 102-8, GRI 202-1, GRI 202-2, GRI 401-1, GRI 405-1, GRI 412-1

Work-life balance

A further central concern is to help our employees achieve a balance between their working and family life. In May 2011, EVN became one of the first companies to sign the "charter on the new compatibility between parents and business" – an initiative of the province and economic chamber of Lower Austria – which underscores our commitment to a parent-oriented human resources policy.

Our employees in many areas have the freedom to define their working hours. This independence is based on a flexitime model without core times, which allows for the free organisation of working hours unless otherwise required for operational reasons (e. g. shift work). We also offer a range of part-time working models which play an important role, above all, in connection with childcare. Options for mobile working were implemented in September 2021 and give employees the option to work up to 1,100 hours each year at a location of their choice. That makes it possible, for example, to combine field and mobile work on the same day. In addition, we support employees with family responsibilities through facilities that include a parent-and-child office and our supervised summer holiday programme for children. WTE, which is responsible for our international project business, started a cooperation programme with a day-care centre during the reporting year and now offers on-site childcare.

Our employees in Austria, Germany, Bulgaria and North Macedonia are legally entitled to parental leave after the birth of a child. In Austria, the possible leave of absence extends up to the 36th month after the child's birth and exceeds current legal regulations. This option is, however, used less frequently in Southeast Europe. We maintain direct contact with our employees during the entire leave period and, in doing so, facilitate their return to work. Employees on parental leave are invited to special information events and can take advantage of our extensive training programme. A growing number of fathers are also taking advantage of this offering. In 2021/22, 44 women and 17 men were on parental leave in Austria. Nearly all mothers and fathers return to EVN after that time (return rate: 90.9% for women and 100.0% for men). Four female employees resigned directly after the end of their parental leave in 2021/22, compared with two in the previous year. All other employees who returned from parental leave were still employed by EVN after twelve months.

EVN is committed to training and continuing education and, therefore, also to educational leave and part-time work during this time. Appropriate requests are generally approved following a review of the operational possibilities and interests by the employer, subject to certain framework conditions.

GRI indicators: GRI 401-3, 404-2, 412-1

A FAMILY-FRIENDLY COMPANY

We were very proud to be recognised as the most family-friendly company in the category of large businesses at an awards competition held by the province of Lower Austria in 2021. The evaluation criteria included employment forms, working time models, parental leave and re-entry, training opportunities, family-friendly measures, information policies and the corporate culture. The competition is organised by NÖ Familienland GmbH in cooperation with the Economic Chamber of Lower Austria and the Niederösterreichische Nachrichten newspaper to honour companies that implement family-friendly best practice measures as important support for families.

Challenges on the labour market

The labour market has undergone a significant transformation in recent years – from an "employers' market" to a "recruitment market". The times when companies could choose from a large, well-trained pool of applicants appear to be over. The challenges connected with the search for the best brains are growing and have become more diverse – key word: labour and skills shortages, for example in the IT or cybersecurity branch. Moreover, the Covid-19 pandemic and the resulting greater need for security have reduced employees' tendency to change jobs. EVN has adapted its recruiting procedures to deal with these changing framework conditions: The channels we use to contact potential candidates have become more diversified, digital media are now an increasingly important part of this process, and flexibility has become a key factor. Our efforts to improve job satisfaction include, among others, the following measures in reaction to employees' changing needs:

- → Mobile working is now possible for most employees.
- → Flexible working times are a matter of course.
- → Part-time employees are also eligible for management positions.

In addition to this flexibility, EVN stands for the following three dimensions that are also represented in our promise as an employer (see the image on the right).

We have followed a targeted employer branding approach on the labour market since 2017. It gives us the opportunity to provide authentic insights into our company and the many different areas of responsibility – all in all, EVN has more than 100 job profiles in the energy, environment, heat, water and telecommunication branches. Our colleagues describe their jobs in short videos, and we regularly post information on their daily work routine over digital platforms. We also introduced a new image film at the beginning of 2022: "We are fit for the energy future. And are designing it together for tomorrow."

In addition to conventional recruiting platforms like job portals and career fairs, EVN also uses new – and above all digital – paths. Recruiting via social media, e. g. career posts on Facebook, Xing or LinkedIn, have come to play an important role. Our "Employees recruit employees" recommendation programme which was launched in 2017 has since led to the hiring of more than 130 men and women for different EVN departments. We also introduced the Job Ambassador Programme in 2021/22 to integrate current employees more actively in recruiting efforts.

The quality of our recruiting measures is underscored by regular awards. In the "Career's Best Recruiters" ranking, we are currently 15th among more than 500 rated companies.

Also see www.evn.at/Karriere

Human resources development and advancement

Our employees' high qualifications represent a strategic asset and an important element for protecting our company's sustainable success. Consequently, preserving and increasing our employees' high level of expertise are a central element of our human resources management. It helps us to ensure targeted and efficient human resources development in a continuously changing working world. The related training and professional development programmes in Austria, Bulgaria and North Macedonia are organised by the local EVN Academies. In Austria, the academy coordinates more than 70 different educational plans in the areas of electricity, natural gas, heat and water for apprentices and young technicians as well as recertification for experienced technicians. The training plans cover various technical and personality development subjects and content. Standardised processes and quality management accompany the design off every new course, whereby the content is also coordinated with the involved specialist department. A qualitative evaluation by participants is ensured by a feedback survey at the end of every course, and opportunities for improvement are reflected in the adjustment of the training design.

We invested EUR 288.2 per employee in continuous training and education during 2021/22 (previous year: EUR 217.6), which represents a total of EUR 2.1m (previous year: EUR 1.6 m). The slight increase reflects the return to more in-class events after the restrictions resulting from the Covid-19 pandemic. Each employee spent an average of 26.94 hours[1)] (previous year: 28.77 hours) on these programmes.

1) Calculation for the 2021/22 financial year excluding trainings for leasing employees

Our human resource activities also illustrate our high priority on the development of future specialists and managers, not least due to the steady increase in the average age of our workforce (44.3 years). The need for qualified employees is rising as many of our current employees retire, and we are working to address the situation with specifically designed training programmes and measures to support the transfer of know-how between older and younger employees. Apprentice training has also always had high priority for EVN. As of 30 September 2022, we employed 82 apprentices. In Austria, we offer a dual programme of theoretical vocational school education and practical on-the-job experience together with supplementary courses and seminars as well as support for double and multiple qualifications. We also encourage our apprentices to complete internships in other countries through our "Let's Walz" programme. Most of these young people remain as employees after completing their apprenticeships.

We also offer specially designed programmes for the development of future managers. Examples include the summer university "EVN SUN" which is held each year in cooperation with the Danube University Krems and an in-service training programme for managers.

There are no legal regulations in South East Europe for dual training, but we are working to establish a similar EVN-internal structure in these countries. We have already established cooperation programmes with several schools and training institutions in Bulgaria and North Macedonia. These EVN initiatives are not only popular locally but have also received international recognition.

The satisfaction of our employees is a fundamental concern. We measure employee approval with a quarterly, anonymous opinion barometer that was implemented as online questionnaire in selected areas several years ago. It includes, among others, questions on satisfaction, commitment, stress and personal resources as well as cooperation with the respective manager. The results of this externally accompanied survey are discussed at team meetings and allow for fast identification of the current mood in the team or department and any necessary reactions. Another important indicator is the length of service which, at an average of 16.0 years, remains constant at a high level.

Occupational safety and accident prevention

Accidents not only endanger our employees' well-being, but can also lead to material damage, supply interruptions and long downtime. Protecting the safety and health of the men and women who work for EVN and our efforts in the interest of occupational safety and the prevention of accidents are therefore a central element of our corporate culture and are firmly anchored in all our corporate units. The requirements and detailed regulations are described in various sources and documents:

- → European and country-specific legal regulations
- → The EVN Code of Conduct
- → The EVN Human Rights Policy
- → Internal principles in the form of a safety mission statement and safety strategy
- → Internal directives and guidelines for the definition of safety risks and corresponding countermeasures

A corporate occupational safety department records and analyses work accidents involving our own employees and leased personnel and arranges for the introduction of any necessary countermeasures. The recording of identified risks and incidents as well as the monitoring of implemented measures are based on the requirements of ISO 45001. Frequent contacts between the safety officers in the individual business units and safety experts ensure that these risks and preventive measures are integrated in all safety


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EVN

and health protection documents. The first contact for safety-related concerns is the responsible safety officer who has the necessary technical expertise for the specific work process as well as occupational safety know-how. Moreover, all EVN employees and leased personnel are represented by safety officers in working committees that monitor and discuss the workplace safety programmes. This exchange takes place annually in accordance with legal regulations. Representatives of our works council are also involved in all workplace, health and safety issues

We are one of the safest employers in our industry in Austria, and virtually no accidents with our electricity, natural gas, heat or drinking water have occurred in recent years. Our accident analysis is based on specific events and was expanded to include the routine investigation of "near-miss" incidents and accidents by contract firms. Most of the accidents at EVN occur in connection with secondary activities like excavation and material transport or on the way to work. The most frequent work accidents involve tripping, stumbling and twisted ankles. Numerous preventive measures and initiatives have been introduced to reduce the number of tripping and falling accidents, including measuring personal mobility and encouraging employees to exercise regularly. EVN's corporate occupational safety team has prepared e-learning modules and video clips, for example on recommended work procedures and the use of tools, and also holds specialist seminars. Regular information is also provided in the employee magazine and the EVN Intranet as well as with regular updates on accident-free days to create a greater awareness among employees for this issue. Occupational safety is also a standard part of the agenda for team and department meetings thanks to the decentralised safety officers. For many years, the EVN occupational safety team has also presented an annual "Oscar for Occupational Safety" to the departments and organisational units with an accident-free year.

The comprehensive information and instructions for our employees on health and safety issues are based on a safety manual that addresses the special working conditions in the energy sector. We have also issued manuals for specific areas such as hydropower plants and wind power or photovoltaic equipment. Each of these documents is routinely updated and is a required part of the initial instructions for new employees (on initial hiring or transfer to another work area). Detailed instructions are also given to third parties working within our operational areas, which include specific information on the dangers connected with EVN's equipment. The instructions on worker protection include general information and behaviour- and activity-related directions for the employee's individual workplace or area of responsibility. The following points are also covered:

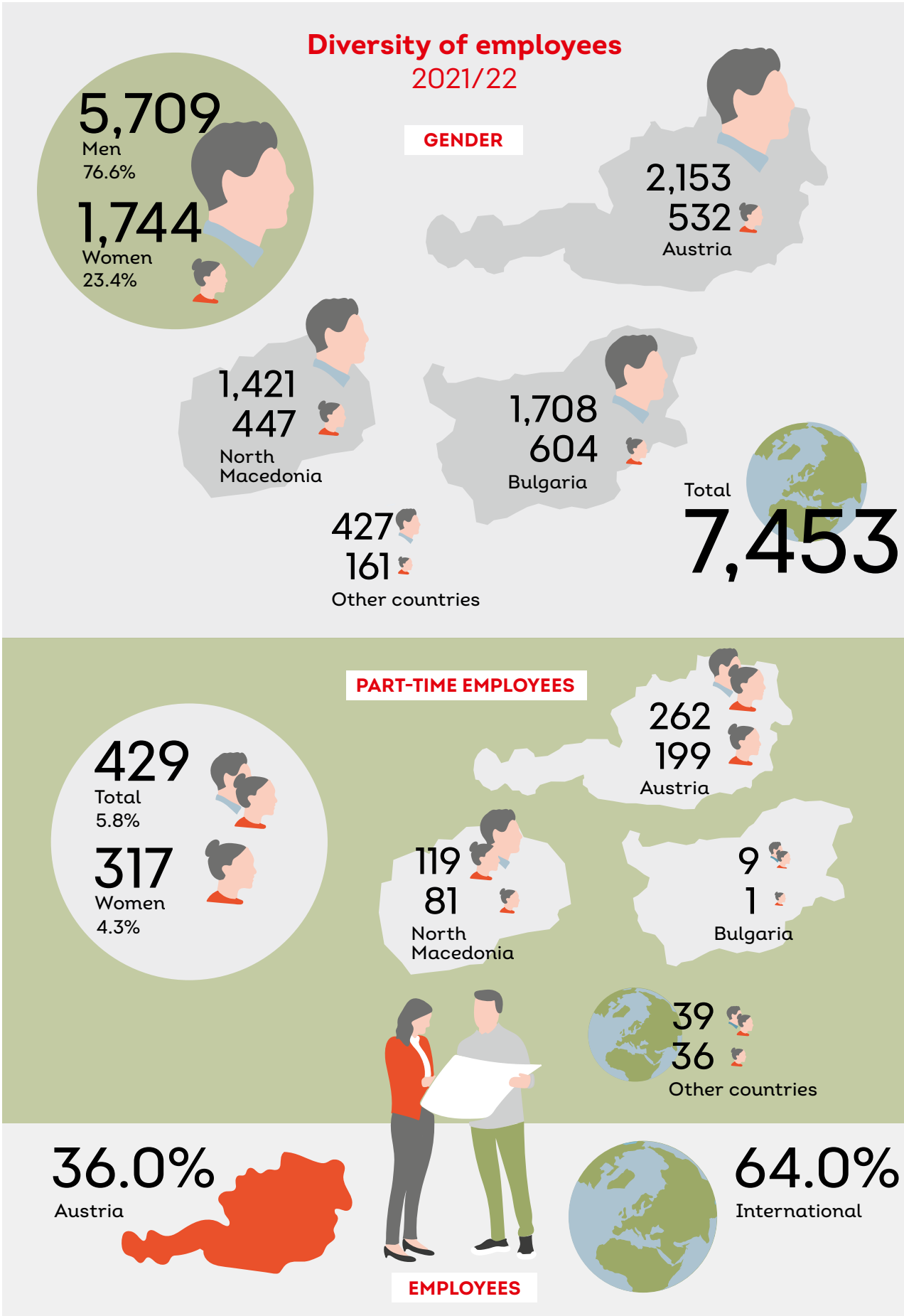
- → Names and functions of the responsible safety expert, safety officer, fire safety officer and fire protection officer
- → Safety symbols used on-site, colour coding, auxiliary equipment as well as its meaning and use
- → Fire safety regulations
- → Safety, rescue and fire protection equipment (e. g. fire extinguishers or first aid kits)
- → Any special dangers connected with the workplace and their prevention or avoidance (e. g. handling of machinery or behaviour near electrical equipment)

Examples of the regular training and targeted awareness-raising measures in the area of occupational safety include the seminars on "Work safety – electricity", "Working with voltage", "Construction of high- and low-voltage overhead lines: the safety-related aspects of power line construction" and "Safe operations with chainsaws" as well as specific instructions on the transfer of keys and access authorisations. These courses provide the involved employees with a mix of theoretical and practical training on the safety aspects of their day-to-day work.

Managers are integrated in this issue through training courses and safety

Accident and lost days statistics	2021/22	2020/21	2019/20
Deaths after work-related injuries[1]	1	–	–
Ratio of deaths (%)[1]	0.1	–	–
Occupational accidents[1][2]	78	78	64
thereof severe accidents with lost days > 6 months[1]	2	–	–
Ratio of severe accidents with lost days > 6 months (%)[1]	0,2	–	–
Staff sick days[1][3]	2,754	1,966	1,477
LTIF[1][4]	4.1	3.3	2.8
Number of LTIF-relevant occupational accidents[1][5]	52	41	35
Lost days/employees[6]	12	11	10

1) Calculation basis: 7,432 employees (incl. leased employees; Group companies with <10 employees not included)
2) Excluding commuting accidents
3) Lost days (including weekends and public holidays) resulting from occupational accidents (excluding commuting accidents)
4) Lost Time Injury Frequency Index – frequency of occupational accidents per one million working hours
5) Number of work-related accidents (excluding commuting accidents) resulting in lost days, the causes of which are connected to the occupation
6) In Austria, illnesses due to Covid-19 is included in the number of sick days as of 1 August 2022.



GRI indicators: GRI 102-8, GRI 405-1

Newly hired employees 2021/22		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1]
<30 years		**95**	**70**	**71**	**19**	**255**	**3.4**
thereof women	Number	28	17	38	5	88	1.2
thereof men	Number	67	53	33	14	167	2.2
30–50 years		**55**	**68**	**38**	**37**	**198**	**2.7**
thereof women	Number	7	24	13	8	52	0.7
thereof men	Number	48	44	25	29	146	2.0
>50 years		**9**	**3**	**4**	**10**	**26**	**0.3**
thereof women	Number	5	2	1	2	10	0.1
thereof men	Number	4	1	3	8	16	0.2
Total		**159**	**141**	**113**	**66**	**479**	**6.4**
thereof women	Number	40	43	52	15	150	2.0
thereof men	Number	119	98	61	51	329	4.4

1) In relation to total workforce as of 30 September 2022

△ GRI indicator: GRI 401-1

meetings. The routine purchase of state-of-the-art protective clothing and equipment as well as modern tools, multimeters to measure gas concentration and training for the involved employees supplement the preventive measures in the specific working environments.

Occupational safety in the project business

Health and occupational safety also have high priority for WTE, our subsidiary responsible for the international project business. The underlying principle is the EVN Group's commitment to preserve and protect human rights. WTE carries special responsibility in this respect and, in its role as a general contractor for plant construction, is required to comply with the applicable standards for the protection of the health and safety of the persons involved in its projects (including subcontractors' employees). A health and safety manager is designated for each project to monitor compliance with these standards and provide regular reports to the respective customer. The occupational safety and health management system used by WTE and WTE Betrieb has been certified under BS OHAS 18001:2007 since 2011 and was also certified under ISO 45001:2018 after the introduction of a company health management system in 2019.

Our wastewater treatment plant project in Kuwait is required to comply with extremely strict requirements for the protection of all involved employees – not least due to the prevailing climatic conditions as well as for cultural reasons. WTE must guarantee and monitor compliance with these standards – also at the subcontractor level – through the implementation of appropriate measures and rules. The health and safety manager is responsible for regular reporting on this project. Compliance with the applicable standards is also monitored by the financing banks and their consultants, and frequent unannounced controls by the responsible ministries and authorities are common practice in Kuwait.

△ GRI indicators: GRI 403-1, GRI 403-2, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-9

Corporate healthcare

We also live up to our responsibility for our employees' health by offering extensive occupational medical care that exceeds legal requirements. In Austria, two occupational health physicians are available to answer questions on maintaining and improving workplace health and assist employees within the framework of labour protection laws.

The many related measures include, among others:

- → Medical check-ups
- → Vaccinations
- → Eye and hearing tests
- → Preventive medicine
- → Psychological counselling
- → Coaching
- → Tips on healthy nutrition
- → Special offerings for employees who are exposed to particular risks

We recently developed a special video series on "Healthy and positive challenge management" which was made available to all employees. These videos provide suggestions and impulses for the positive management of stress and strains, for mastering difficult situations

and environments like the pandemic, the war in Ukraine and its impact on the energy markets, or new challenges at work. Our subsidiaries in Bulgaria and North Macedonia also implemented targeted programmes to strengthen employees' awareness and improve their health.

EVN is not active in countries which have an increased risk of contagious diseases or working conditions that could permanently endanger employees' health. However, Group guidelines are in force at all subsidiaries to deal with emergencies – for example, the "EVN Pandemic Prevention" which formed the basis for the first measures after the outbreak of Covid-19 in March 2020. The 2021/22 financial year was also still influenced by the Covid-19 pandemic. The Covid-19 crisis staff met regularly during this time and issued safety instructions that covered distancing, location changes and an expansion of the home office offering as well as personal protection equipment and preparations for quarantines. Most of these safety measures were cancelled in May 2022, but the behavioural and hygiene rules remain in effect.

MASTERING CHALLENGING SITUATIONS

The Covid-19 pandemic, crises, wars and the related effects on our society have made these extraordinary times for all of us. Our employees have also been affected, in particular by energy price developments and our customers' insecurity. Many of us are in daily contact with customers and, as a result, experience stressful situations. We are also frequently approached with energy-related questions in our private life. This has created a challenging and tense situation for many of the people who work for EVN. In response to this situation, we have expanded our offering to include a telephone hotline with psychological support by experienced health and occupational psychologists. No personal data is recorded or processed, the individual advising is end-to-end encrypted and conforms with the Austrian Sustainability and Diversity Improvement Act.

In addition to company-sponsored measures, the EVN culture and sports club offers all employees a wide range of activities that have a special focus on health protection.

GRI indicators: GRI 403-2, GRI 403-3, GRI 403-6

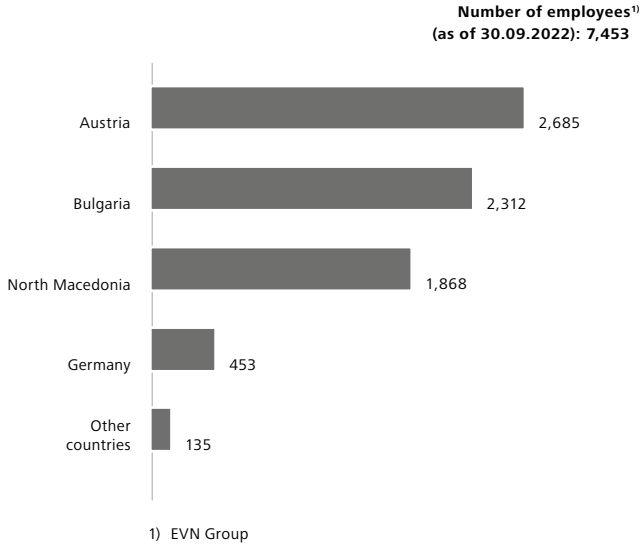
Employee fluctuation – persons leaving 2021/22[1]		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[2]
<30 years		**14**	**18**	**31**	**6**	**69**	**0.9**
thereof women	Number	9	2	12	1	24	0.3
thereof men	Number	5	16	19	5	45	0.6
30–50 years		**32**	**53**	**50**	**24**	**159**	**2.1**
thereof women	Number	8	17	22	3	50	0.7
thereof men	Number	24	36	28	21	109	1.5
>50 years		**8**	**9**	**7**	**12**	**36**	**0.5**
thereof women	Number	3	5	2	3	13	0.2
thereof men	Number	5	4	5	9	23	0.3
Total	Number	**54**	**80**	**88**	**42**	**264**	**3.5**
thereof women	Number	20	24	36	7	87	1.2
thereof men	Number	34	56	52	35	177	2.4

1) This table does not include transfers within the Group, retirements, trainees.
2) In relation to total workforce as of 30 September 2022

GRI indicator: GRI 401-1

Employees per operating location 2021/22

Number

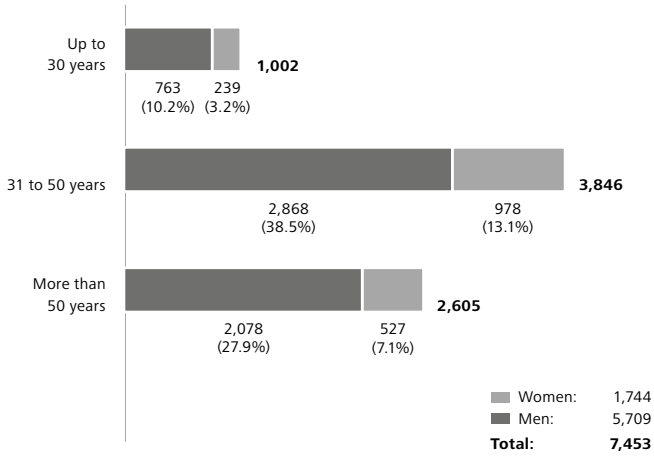


1) EVN Group

GRI indicator:
GRI 102-8

Age structure of employees 2021/22

%, total: number



GRI indicator:
GRI 405-1

Corporate social partnership and internal communication

Over 90% of all employees in our Group (especially in Austria, Bulgaria and North Macedonia) are represented by works councils or unions, and their remuneration is protected by collective bargaining agreements, tariffs or legal minimum wage regulations. The employee representatives in Austria, Bulgaria and North Macedonia are regularly involved in collective negotiations. The remuneration scheme for over 90% of EVN's employees is based on the collective bargaining agreements that apply to the main business locations, i. e. Austria, Bulgaria and North Macedonia. Most of our employees in Austria, for example, are covered by the collective agreement for salaried employees in electricity companies, which was revised by the participating social partners in 2019/20 and adapted for the future.

Transparency is an integral part of our major business decisions, in line with our managerial mission statement, all applicable legal regulations and the Universal Declaration of Human Rights. The employee representatives – in addition to EVN AG, other companies in our Group also have these types of designated representatives – are informed of important business decisions on a regular and timely basis or are involved in the decision processes. This approach applies to strategic decisions as well as changes and adjustments involving employees. We provide our employees and employee representatives with information at regularly scheduled meetings and, in the event of operational changes, always comply with the legally required notification periods. One of our central concerns in the past, when confronted with social or economic challenges, was to develop and carry out necessary restructuring measures in a socially acceptable manner and in agreement with the trade unions and/or works council. We intend to follow this procedure in the future, whereby there were no such cases in 2021/22. Productive cooperation forms the basis for socially acceptable solutions for the involved employees through their internal reassignment or additional training and transfer to other EVN units as far as possible.

Employee-related issues are also handled in workplace, health and safety committees that include, among others, representatives of the works councils or unions. In addition, members of the works council serve on the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility. Apprentices have a voice in the works council through elected youth representatives. The South East European subsidiaries are members of a European works council, which holds regular meetings and serves as a platform for communication and exchange for EVN employees in Austria, Bulgaria and North Macedonia. The issues addressed by the European works council range from occupational safety and employee benefits to transnational initiatives in culture and sport.

The activities of the works council on behalf of employees focused on the following issues in 2021/22:

- → Measures to protect employees against Covid-19 and additional company-organised vaccination campaigns
- → Further development of models for mobile working in line with the protection of employees' interests in flexibility and the company's interest in desk sharing
- → Safeguarding data protection (storage of employees' data) in connection with the introduction of an electronic driver's logbook
- → Conversion of the EVN fleet to electric vehicles (e. g. tax aspects of private charging for field service employees)
- → Support for temporary initiatives involving voluntary interdepartmental assistance for the customer relations team to handle the massive increase in customer inquiries

"hello", our magazine for EVN employees, provides regular and extensive information on corporate developments. The EVN Intranet also contains a broad overview of current events in the company, information on energy supplies and reports by the employee representatives as well as information on seminars and other training events. In order to support the preferred internal filling of job vacancies, job advertisements are also posted first on our Intranet.

△ GRI indicators: GRI 102-41, GRI 402-1, GRI 413-1

Additional corporate benefits

Many of the EVN Group companies also offer their employees numerous voluntary benefits independent of their age, gender or the scope of employment:

Supplementary health insurance

We offer supplementary health insurance at favourable conditions as a voluntary benefit for our employees in Austria and Bulgaria. Framework agreements with selected insurance providers in the individual countries ensure optimal medical care for all participants.

△ GRI indicator: GRI 403-6

Pension benefits

All EVN employees are covered by statutory pension insurance. As a supplement, our Austrian employees with permanent contracts are entitled to participate in a private, fund-based pension programme after a one-year waiting period. In this way, we help our employees to accumulate additional retirement benefits. The pension fund is not held by the EVN Group but is a defined contribution scheme, in which the amount of the future pension is derived from the employer and employee contributions up to the retirement date. EVN's contribution in 2021/22 equalled at least 2% of each eligible employee's monthly gross remuneration. Contributions by employees are voluntary, whereby roughly 40% of the workforce in Austria took advantage of this offer in 2021/22. Our responsibility as an employer is also illustrated by the introduction of a voluntary pension insurance for all our full-time and part-time employees in Bulgaria.

△ GRI indicator: GRI 201-3

Support for employee commitment to social causes

Many of our employees not only work for the company, but also make valuable contributions to society through their volunteer work in organisations like the Red Cross or the local fire brigade. In autumn 2021, for example, EVN employees helped to fight a major forest fire in Hirschwang an der Rax. In total, 446 employees are currently active volunteers in these types of aid organisations. We support this commitment as an employer by excusing employees from work for up to 50% of the invested time in the event of an operation.

Employee benefits

We spent a total of EUR 18.8m on employee benefits (pension contributions, other employee benefits) in 2021/22 (previous year: EUR 14.5m), which represents 5.1% (previous year: 4.0%) of our personnel expenses.

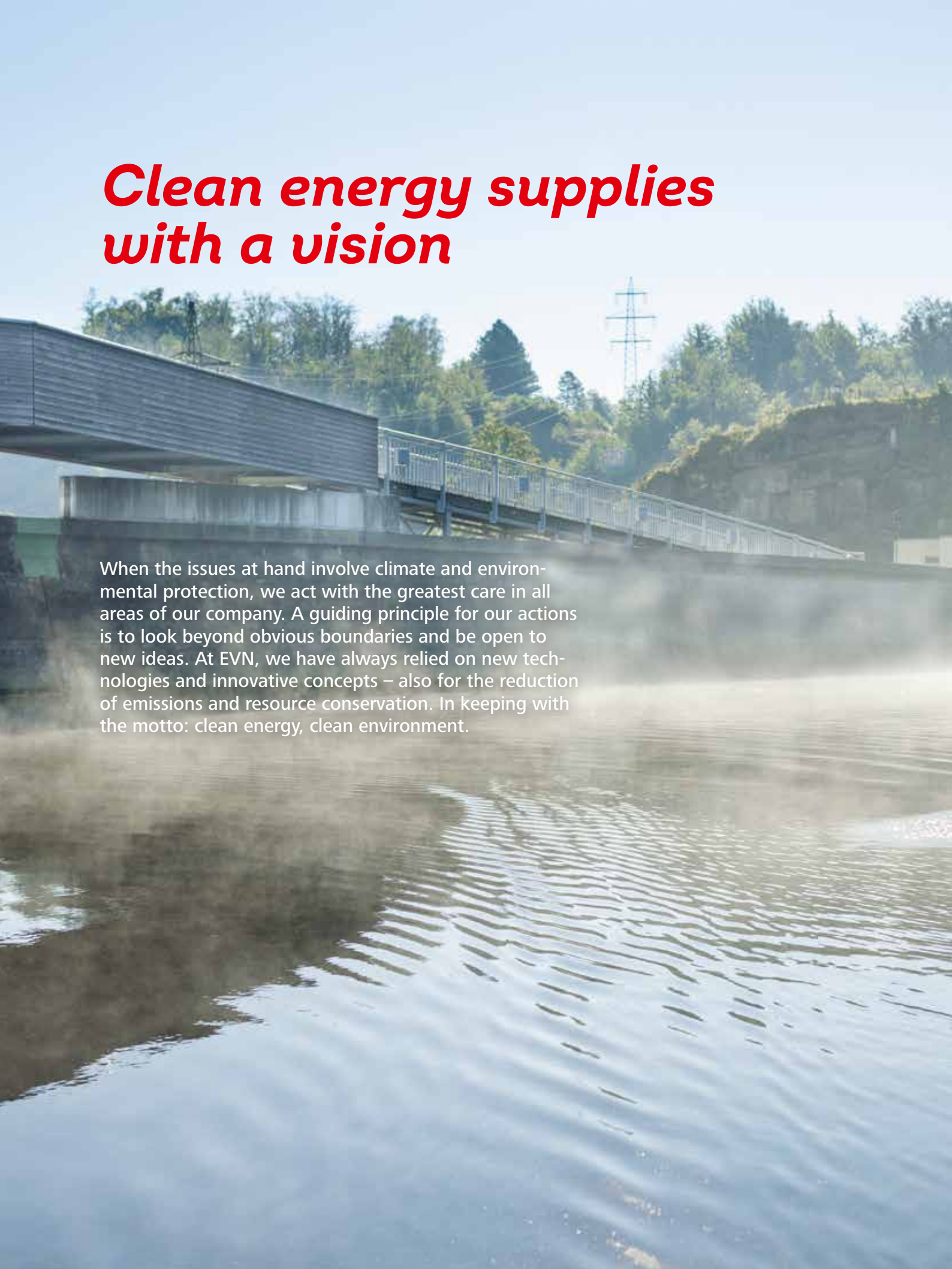
△ GRI indicator: GRI 401-2

SMART EVN

The "Smart EVN" lecture series for our employees has been in operation since 2011. Within this framework, the EVN Executive Board regularly invites employees to attend discussions on current issues that influence our company. Experts from different EVN departments serve as the lecturers and share their experience and know-how with their interested colleagues. Most of the earlier sessions covered individual projects or areas of our business, but the focus has shifted in recent months to the current situation on the energy market, various support measures and their implementation, and the issue of energy savings. This gave our employees valuable help in both their private and external communications. The "Smart EVN" series also includes lectures on our sustainability activities, e. g. the EVN Climate Initiative. Our employees can, of course, also follow the lectures digitally.


Visionary

Clean energy supplies with a vision



When the issues at hand involve climate and environmental protection, we act with the greatest care in all areas of our company. A guiding principle for our actions is to look beyond obvious boundaries and be open to new ideas. At EVN, we have always relied on new technologies and innovative concepts – also for the reduction of emissions and resource conservation. In keeping with the motto: clean energy, clean environment.

Climate and environmental protection – an integral part of EVN

The minimisation of our natural resource consumption and emissions is an integral part of our strategy for EVN's sustainable success. This is also reflected in our materiality matrix, which defines "environmental protection" and "climate protection" as priority areas of activity. Where climate and environmental protection are involved, we engage in careful and conscious actions throughout all areas of our company.

Our fundamental goals and values for the protection of the environment and climate are anchored, on the one hand, in EVN's environmental policy statement and, on the other hand, in the EVN Climate Initiative. An environmental protection guideline covers the minimisation of our environmental impact, the responsible use of resources, protection for the natural habitats of plants and animals in the areas surrounding our plants and proj-ects, and the management of waste in an environmentally friendly manner. Full compliance with all relevant environmental regulations and requirements in all our activities is a matter of course. Our climate policy statement directs attention to the gradual system transformation towards climate-neutral energy generation, focusing on wind power and photovoltaics, as well as the importance of protecting supply security.

EVN's Strategy 2030 is also significantly influenced by the political and social discussions surrounding climate protection and the related goals. This strategy demonstrates our intent to actively contribute to the reduction of greenhouse gas emissions and the containment of global warming. Efficiency improvements and innovation initiatives – not least to reduce greenhouse

gas emissions – play an important role here. Generally speaking, we want our products and services to be produced as environmentally friendly as possible.

For details on the EVN Strategy 2030, also see page 17ff

We make an important contribution to meeting Austrian and European climate goals through the increased use of renewable energy carriers, efficiency improvement measures and comprehensive advising for our customers on ways to reduce their energy consumption. A balanced mix of optimal supply security and a minimal impact on the environment are the decisive factors for our actions in this area. Our activities on behalf of climate protection include various initiatives and strategic approaches:

- → Greater use of renewable energy sources: water, wind, sun, biomass and biogas
- → Increase in the energy efficiency of EVN's production facilities and networks
- → Active participation in innovation, development and research projects
- → Information and advising for our customers on the reduction of energy consumption
- → Regional added value through the use of domestic energy carriers like biomass and biogas
- → Use of motor vehicles with alternative drives, e. g. electric cars
- → Increase in the share of renewable energies in EVN's product mix
- → Greater use of renewable energies to cover our own requirements
- → Support for the transformation of natural gas networks to biogas and hydrogen

Also see www.evn.at/Umweltleitbild
Information on our energy saving tips can be found under www.evn.at/energiespartipps

In addition to the steady increase in generation from renewable energy sources, we have made substantial progress in adapting our thermal generation portfolio for electricity production in recent years (also under the influence of the developments in CO_2 emission certificate prices) – with a resulting positive effect on our CO_2 balance:

- → In October 2018, substantial parts of the capacity in the Theiss and Korneuburg power plants were deactivated.
- → Today we use natural gas exclusively in cogeneration and combined heat and power plants in Austria and Bulgaria. In addition, the Theiss gas-fired power plant is holding 470 MW as contracted capacity in reserve for the Austrian transmission network operator.
- → In August 2019, we prematurely terminated production at the hard coal-fired power plant in Dürnrohr.
- → In September 2021, we finalised EVN's exit from coal-based generation with the sale of our 49% investment in the Walsum 10 hard coal-fired power plant and the end of electricity purchases from this source.

Environmental management and certifications

EVN has operated an environmental management system on a voluntary basis since 1995, which meets the Eco-Management and Audit Scheme (EMAS) and ISO 14001 standards. The EMAS regulations require, among others, the definition of measurable environmental goals as part of a continuous improvement process. The basic requirements for certification under EMAS include full compliance with environmental regulations and a comprehensive accompanying review. All our active thermal power plants in Lower Austria as well as 64 of our heat generation plants and four cooling plants meet these standards.

Our thermal waste utilisation plant in Zwentendorf/Dürnrohr is additionally certified under the ISO 9001 international quality norm and the Austrian specifications for specialised waste management companies. The engineering services unit (equipment construction, planning and realisation of energy aggregates) of EVN Wärmekraftwerke was successfully certified under ISO 9001 at the end of the 2021/22 financial year.

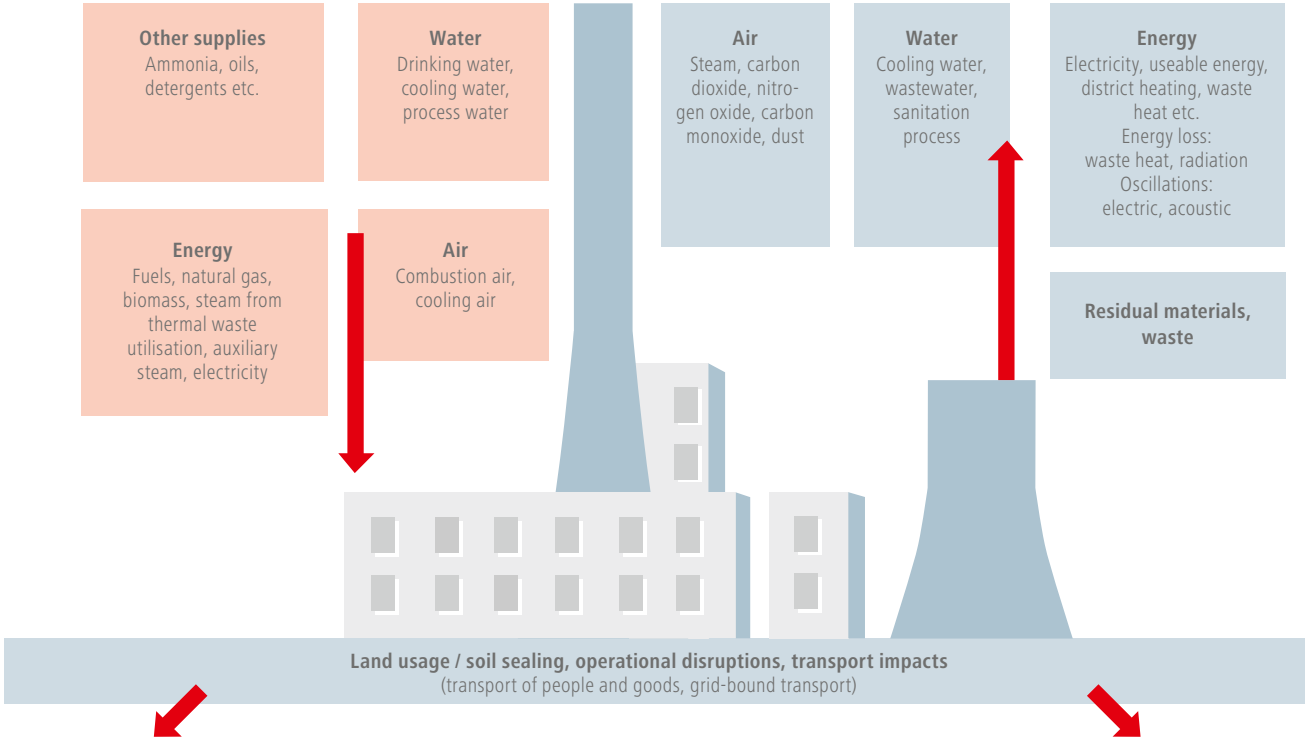
The environmental management systems in Bulgaria and North Macedonia also reflect international standards: For example, the certified, integrated quality and environmental management system in Bulgaria meets the requirements of ISO 9001:2008, ISO 14001:2004 and ISO 45001:2018. The internal management system in North Macedonia also complies with these standards. WTE has a group-wide, integrated management system under ISO 9001, 14001, 50001 and 45001 that covers certifications in the areas of quality, the environment, safety and workplace health as well as energy.

The EVN Sustainability Advisory Board counsels the Executive Board on important issues involving sustainable management in the areas of environmental and climate protection, adaptations to address climate change, the circular economy, biodiversity, sustainable water management, digitalisation, equal treatment and equal opportunity, occupational safety, and social and human rights issues. The 28 board members met twice in 2021/22, whereby discussions focused on the following subjects:

- → UN sustainability goals and their attainability
- → EVN Climate Initiative and sustainability
- → Opportunities and challenges of renewable gases
- → Gas as a lasting and affordable solution to master the energy transition

For information on the impact of business activities on society, the environment and the economy, also see page 21ff
Also see www.evn.at/Nachhaltigkeitsbeirat
GRI indicators: GRI 102-11, GRI 102-31

Input-output analysis of our generation plants



Climate and environmental impact of our thermal plants for energy generation

The direct and indirect environmental impact of our power plants is evaluated annually as part of an ABC analysis which covers the following aspects: air, water, wastewater, waste, soil, land usage, resource and energy consumption, noise, vibrations, radioactivity and biodiversity. The analysis examines the environmental impact of the plants under normal operations and during disruptions and assesses their environmental relevance as well as opportunities for improvement.

Direct impact

The most important direct environmental impact of our plants arises from the emission of CO_2 as well as the air pollutants NO_x, dust and CO. We use state-of-the-art burners and efficient flue gas cleaning equipment to minimise the environmental impact of air pollutants from our power plants.

In our plants, we use water as a heat transfer medium and for cooling purposes. The cooling water drawn from the Danube is returned to the river in accordance with all applicable environmental regulations. We measure the water temperature as the key parameter and comply with the relevant limits.

Other environmentally relevant processes include the treatment of raw water and boiler water. The water for the boilers is drawn from ground water in wells. Wastewater from sanitary facilities is discharged through the public sewage network into a treatment plant, and ammonia-containing wastewater from condensate cleaning is disposed in line with the applicable requirements. The wastewater from water treatment and water that does not contain ammonia is returned to the water cycle after neutralisation. The regular measurement of pH values and annual external analyses ensure, without exception, that all required limits are met.

We have implemented effective technical measures to prevent and reduce the noise resulting from mechanical processes. These measures include, for example, the use of low-noise machinery and aggregates and the insulation of machines.

The impact of our power plants on the environment is assessed through extensive monitoring of the surrounding areas. EVN operates permanent air quality measurement stations for this purpose and carries out hydrological evidence protection measures, i. e. groundwater testing, in the areas surrounding its power plants.

Continued on page 102 →

EVN Climate Initiative

The EVN Climate Initiative was developed in 2020/21 in line with the Strategy 2030. It is based on the following three elements and underscores our commitment to climate protection with concrete measures, goals and projects:

Science Based Targets Initiative

EVN joined the Science Based Targets Initiative (SBTi) in summer 2021. Together with the participating companies, the SBTi defines scientific goals to reduce greenhouse gas emissions in accordance with the Paris Climate Agreement. In agreement with our integrated business model and the differences between our individual business areas, we set five reduction targets. The first two goals follow the sector-based approach defined by the SBTi for electricity producers:

- Intensity 1: Reduction of specific CO_2 emissions from electricity-generating plants by 66%
- Intensity 2: Reduction of specific CO_2 emissions from electricity-generating plants and from electricity sales to end customers by 65.1%
- Absolute 1: Reduction of absolute CO_2 emissions from heat generation and thermal waste utilisation and from network losses and own consumption by 37.5%
- Absolute 2: Reduction of absolute CO_2 emissions from sales of natural gas to end customers by 37.5%
- Absolute 3: Reduction of absolute CO_2 emissions from the natural gas network sales volumes (in keeping with regulatory and legal framework conditions) by 37.5%

The reduction goals agreed with and verified by the SBTi will make an important contribution to realising the climate goal established in Paris, which calls for limiting global warming to substantially below 2 °C. The basis for EVN's reduction is formed by the respective values from the 2018/19 financial year, and the defined goals must be met by the 2033/34 financial year. The main drivers to meet these goals include, among others, the expansion of our renewable generation capacity for wind power and photovoltaics, the continuous reduction of network losses in South East Europe, the substitution of biogas for natural gas in heat production, and a further increase in the share of renewable energies in EVN's product mix for end customers.

Climate neutrality in selected subsidiaries

A further contribution by EVN to climate protection includes the goal to make selected subsidiaries CO_2-neutral in the future. EVN Wasser has taken on the pioneering role in this initiative and, in November 2021, became the first EVN subsidiary to reach full CO_2-neutrality. Several measures were successfully implemented to reach this goal, e. g. the construction of on-site photovoltaic equipment and the conversion of electricity and natural gas purchases in the operating facilities to environmentally friendly products. The company's CO_2-neutrality was officially confirmed through certification by TÜV Süd in December 2021. As part of this certification, EVN Wasser committed to a continuous increase in its energy efficiency over the next four years and the reduction of its CO_2 footprint in accordance with PAS2060:2014. TÜV Süd will audit this certification annually to document the progress; the last audit took place in November 2022. EVN Wasser has set a goal to gradually reduce its emissions to a point where CO_2-neutrality can also be achieved without compensation projects.

In November 2022, kabelplus became the second EVN company to achieve CO_2-neutrality. This status was awarded retroactively for the 2020/21 financial year as well as for 2021/22.

Contribution by research and development to climate protection

Research and development activities to sustainably reduce CO_2 emissions are a further building block of our efforts to play an active role in meeting the Paris climate goals. These activities also support the strategic advancement of our business model. Our overall goal is to advance climate protection and the gradual system conversion towards climate-neutral energy generation while, at the same time, protecting supply security.

For information on research and development projects, see page 73ff

Our campaign "EVN for the Climate"

The Strategy 2030 and the EVN Climate Initiative illustrate EVN's clear commitment to make an active contribution to the reduction of greenhouse gas emissions and, as a result, to the containment of global warming. To make sure our internal and external stakeholders really identify with this issue, we launched the campaign "EVN for the Climate – the EVN Climate Initiative". We want everyone at EVN to acknowledge this responsibility – also emotionally – so we can reach our ambitious goals!

We were extremely pleased to learn that our campaign would be endorsed by Christa Kummer, a hydrologist, climatologist and popular, recognised expert who has moderated

» Climate change is a very serious threat!
And we need to share the
responsibility for its prevention
with the **business sector.**
EVN plays a **vital role** here
with its decarbonisation strategy. «

Christa Kummer

prime time weather and scientific broadcasts for the ORF since 1995. She finds very clear words for the current situation: "Temperatures are rising sharply, and the increase since 2000 has been dramatic. Extreme weather events are becoming more frequent and more intensive – the facts are clear." At the same time, she wants to inspire people with her commitment to climate protection, demonstrate that each of us can make a substantial contribution to change, and convince us that we should always see the positive aspects inherent in these developments.

"I enthusiastically welcome the efforts of an energy supply company like EVN to acknowledge its responsibility and commit to the Paris Agreement's climate protection goals." With these words, Christa Kummer explains her cooperation with EVN. She believes people and, consequently, also companies are not only the cause of many problems but also part of the solution.

Indirect impact

The indirect environmental impact of our thermal energy generation plants arises mainly from the delivery of the primary energy carriers used by EVN. In order to avoid unnecessary waste and conserve resources, we include ecological factors already in the procurement processes for the required operating products.

Also see www.evn.at/environmental-policy-statement

Responsible use of energy and resources

At EVN, we are well aware of our special responsibility for climate and environmental protection. We therefore apply our extensive know-how on resource conservation, environmental protection and energy efficiency in our internal operations – and actively share this expertise with our customers. Our responsibility is also reflected in the use of materials which, in our company, consist mainly of primary energy carriers such as fossil fuels, waste and biomass. We also use various supplies as secondary components in our energy generation and wastewater treatment plants. Only a limited amount of recycling material is used with these components for technical reasons.

EVN's energy intensity[1] totalled 14.0 MWh of primary energy for each gigawatt hour of electricity sold in 2021/22 (previous year: 21.1 MWh). The use of new technologies and continuous optimisation measures, also in connection with additional voluntary targets (e. g. optimisation of the automatic start-up and shut-down processes and firing controls at our thermal waste utilisation plant in Zwentendorf/Dürnrohr) that are linked to our EMAS certifications, help us to realise further efficiency improvements.

1) Energy intensity indicates EVN's own consumption of electricity, natural gas, heat and heating oil as a percentage of the total energy sales volume.

GRI indicator: GRI 302-3

Measures to improve energy efficiency

Many different measures help us to continuously improve our own energy efficiency and, at the same time, reduce the emissions from our production and energy procurement activities and the use of energy by our customers. Following is a selection of the measures implemented in 2021/22:

- → Installation of photovoltaic equipment on our buildings and plants
- → Replacement of older heating equipment with new, more efficient heating systems
- → Replacement of inefficient street lighting with new, energy saving LED lighting as part of our lighting service
- → Energy advising
- → Support for our customers in purchasing energy-efficient products (e. g. white goods) through the redemption of bonus points
- → Energy saving tips for our customers

For our energy saving tips, also see www.evn.at/energiespartipps

GRI indicator: GRI 302-5

EVN's direct and indirect own energy consumption by primary energy sources		**2021/22**	2020/21	2019/20
Non-renewable energy carriers	MWh	1,730	5,845	5,347
thereof natural gas	MWh	1,496	5,699	4,947
thereof heating oil[1]	MWh	233	146	400
Renewable energy carriers[2]	MWh	4,887	–	–
Electricity, heating and cooling energy	MWh	264,693	376,321	351,346
Total	MWh	271,310	382,166	356,694

1) Heating oil is used in Bulgaria only.
2) Biogas

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2021/22	2020/21	2019/20
Renewable energy carriers				
Biomass	terajoule[1]	**4,287**	4,372	4,357
Non-renewable energy carriers				
Fossil fuels[2][4]	terajoule[1]	**10,720**	17,693	15,199
Non-renewable materials				
Limestone[3][4]	t	**5,502**	12,554	14,377
Lime hydrate	t	**671**	611	419
Ammonia	t	**0**	337	243
Ammonia water	t	**1,551**	1,652	1,856
Demineralised water	m³	**174,106**	174,799	156,147
Lubricating oils	t	**4**	14	4
Hydrochloric acid[3]	t	**364**	364	388
Sodium hydroxide[3]	t	**180**	179	187
Dosing media	t	**6**	6	9
Rock salt	t	**122**	128	106
Precipitants	t	**857**	938	1,113
Flocculating agents[5]	t	**401**	318	353
Urea	t	**0.3**	1	1
Other energy carriers				
Waste[6]	terajoule[1]	**5,437**	5,748	5,501

1) Information provided in terajoules because of the different fuel qualities
2) Natural gas, heating oil, hard coal (until 2020/21)
3) Change in the previous year's figures due to the addition of amounts from the EVN thermal power plants
4) Reduction due to the divestment in the stake of the Walsum 10 hard coal-fired power plant as of 30 September 2021
5) Correction of previous year's figures
6) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

△ GRI indicator: GRI 301-1

Measures to reduce energy consumption

The reduction of our own energy consumption represents a focal point of our activities. In recent years, these actions concentrated on the installation of photovoltaic equipment on the buildings of various EVN companies:

- → EVN Wärme district heating plants
- → Operating facilities at various district offices in Lower Austria
- → Buildings and equipment operated by WTE and by EVN in North Macedonia and Croatia
- → Facilities, well fields and natural filter plants operated by EVN Wasser

These projects helped us to realise annual savings of roughly 2,450 MWh and nearly 1,300 t CO_2 in 2021/22.

Electricity consumption in our offices is reduced, wherever possible, with targeted measures. One example is the extensive use of intelligent lighting systems. Our internal communications also encourage our employees to save electricity, for example by consequently switching off their PCs.

We reduce our indirect energy consumption by using electric cars wherever possible, especially for short trips. Business travel is also being reduced through the increased use of video conferences and webinars. The progressive digitalisation and the accompanying increase in mobile working by our employees have also helped to reduce our CO_2 emissions.

Energy consumption outside the organisation (Scope 3) totalled 22,231 GWh in 2021/22 (adjusted previous year's value: 22,092 GWh).

△ GRI indicators: GRI 302-1, GRI 302-2, GRI 302-4

Our influence on the climate and our protective measures

Emissions

As an energy company and environmental services provider, we see it as our responsibility to make a substantial contribution to the fight against climate change. This contribution involves, above all, the minimisation of the emissions caused by our activities. Our focus is on the transformation of the energy system towards climate-neutral generation – and, above all, on the expansion of our wind power and photovoltaic capacity. EVN finalised its exit from coal-based generation in 2020/21. In summer 2021, we joined the Science Based Targets initiative (SBTi) and set five reduction goals which will make an important contribution to reaching the climate goals agreed in Paris to limit global warming to well below 2°C.

❑ Also see our core strategies on page 18f
❑ For the EVN Climate Initiative, see page 100f

Direct and indirect greenhouse gas emissions

The calculation of our direct and indirect greenhouse gas emissions and their allocation to individual categories (scopes) are based on the standards defined by the Greenhouse Gas Protocol (GHG Protocol) issued by the World Resource Institute (WRI).

EVN's direct emissions (Scope 1) include the emissions from the following sources:

- → EVN's use of fossil primary energy carriers to generate electricity and heat
- → Use of fossil primary energy carriers to heat company buildings
- → Use of fossil primary energy carriers for transport (fuel for the EVN motor vehicle fleet)
- → Operation and maintenance of EVN's natural gas networks
- → Fossil component of energy carriers from the operation of our thermal waste utilisation plant in Zwentendorf/Dürnrohr

We calculate direct greenhouse gas emissions (Scope 1) according to the factors defined by the EU Emission Trading Guideline for the individual countries. This procedure involves the calculation of CO_2 emissions based on the standard calorific value and standard emission factors from the national greenhouse gas inventory. If standard values are not available, the calculations are based on fuel analyses. Other biogenic CO_2 emissions are calculated separately in the same way but are not included in the Scope 1 emissions in accordance with the GHG Protocol.

Indirect emissions (Scope 2) include the emissions from the following sources:

- → Network losses in EVN's electricity network
- → Use of purchased fossil secondary energy carriers (for the electricity, heat and cooling used by EVN)

Our Scope 2 emissions are reported under a location-based and a market-based approach in accordance with the method prescribed by the GHG Protocol. The location-based approach relies on the country-specific CO_2 factors defined by ecoinvent. In contrast, the emissions for the market-based approach are calculated with the CO_2 factors that reflect the respective country-specific market mix: the electricity providers supply mix for Austria, the AIB factor for Bulgaria, Germany and Cyprus, and ecoinvent for North Macedonia. Factors supplied by ecoinvent are used to calculate the network losses.

Scope 3 emissions include further indirect emissions from the following sources:

- → Electricity sales to end customers
- → Natural gas sales to end customers
- → Share of CO_2 emissions in the supply chain (upstream) which result from the primary energy carriers used by EVN
- → Travel by EVN employees

We use the CO_2 factors from the ecoinvent database to calculate the upstream Scope 3 emissions. Our calculations of the Scope 3 emissions from electricity sales to customers are based on available data from the EVN KG supplier mix, the European Residual Mixes of the Association of Issuing Bodies or the ecoinvent factor.

The absolute volume of direct greenhouse gas emissions (Scope 1) equalled 1,123,508 t CO_2 in 2021/22 and was 40.1% lower than the previous year (1,875,446 t).

Scope 1 – Direct GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	964,492	852,233	793,299
Germany	t CO_2e	1	874,125	611,621
Bulgaria	t CO_2e	156,940	146,945	157,900
North Macedonia	t CO_2e	2,006	2,076	2,068
Other countries	t CO_2e	69	67	684
Total	t CO_2e	**1,123,508**	**1,875,446**	**1,565,571**
	t CO_2e/GWh	**248.04**	**357.22**	**301.87**

Scope 2 (location-based) – Indirect GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	164,163	176,086	159,345
Germany	t CO_2e	1,513	8,600	10,117
Bulgaria	t CO_2e	346,510	419,916	400,299
North Macedonia	t CO_2e	793,521	926,392	860,789
Other countries	t CO_2e	13,008	13,392	34,390
Total	t CO_2e	**1,318,715**	**1,544,386**	**1,464,940**
	t CO_2e/GWh	**83.6**	**101.4**	**97.6**

Scope 2 (market-based) – Indirect GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	118,571	126,094	116,608
Germany	t CO_2e	1,810	9,343	10,992
Bulgaria	t CO_2e	345,736	417,924	398,472
North Macedonia	t CO_2e	793,521	926,392	860,789
Other countries	t CO_2e	9,086	9,089	29,544
Total	t CO_2e	**1,268,725**	**1,488,842**	**1,416,404**
	t CO_2e/GWh	**80.5**	**97.8**	**94.4**

Other indirect GHG emissions (Scope 3)[1]		2021/22	2020/21	2019/20
Total	t CO_2e	**8,371,656**	**8,462,631**	**8,442,620**
	t CO_2e/GWh	**376.9**	**383.4**	**386.5**

1) Adjustment of prior year data

Intensity of GHG emissions[1)2)]		2021/22	2020/21	2019/20
Total CO_2 emissions	t CO_2e/GWh	**484.6**	**535.8**	**523.0**

1) Specific CO_2 emissions based on the total of Scope 1–3 based on 15,766 GWh of electricity, 3,984 GWh of natural gas and 2,462 GWh of heat for 2021/22
2) Adjustment of prior year data

△ GRI indicators: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

"Wind power will play a central role in the energy future."

EVN Naturkraft is the largest producer of wind power in Lower Austria. This EVN subsidiary operates 25 wind parks in Austria and Bulgaria, whose 167 wind turbines generate up to 407 megawatts of clean electricity. That represents the consumption of roughly 236,000 households as well as savings of more than 460,000 tonnes of CO_2 each year. Helwig Überacker, managing director of EVN Naturkraft, is convinced that wind energy will play an even more important role in our energy future, as he explains in the following discussion. But if Austria intends to meet its ambitious schedule to achieve climate neutrality by 2040, wind power must expand at a much faster pace.

In February 2022, construction began on a new wind park in the neighbouring communities of Palterndorf-Dobermannsdorf and Neusiedl an der Zaya. Nearly ten years passed between the start of the project and groundbreaking. How did this happen?

Helwig Überacker: The construction of a wind power plant is a challenging assignment, not only from a technical and logistic standpoint. The approval procedures are also very complex because there are many, in part extremely diverse interests to accommodate before realisation can begin. And that can take a long time.

Exactly that is what happened with this project: A zoning process in 2014 defined the regions in Lower Austria where wind power plants could be built. Of the total land area, roughly 1.5% is potentially suitable for wind power. Our plans called for the construction of the wind park in one of these zones.

This basic agreement was, however, only the first step in a very long process. The actual approval procedures included the handling of numerous objections during the following years, all in keeping with legally defined deadlines. Before the project was submitted for the environmental impact study, we researched the behaviour and flight routes of protected birds of prey together with scientists and experts. These extensive studies resulted in specially created compensation areas that allowed us to divert the birds' flight routes with an attractive food supply. For each wind turbine, we create eight hectares of compensation area which are specially managed to meet the birds' needs. These and other similar measures represent the basis of our efforts, together with NGOs and other interest groups, to find solutions that will balance the expansion of renewable energy and species protection.

In this sense, the construction of a wind park always involves balancing the development of clean energy sources with species protection and biodiversity. And, of course, it naturally means intensive interaction with the needs and concerns of neighbouring residents and citizens' initiatives. It also leads to a phase of at least four and frequently up to ten years or more from the idea to the construction of a wind turbine. In comparison: Around the turn of the century, this timeframe covered roughly one and a half years.

However, the long duration of these proceedings for the new wind park in Palterndorf-Dobermannsdorf and Neusiedl an der Zaya also had a positive side effect: We were able to cut the number of wind turbines by half without reducing the volume of the generated electricity. This was made possible by equipment with a peak performance of up to 6 MW, which EVN is installing for the first time in this wind park. Starting in summer 2023, the wind park will supply up to 36,000 households with clean electricity from wind power.

That's an enormous increase in performance. How will it happen?

Technical developments in the area of wind energy have made immense progress in recent years. The latest generation of wind turbines are higher, have a larger rotor diameters, and

substantially stronger and more efficient generators. And that massively increases the generation capacity of the individual wind turbines. Simply expressed, the formula is: The higher a wind turbine and the larger the rotor's range, the greater the electricity generation – because more and more constant wind can be harvested.

Does that mean we will be able to supply entire cities with clean electricity from individual wind turbines in the future?

No, unfortunately not. Because there are natural limits here, for example with assembly and logistics: For the construction of large wind power plants, we need 200 metre cranes with a load capacity of up to 1,000 tonnes. They lift the rotor blades, which have a length of roughly 80 metres, to install them at a hub height of 170 metres. These rotor blades must, however, also be transported to the construction site, and you can easily imagine the complexity of moving objects of this size.

Will the lower number of wind turbines also lead to a reduction in maintenance costs?

Of course. A larger wind turbine means higher maintenance costs for each aggregate but lower operating costs in total due to the smaller number of installed turbines. However, we will need to see a massive expansion of wind power in the coming years in order to meet the Austrian government's goal to achieve climate neutrality by 2040. That means we must make better and faster progress in the expansion of wind power. Only in this way, can we move on to create a renewable energy future.

The operating life of a wind turbine currently equals roughly 20 years. The turbines are then generally dismantled and replaced. Isn't there a way to extend the life of this equipment?

The certification of a wind turbine for a period of 20 to 25 years is realistic because technology is continuously improving, and wind turbines are becoming more efficient and faster. That's why it makes sense to replace an older wind turbine with a new, more efficient model at the same location and, in that way, more effectively use the available wind potential. With our current repowering projects, we can roughly double or triple the annual energy production from a 20-year old wind park.

And what steps are you taking to ensure an efficient closed economic cycle for this entire process?

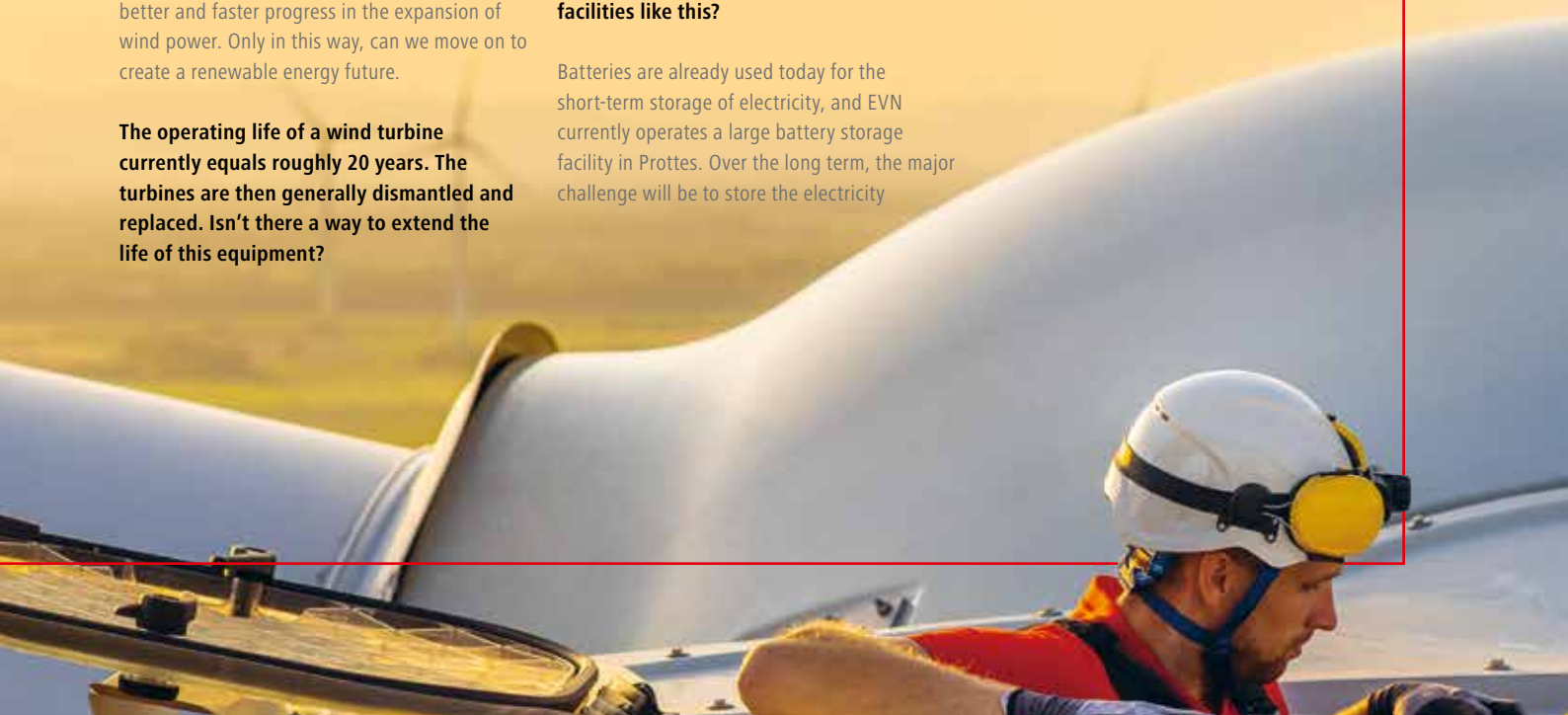
Here, we are actually very far along and are following several different approaches: Usable equipment is sold and used to generate electricity at other locations. Similar components can also often be used as replacement parts. Raw materials like steel or copper are recycled, and foundations are crushed into smaller pieces for use in road construction. Only the rotor blades, which are usually made of carbon or glass fibre, must be thermally utilised at the present time. But we are also working on promising solutions here, for example the use of wind power plant rotor blades as load-bearing components for cycle bridges.

The storage of the electricity generated by wind power and solar power is still a major problem. In Prottes, EVN has been operating a large battery storage facility since 2017 – are you planning any other facilities like this?

Batteries are already used today for the short-term storage of electricity, and EVN currently operates a large battery storage facility in Prottes. Over the long term, the major challenge will be to store the electricity generated during the summer for use in the winter months. We are monitoring the market closely but waiting for technically and economically practicable developments. From the current point of view, power-to-gas technology has the most promising perspectives. It involves the conversion of green electricity into renewable gases like hydrogen or biomethane, which can be stored in gas facilities. As EVN Naturkraft, however, we want to concentrate on combining the energy sources wind power and photovoltaics over the medium term. These two generations complement each other ideally since wind flows often run counter to the sunny weather.

The expansion of wind power was recently one of EVN's priority investment areas. Could you briefly explain your growth plans for the next years?

As previously mentioned, we are currently the largest wind power producer in Lower Austria – but we want to further expand this position. Specifically, our growth plans call for an increase from the present level of 407 MW to a total output of 750 MW by 2030. This figure also includes our wind parks in Bulgaria. In addition, we want to add 300 MW of photovoltaics. As you can see, there is a great deal of work waiting for us over the next few years. And that makes us very happy!



Material utilisation – network construction in Lower Austria[1]		2021/22	2020/21	2019/20
Additional power lines	km	374	310	334
Additional/less natural gas pipelines	km	–15	–6	–30
Additional heating lines	km	20	11	10

1) Includes overhead lines as well as underground cables and pipelines

Measures to reduce greenhouse gas-relevant emissions

With our investment and innovation activities, we want to make an important contribution to environmental and climate protection. We see considerable potential in the expansion of CO_2-free generation capacity, especially wind power and photovoltaics.

Assuming conditions are appropriate, we plan to expand our wind power capacity to 750 MW and our photovoltaic capacity to 300 MW by 2030. The installed capacity in our wind parks increased to 470 MW and our photovoltaic capacity rose to 14 MW in 2021/22. This expansion in renewable generation capacity translates into annual CO_2e savings (Scope 1) of roughly 96,000 t[1].

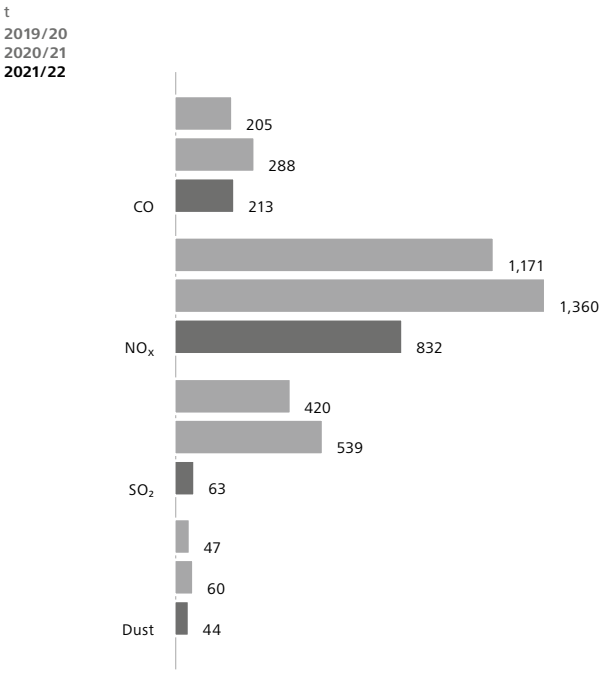
The attainment of the above expansion goals will result in annual CO_2e-savings (Scope 1) of approximately 1,000,000 t[2].

1) Calculation based on the 2021 emission factor from fossil energy generation in Austria, Bulgaria and North Macedonia
2) Calculation based on the 2021 emission factor from fossil energy generation in Austria

For information on the expansion of renewable generation, also see page 59f

GRI indicator: GRI 305-5

Further significant air emission quantities by EVN[1]



1) Generation and thermal waste utilisation plants (excl. local heating plants); Austria, Germany Bulgaria and Russia (until the end of July 2020); in North Macedonia, there are no emmisions from electricity production.

GRI indicator: GRI 305-7

CO_2 emission certificates

The CO_2 emissions of EVN's 12 thermal power plants and district heating plants are recorded under the EU Emissions Trading System.

The gas-fired power plant in Theiss was under contract during the 2021/22 financial year to provide the Austrian transmission network operator with 470 MW of reserve capacity to manage shortages. CO_2 emission certificates were, therefore, only required that year for electricity production at the gas-fired plant in Theiss to cover the volumes drawn by the Austrian transmission network operator to support network stability. We purchased all the required emission certificates on the wholesale market in accordance with the applicable regulations. This was confirmed by external auditors.

The required remaining certificates for heat production are purchased on the wholesale market through Energie-Allianz.

In line with the EU Emissions Trading System, EVN needed 463,514 CO_2 emission certificates in the 2021 calendar year, whereby 11% were allocated free of charge.[1]

1) Excluding the Walsum 10 hard coal-fired power plant

Our influence on the environment and our protective measures

Environmentally compatible waste management

EVN works to ensure that waste is reused or recycled wherever possible. This takes place through direct orders to suitable disposal or recycling firms. The internal reuse or recycling of waste is not possible due to the legally required permits. The correct utilisation and disposal of waste in accordance with the European waste hierarchy is guaranteed by the respective disposal firms.

All regularly occurring hazardous and non-hazardous waste is transferred to licensed disposal specialists based on framework contracts. These specialists dispose of the waste in an environmentally compatible manner consistent with the legal regulations applicable in

the respective countries. No hazardous or non-hazardous waste was disposed across national borders in 2021/22.

All environmentally relevant incidents are recorded in a standardised reporting system that covers the plants in Austria, Germany, Bulgaria and North Macedonia. EVN registered no environmentally relevant incidents in 2021/22.

Also see www.evn.at/waste-management
GRI indicators: GRI 306-3, GRI 306-5

Sustainable water management

At EVN, we use the resource water for normal household purposes (e. g. in sanitary facilities) or as process water (e. g. in heating networks or for lubrication). We draw the required quantities from municipal drinking water supplies or from our own ground wells. The cooling water used in our plant operations comes from surface water.

All ordinary household wastewater is cleaned in municipal treatment plants before it reaches any surface water. The wastewater flows from our power plants are continuously tested for quality and – after treatment to eliminate any relevant adverse factors – returned to the water cycle in accordance with the applicable environmental regulations. In 2021/22, the cooling water flow rate at our Lower Austrian heating plants totalled 93.9m m³ (previous year: 75.7m m³). This corresponds to 0.16% of the average annual volume of the Danube recorded at the Korneuburg gauge[1)] (measuring point number 207241), which amounted to 59,076m m³ and remains clearly below the allowed threshold of 5%.

1) Source: Austrian Hydrographical Annual 2018, Austrian Federal Ministry of Agriculture, Regions and Tourism

In cases where the type or quantity of a wastewater stream at one of our locations differs from ordinary household wastewater, we conclude contracts with sewage treatment plant operators (if sewage connections are available) based on the indirect discharge ordinance. These contracts

NEW SEWAGE SLUDGE MONO-INCINERATION PLANT IN HALLE-LOCHAU

The first sewage sludge mono-incineration plant for central Germany was officially commissioned in April 2022. sludge2energy, a 50:50 joint venture between WTE and Huber SE, was responsible for the planning, assembly and construction. WTE Betrieb is responsible for the ongoing operations of this plant, which is located in the Halle-Lochau circular economy and resource commercial park. More than EUR 25m were invested in the construction of this facility.

The sewage sludge mono-incineration plant, together with its connected steam turbine and generator-based electricity generation, is designed for the environmentally friendly and economic utilisation of over 33,000 tonnes of dehydrated sewage sludge and 2,700 tonnes of externally dried sewage sludge each year. The first step involves the drying of the sewage sludge. The subsequent incineration generates heat which can be used to supply the plant with the necessary energy for its operation as well as further sewage sludge drying, the production of hot water for the steam-driven turbine, and the generation of distance heat. This closed heat cycle meets the circular economy criteria. Through the design of processes according to the latest standards and strict regulations, this plant makes an important contribution to environmental protection.

For the operators of sewage treatment plants, the thermal utilisation of their sewage sludge and other residual materials creates opportunities for sustainable waste management. The next step is the economically and ecologically sensible recovery of the essential mineral phosphorus from the sewage sludge ash. Energy-independent drying and incineration will reduce the volume of the sewage sludge which requires disposal to roughly 10%. The remaining ash is not being stored to enable the recovery of phosphorus at a later date.

Development of waste quantities[1]		2021/22	2020/21	2019/20
Hazardous waste and residual materials	t	14,608	17,489	17,107
Non-hazardous waste and residual materials[2]	t	156,607	156,914	224,377
Export of hazardous waste				
Hazardous waste	t	0	0	0

1) Without construction residue
2) The prior year values were adjusted.

allowable amount of wastewater, the allowable amount of wastewater, the main substances it may contain and the required wastewater inspections. Direct discharges into surface water are regulated by the wastewater emission ordinance and various water-related guidelines. Our wastewater streams are also tested regularly by accredited external institutions. We comply with all requirements defined by various public authorities for cooling water discharge temperatures.

However, water is also important for our company in another context: namely drinking water supplies. EVN Wasser provides these supplies in Lower Austria, while WTE is responsible for this area in the international project business. Depending on the project, the subsidiary undertakes the planning, construction, financing and operation of plants for drinking water supplies and wastewater treatment.

In the area of wastewater disposal, the EVN Group treated 61.8m m³ of wastewater in its plants during 2021/22 with a mean purification performance of 80.7%[1] (previous year: 79.8%[2]; 66.8m m³). Wastewater treatment results in sewage sludge that can be utilised. In addition to ground-based applications (agriculture, landscaping, composting and other types of recycling), large parts of the sewage sludge are utilised thermally (co-incineration, mono-incineration). Thermal utilisation in mono-incineration plants will become increasingly important in the future due to the possibility of phosphorus recovery.

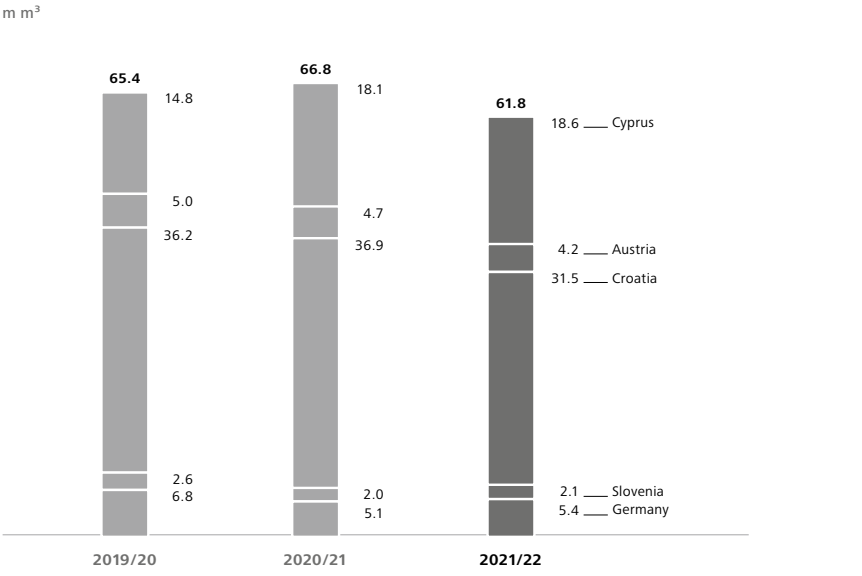
1) Average value over the parameters for chemical oxygen requirements, biological oxygen requirements, total nitrogen and total phosphorus. The per cent value represents the quantity of pollutants removed.
2) Correction of prior year value

Thermal sludge utilisation

EVN's long-standing experience in wastewater treatment and thermal waste utilisation, which ranges from planning and construction to the operation of these plants, has given us a strategic advantage in a new field of business: sewage sludge utilisation. Through the construction of efficient and ecologically compatible plants for the thermal utilisation of sewage sludge, we want to close the circle of our activities in wastewater management and, in the future, contribute to removing harmful substances like microplastics, hormones, antibiotics and other drug residues contained in sewage sludge and, at the same time, recover valuable phosphorus. In Germany, the legislator has already addressed these two utilisation aspects with the new regulation for sewage sludge and the fertiliser law. This has created a demand for projects involving sewage sludge utilisation. The first sewage sludge mono-incineration plant for central Germany – which was realised together with WTE – was commissioned in Halle-Lochau during April 2022.

WTE was working on five other projects for thermal sewage sludge utilisation in Germany, Lithuania and Bahrain during 2021/22. In mid-September 2022, construction started on a sewage sludge utilisation plant in Berlin-Wassmannsdorf. We are also planning to construct and operate a

Wastewater treated



Water[1] m m³			2021/22	2020/21	2019/20
Water withdrawn[2]	Total		**131.7**	**115.4**	**190.8**
	thereof by source	Surface water	94.0	78.8	155.1
		Groundwater	37.4	36.4	35.3
		Delivered water	0.3	0.3	0.3
Water released[2]	Total		**95.7**	**80.6**	**157.3**
	thereof by destination	Surface water	94.0	78.8	155.2
		Water released to third parties (municipal wastewater treatment)	1.7	1.8	2.2
	thereof by treatment	No treatment	94.0	78.8	155.2
		Treatment level – wastewater purification (municipalities)	0.2	0.2	0.2
		Treatment level – wastewater purification (EVN Group)	1.6	1.7	2.0
Water consumption[3]	Total		**36.0**	**34.8**	**33.4**

1) The treated water from our customers in the environmental services business is not included in the water balance.
2) All of the water withdrawn and released is fresh water (≤ 1.000 mg/l total dissolved solids).
3) Drinking water supplies from purified ground water by EVN Wasser

GRI indicators: GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

thermal sewage sludge utilisation plant at our Lower Austrian energy location in Dürnrohr. It is scheduled for commissioning in spring 2023 and will be operated by EVN.

Biodiversity

We are committed to minimising the impact of all our business activities on nature. Our top priority is the protection of flora and fauna and the preservation of the natural habitats of animals and plants in the areas surrounding our plants and projects. Not only the responsible realisation of construction projects, but also the responsible operation of our plants is a matter of course. That means:

- → Minimisation of resource and land use
- → Minimisation of negative effects on the landscape
- → Minimisation of energy losses in energy generation and transmission

Our infrastructure – which consists primarily of power plants and networks – has a potential impact, in particular, on habitats in the water and in the air. Hydropower plants can influence biodiversity, above all because of the limited passage through rivers, while the effects of thermal power plants are related to the temperature of the cooling water released into rivers. Wind power plants and overhead power lines can represent a danger for various types of birds or bats when they are located at the same height as their flight routes.

We minimise the impact of our construction projects on biodiversity with ecological planning and construction monitoring. In addition, we implement a wide variety of measures and programmes to protect the natural habitats in our area of influence. These activities often take place in close cooperation with external experts from NGOs and local authorities. Current projects to protect biodiversity include, among others:

- → Underground cables as a substitute for overhead lines wherever technically and economically possible
- → Power poles in colour schemes and heights that fit in with the landscape
- → Cable installation through ploughing as an alternative to digging
- → Installation of fish bypasses at small-scale hydropower plants
- → Species protection measures at selected wind power projects (e. g. joint concept with BirdLife to develop compensatory measures to create alternative habitats for birds)

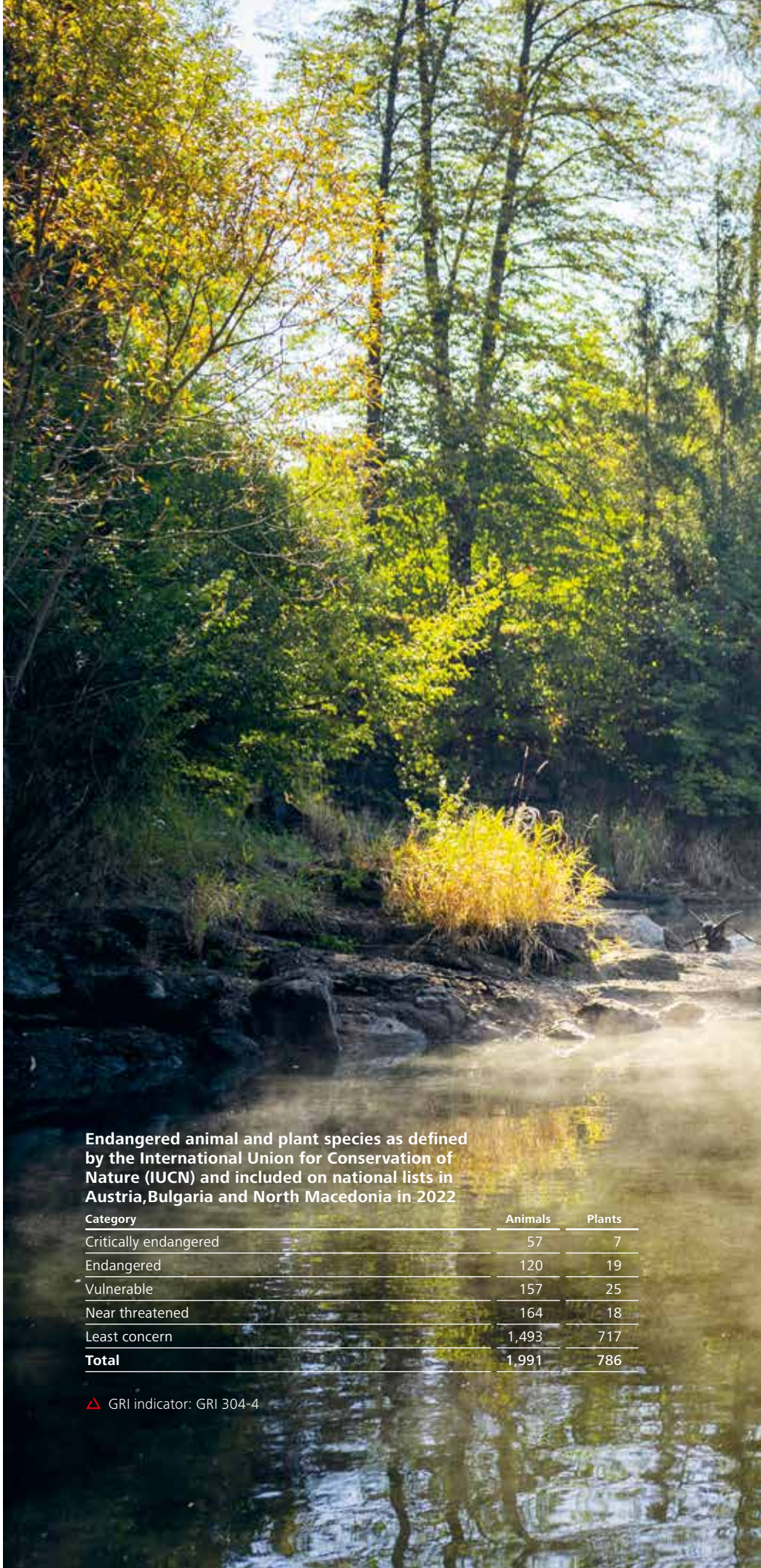
Concrete projects, often in cooperation with external experts and NGOs, are in progress in Austria, Bulgaria and North Macedonia and involve, among others, the following areas:

- → Participation in the LIFE EUROKITE project to protect the red kite in the northern region of Lower Austria
- → Participation in the LIFE project "Cross-border protection for the great bustard in Central Europe"
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir

→ Cooperation with the Austrian Power Grid (APG) and BirdLife Austria over nesting aids on power poles for saker falcons
→ Participation in the LIFE Network Danube Plus project for construction of the longest fish bypass in Lower Austria

We are also working on numerous environmental protection projects in Bulgaria and North Macedonia, for example:

→ Construction of nest platforms to protect the endangered white stork in Bulgaria and North Macedonia
→ Participation in the "LIFE Safe Grid for Burgas" project for the implementation of general protective measures, e. g. the replacement of overhead power lines with underground cables or the insulation of these overhead lines
→ Implementation of measures from the national environmental protection action programme to protect eastern imperial eagles in Bulgaria
→ Implementation of measures from the action plan to protect saker falcons in Bulgaria
→ Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants, cable shafts and transformer stations in North Macedonia
→ Joint project with local nature conservation organisations in North Macedonia to protect birds from overhead power lines



Endangered animal and plant species as defined by the International Union for Conservation of Nature (IUCN) and included on national lists in Austria, Bulgaria and North Macedonia in 2022

Category	Animals	Plants
Critically endangered	57	7
Endangered	120	19
Vulnerable	157	25
Near threatened	164	18
Least concern	1,493	717
Total	1,991	786

△ GRI indicator: GRI 304-4


EVN
Next door

Living together, accepting responsibility

We are committed to maintaining a good understanding with all our stakeholders based on an active and honest dialogue. We listen to people and speak openly with them – because we can only be successful over the long-term when the general public has a positive perception of EVN and its work.

Proactive inclusion of our stakeholders

We view the social acceptance of our work as a basic requirement for EVN's sustainable, long-term success and positive perception by the public. The overriding principle in this context is to create and maintain an appropriate and equitable balance between the diverse concerns shared with us by our stakeholder groups. This is reflected in the importance given to regular, proactive and open dialogue with our stakeholders, which is anchored as a key management principle in the EVN Code of Conduct.

A guideline for stakeholder management ensures the regular involvement of the various interest groups at the strategic level. We regularly realign our corporate strategy with the concerns of our stakeholders as part of the three-year cycle for updating our materiality matrix. Based on the respective areas of activity, we analyse the potential social, ecological and economic impact of our business actions.

❑ For details on stakeholders and the EVN materiality matrix, see page 16f
△ GRI indicator: GRI 102-43

Project communications

We maintain an open and intensive exchange with relevant NGOs and interest groups, also to develop trusting and sustainable long-term relations with organisations that are sometimes critical of EVN's projects and activities. A good discussion climate supports mutual understanding and is an important factor for the joint development of alternative solutions to projects that involve conflicting interests. Apart from greater planning quality and security, the proactive inclusion of NGOs and interest groups often leads to more intensive and professional communications with neighbouring residents and local initiatives. The experience with previous projects also plays an important role here.

At EVN, project communications are institutionalised in the "Project Communication and Climate Dialogue" team. From small-scale hydropower plants, pipelines and wind parks to biomass heating plants, we plan and realise all our construction projects with the active participation of neighbouring residents, citizens' groups, NGOs, political representatives, local initiatives and associations. From the very beginning, ecological and social aspects are included in the development of all our projects, as well as the related due diligence audits. These audits, which are conducted before the start of every project, form the basis for the Executive Board's decision processes and, for certain large-scale projects, the necessary Supervisory Board approval. This extensive dialogue is intended, in particular, to support the following goals:

- → High acceptance by all stakeholders
- → Support for the feasibility of projects
- → Positive perception of the company and its activities
- → Reduction of risks and prevention of damage to EVN's image

The following principles form the basis for our dialogue with the people who are directly affected by a project planned by EVN:

- → Early identification of the expectations and requirements of the various interest groups
- → Transparent and comprehensive project information
- → Professional, structured and proactive communications with all local stakeholders (including political decision makers)
- → Support for municipalities in their communications and mediation in conflict situations

FOCUS ON THE DEVELOPMENT OF PROJECT COMMUNICATION

Our efforts to ensure the most professional communications for our renewable generation and network projects and our activities in the area of drinking water supplies led to the identification of two trends in recent years: One trend concerns the general public's increasingly critical stance towards these projects, while the other involves the growing demands on successful project communication from the viewpoint of stakeholders.

In reaction to these developments, we organised a day-long workshop for the project managers in various EVN companies during October 2021. The numerous participants also included the members of the EVN Executive Board and the managing directors of the involved subsidiaries. This workshop was designed to serve as a platform for the exchange of experience and know-how but also marked the kick-off for measures to improve project communication skills at EVN.

One of these measures involved the installation of a "Project Communication and Climate Dialogue" team in 2021/22, which initially consists of four persons and is responsible for assisting the project managers with communications on particularly challenging projects. A special training programme was also developed and will further strengthen the project managers' communication and project-related skills starting in 2023. The goal is to firmly anchor these skills and the specific viewpoint of project communications in the working culture of the involved subsidiaries.

These measures, in total, are intended to safeguard the acceptance and satisfaction of the people affected by our projects and, in this way, support the success of the energy future and the sustainable projection of supply security.

Our project communications take place in close coordination and cooperation with the project managers and other responsible persons, whereby the continuous improvement of these employees' communication skills is also part of our efforts. Local stakeholders can, of course, contact us at any time to discuss their concerns. In addition to direct contact with the project managers via dialog@evn.at, this is also possible over the EVN service telephone or via e-mail at info@evn.at.

△ GRI indicators: GRI 102-29, GRI 413-1

Support for interest groups

We play an important role in the functioning of public life and the economy through the operation of our infrastructure and our wide-ranging services. In order to meet these commitments as best as possible and in the interest of our stakeholders, we are a member, on a voluntary or legally required basis, of numerous national and international organisations and interest groups. Examples of these memberships are Oesterreichs Energie and Eurelectric as industry associations as well as the UN Global Compact and respACT as social and ecological initiatives. All activities related to these memberships take place in agreement with the rules of conduct defined by our compliance management system. In accordance with legal regulations, EVN is also listed in the Austrian lobbying and interest group register and the transparency register of the European Union.

○ For information on active memberships, also see www.evn.at/memberships
△ GRI indicators: GRI 102-12, GRI 102-13

Social commitment

We place great value on our regional roots in all countries where we are active and are aware of the resulting high responsibility to society. This principle is also anchored in our mission statement as one of our core values. We promote and support activities and initiatives – from employees as well as third parties – in the areas of art, culture, social issues and sport – on both a material and immaterial basis. This includes high transparency and an open approach to dialogue, inside as well as outside our company.

Consequently, we have also implemented numerous social and cultural initiatives outside the scope of our operating business to address these general issues. We place particular emphasis on customer orientation and the identification of basic social, economic and demographic trends, above all in relation to the current changes in our working world. Other aspects of our social commitment involve the education of children and young people as well as improving the quality of life for people in challenging situations. Following are several examples of our activities in a social context.

Youth and school platform: One focal point of our social responsibility is to support knowledge on the careful use of energy, energy efficiency and energy savings. The EVN School Service was established for this purpose in Lower Austria, Bulgaria and North Macedonia to organise projects, lectures and competitions for children and young people. kabelplus also holds school workshops on the safe use of digital media. We spent a total of TEUR 446.7 in these three countries during 2021/22 to finance activities for the EVN School Service (above all for the purchase and preparation of learning and teaching materials as well as experiment kits).

○ Also see www.young.evn.at or www.kabelplus.at/onlinesicher
△ GRI indicators: GRI 203-1, GRI 203-2

EVN Junior Ranger Programme: On two Saturdays, 17 young people received theoretical and practical instruction from external experts on hydrobiology, flora and fauna in water meadows, river ecology and fisheries as well as nature and river conservation. The programme was held at and around the Erlaufklause Reservoir, which is located near one of our hydropower plants in Lower Austria.

Bonus points for a good cause: In the EVN Bonus World, our customers can take advantage of various offers to use the bonus points they collect with their energy purchases or the use of other EVN services. Bonus points can be used as financial compensation through the payment of the customer's bills or as a contribution to various charitable projects. Recent campaigns involved donations, among others, for families in need (in cooperation with Caritas and Diakonie), animal shelters and social markets.

EVN Social Fund: The EVN Social Fund, which has an annual endowment of roughly EUR 120,000, supports institutions in Lower Austria that work with children and adolescents. Decisions on the projects to be sponsored are taken by an expert committee that meets twice each year. The recommendations for the use of funds are made unanimously to the Executive Board based on a predefined criteria catalogue. In 2021/22, this fund supported 18 projects with a total of TEUR 133.

For the newly established energy help fund see page 69

Also see www.evn.at/social-fund

GRI indicators: GRI 203-1, GRI 203-2

evn collection: The evn collection was founded in 1995. It is a collection of international, contemporary art which is curated by well-known experts on the EVN Art Advisory Board. Our corporate collection is designed to create a platform for a critical confrontation with the visual arts and is directed not only to our employees and their families but also to art enthusiasts outside the company.

Also see www.evn-sammlung.at

EVN100 FOR LOWER AUSTRIA

EVN's 100th anniversary celebration included the relaunch of a successful campaign that initially appeared in 2014: The company's employees, who are well known for their generous social commitment, were again given the opportunity to jointly carry out community service activities in Lower Austria during 2022. Each team included at least three EVN employees, who received support from EVN in the form of a day off from work and up to EUR 1,000 for their project materials. A total of 34 projects involving 232 employees were carried out up to the end of October 2022 as part of the "EVN100 for Lower Austria" campaign. The range of activities was broad and included, among others, clean-up efforts in rivers, initiatives in support of children and youth institutions or nursing and social welfare centres as well as assistance for Ukrainian refugee families.

EVN's stakeholders and the type of inclusion (Extract)	Survey	Ongoing and regular contact	Working group, forum, Annual General Meeting (1–2 times per year or more often)	Advisory boards, expert committees (1–2 times per year or more often)	Supervisory Board
Employees	+	+	+	+	+
Customers	+	+	+	+	+
Business partners	+	+	+	+	+
Civil society	+	+	+	+	–
Media	+	+	+	–	–
Capital marktet	+	+	+	+	+

Sustainability programme

Our sustainability programme was developed in an iterative process during target discussions. Specific area focal points were identified on the basis of the EVN materiality matrix, and Group-wide sustainability targets and measures were defined in a next step. The sustainability programme is updated and expanded regularly in cooperation with all departments.

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Society and community	Protection of network stability, while guaranteeing supply security and the integration of volatile renewable generation 2		Concepts were prepared for various regions in Lower Austria to increase network capacity and integrate renewable energy. Specific projects involve the expansion of cable diameters and an increase in substations in the low- and medium-voltage range. Several projects are planned in the high-voltage range to expand or replace existing transformer stations. We completed the following high-voltage projects in 2021/22: replacement buildings for the 110-kV power lines from Deutsch Altenburg to Lassee (16 km) and from Gross Gerungs to Gmünd (22 km) as well as the reinforcement of the Gross Gerungs transformer station. Network and information security (EU NIS Directive): The report by Netz Niederösterreich will be submitted after receipt of the NIS notification (request for review) in November 2022.
	Protection of supply security and the quality of drinking water through expansion and other measures 2		We guarantee supply security, on the one hand, with the integration of our supply system and 200,000 m³ of drinking water reserves in elevated tanks and, on the other hand, through continuous expansion. Our projects include the expansion of elevated tanks and the construction of additional emergency generators. In addition, construction started on the second and third sections of the new transport pipeline from Krems to Zwettl. Completion is planned for 2025. Our projects to improve the water quality include the commissioning of the fifth natural filter plant in 2021/22, which is located in Petronell-Carnuntum. Planning has already started for the construction of further natural filter plants.

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Society and community	Protection of supply security and the quality of district heating through expansion and other measures 2		We guarantee sufficient failure reserves and the necessary peak load coverage by equipping our district heating generation equipment with redundant aggregates and using two different fuels (primarily biomass). Moreover, we are evaluating opportunities to use substitute fuels (untreated scrap wood) in place of natural biomass and expanding our round timber storage capacity by roughly 30% to manage possible supply shortages (biomass storage). The existing high quality of our certified district heating plants is ensured by regular audits (EMAS and ISO 140001).
	Improvement of stakeholders' digital and sustainability knowledge 4 8		EVN supports the stronger inclusion of sustainability issues in education. We regularly develop programmes for children and young people ranging from three to 18 years old and, as part of our EVN School Service, provide a broad portfolio of free workshops, learning resources and events throughout Lower Austria. The free-of-charge learning kits are available for download under www.young.evn.at. Our offering for school classes also includes energy savings courses and visits to power plants (hydropower plants, wind and solar parks, biomass district heating plants, thermal power plants, waste utilisation plants and storage power plants).
	Active stakeholder dialogue on sustainability 8		In the Strategy 2030 – which is illustrated by the motto "More sustainable. More digital. More efficient." – EVN confirms its commitment to make an active contribution to reducing greenhouse gas emissions and to containing climate warming. The EVN Climate initiative with the following three focal points was developed in 2020/21: concrete CO_2 emission reduction goals (coordinated with the Science Based Targets Initiative), climate neutrality for selected Group companies and a contribution to climate protection by EVN's research and development. In 2021/22 we developed the "EVN for the climate" campaign as part of the EVN Climate Initiative. It is directed to internal and external stakeholders and will accompany and strengthen our activities and measures as part of the EVN Climate Initiative. For information on the "EVN for the climate" campaign, see page 101
	Demand-side management for e-mobility and industry 2 4 6		A first-time option introduced by EVN enables the postponement of charging for e-autos within the framework of an automated trading system and the marketing of these flexibilities over the short term on the energy market. For this purpose, more than 100 charging points at locations operated by EVN and EZN (Energiezukunft Niederösterreich) were equipped with joulie optimisation assistants and aggregated into a large storage facility.

Areas of activity

1 Sustainable increase in corporate value
2 Supply security
3 Customer orientation
4 Innovation and digitalisation
5 Attractive employer
6 Climate protection
7 Environmental protection
8 Stakeholder dialogue

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Expansion of renewable generation	Expansion of renewable generation; targets defined by the Strategy 2030: increase in wind power capacity to 750 MW and photovoltaic capacity to 300 MW 2 6		The following wind power and photovoltaic projects were in progress during 2021/22: → Wind parks: Schildberg (12.6 MW, construction completed), Japons (repowering of existing equipment; 12.6 MW), Palterndorf-Dobermannsdorf (42 MW), Grosskrut-Altlichtenwarth (12.4 MW) → Photovoltaic plants: Trumau (10 MW), two plants in North Macedonia (in total, approx. 2.2 MW)
	Widespread construction of conventional and non-conventional photovoltaic capacity 2 6		The EVN solar initiative in Lower Austria is the focus of continuous expansion. We made the following progress in 2021/22 with the construction of additional photovoltaic capacity: → Solar cooperating power plants: additional 620.12 kWp; in total, 678.62 kWp as of 30 September 2022 → Solar contracting: additional 241.68 kWp; in total, 810.7 kWp as of 30 September 2022
	Revitalisation of small hydropower plants 2 6		We regularly launch projects to revitalise our small hydropower plants through dismantling or renovation. Our progress in 2021/22 covered the following: → New construction and commissioning of the Brandstatt run-of-river power station; the standard capacity was more than doubled from approx. 1.4 GWh to 3.4 GWh per year. → Modernisation of the Ochsenburg small hydropower plant in progress; commissioning planned for the beginning of 2023; the standard capacity will be increased from approx. 2.8 GWh to 3.8 GWh per year.
Innovation and new prospects for the environment	Increased focus on e-mobility through widespread charging infrastructure 2 3 6		With a focus on Lower Austria, EVN is installing additional public charging points and strengthening the charging network with roaming partners. The charging infrastructure is under construction along the major traffic axes as well as in cities and smaller communities. Our charging network covers the entire province of Lower Austria. Customers with more than 11,800 active EVN electricity charging cards can now recharge with electricity from renewable sources at nearly 8,400 charging points throughout Austria (status: 30 September 2022). Plans call for the consolidation of the charging station system through cooperation with numerous regional energy providers. Another initiative involves the gradual expansion of the EVN fleet at all locations; we are also developing home charging solutions for our employees. EVN is intensifying its cooperation with the Austrian Federal Association for Electromobility ("Bundesverband Elektromobilität Österreich").

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Energy efficiency	Energy efficiency measures for waste utilisation and heat generation 6		EVN is working to improve the energy efficiency of its waste utilisation and heat generation plants. EVN Wärme covers its internal electricity requirements from renewable energy: Photovoltaic equipment was installed at five locations in 2021/22, in addition to the 12 power plants where this equipment is already in operation. At our waste utilisation plant in Dürnrohr, we are taking numerous steps to improve energy efficiency: We only use lorries with the newest generation motors and exchanged four pneumatic compressors; these actions result in energy savings of 80 MWh per year. Further savings of roughly 46 MWh per year were achieved by upgrading the drive engines in the refuse bunker cranes. Optimisation of the automatic start-up and shut-down processes and firing controls as well as increased entry controls led to a year-on-year reduction of 1,267 MWh in natural gas consumption during 2021/22.
Society and community **Innovation and new prospects for the environment**	Strengthening of the principle "focus on customers" 3 4		Ongoing measures include, for example, articles in the EVN Intranet on "Impulses for customer orientation" and the annual customer service week in October with EVN employees from Austria, Bulgaria, North Macedonia and Croatia. The focus is on the topic "We are there to help our customers". Measures with a focus on the digitalisation of products and services in 2021/22: → Go-live for the new EVN website with a modern digital customer portal for the automated management of customer issues (tariffs changes, relocation, new connections, resumption of customer contracts) → Implementation of an online panel as a platform for digital customer feedback; go-live in October 2022 → Implementation of a real-time tool for the low-threshold evaluation of customer contacts via SMS or e-mail → Robot-supported process automation to increase the efficient handling of customer issues (e.g. conclusion/extension of contracts, tariff changes) → Transfer of the pilot project on virtual video advising to kabelplus' regular offering
Product responsibility	Focus on data protection throughout the entire customer contact management system 3	Not SDG relevant	The number of data protection requests remains low, but EVN has implemented various measures to minimise potential errors in the information process. For example: We have integrated the data used to provide information in an automated report. That eliminates the time required to search and copy data from different systems.

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ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Dealings with employees	Location-independent, autonomous work; work-life balance 5		Measures introduced in 2021/22 to further improve the mobile working model that makes location-independent working possible at EVN: → Evaluation of the model with external support and with a view towards the effectiveness of teamwork → Implementation of a pilot project on desk sharing → Roll-out of MS Teams → Survey of corporate culture → Expansion of the EVN mood barometer
	Avoidance of work accidents through protective measures (and reduction in Lost Time Injury Frequency) 5		Efforts to prevent work accidents include the purchase of state-of-the-art work and protective clothing and tools. Managers are increasingly integrated (among others through training and safety meetings) and specialist seminars on occupational safety are offered. Our preventive measures include the following: a continuous focus on awareness through regular internal communications (e. g. Intranet, employee newsletter), measures to prevent falls (e. g. protective equipment, training for involved employees) and an extensive training programme (also for external firms) on general issues that also includes the smart meter exchange. We also participate in relevant committees of Oesterreichs Energie, a branch association.
	Delegation of persons to support the organisation and guarantee safety 5		EVN maintains a central database for each company which includes, for example, planning and construction site coordinators, waste management officers, fire protection officers, occupational physicians, responsible employee representatives and/or safety ombudspersons for occupational safety etc.). We comply with all legal requirements and implement additional safety measures in areas with a greater risk potential, e. g. through more first-aiders than legally required. To ensure the availability of sufficient first-aiders at all times in organisational units with shift work, all employees in these areas receive appropriate training.
	Digital learning offering 4	Not SDG relevant	ELI, EVN's internal online learning platform for employees, was successfully implemented. We also regularly offer digital training courses (e. g. on energy issues and project management as well as compliance trainings, safety instructions and cyber security webinars).
	Raising environmental awareness of employees in North Macedonia 7		Information on environmental protection is available on Dnevnik, an internal platform for the exchange of information and cooperation between the employees of EVN Macedonia and its companies.
Diversity and equal opportunity	Programme to support and improve diversity 5		Measures in 2021/22: → Mentoring programme as preparation for women in management positions successfully completed → Implementation of a project on gender awareness with a request to all employees to consciously use fair language. EVN does not want to marginalise anyone, but speak to all people with an inclusive language; publication of instructions in the EVN Intranet and employee newsletter with recommendations for more gender-sensitive language

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Natural resources	Protection for ecosystems and biodiversity, safeguarding of species protection 7		In North Macedonia, we have implemented measures to protect biological diversity in cooperation with the environmental NGO Macedonian Ecology Society. The related measures are intended to reduce bird losses due to electric shocks and collisions and include the insulation of masts and voltage elements. Additionally stork platforms are installed on the masts in our distribution network. EVN also has ongoing actions in Bulgaria to prevent bird losses, and power poles involving incidents with birds are fortified. Newly installed stork nests are protected in line with regular observations. Netz Niederösterreich has provided financial support for the Life Plus Eurokite project to protect the red kite since 2020. GPS transmitters financed by Netz Niederösterreich were attached to young red kites and will collect data up to 2023 on the habitats of these birds. The goal is to reduce the man-made mortality of birds of prey. To ensure the protection of these species, Netz Niederösterreich will include the collected data in the selection of its cabling projects.
	Commitment to restoration of former locations 7		In 2021/22, we restored a former location that was used in the 1940s and 1950s to impregnate wood power poles. Another project is currently in progress to renovate a power plant location which was contaminated by previous owners based on its use in the first half of the 20th Century. We are also dismantling – on our own initiative – a thermal power plant that was decommissioned in 1987. Pollutants will be removed to recreate a meadow area. After this transformation is completed, we will evaluate concepts for the further use of the location to generate renewable energy.
	Circular economy as part of location management 7		Concrete foundation elements that have no further functional use as a result of replacement investments are always removed so the ground area can be restored and put to a new use. We transport the used concrete to a building materials recycling firm to enable its reuse. The component parts of our power plants, equipment and networks that are technically no longer functional are correctly separated, optimally utilised and transferred to building materials or metal recycling as far as possible.
	Motivation for customers to donate their bonus points for biodiversity or animal protection measures 7 8		As part of the EVN bonus world, EVN encourages its private electricity and natural gas customers to donate their bonus points. These donations can be used to plant trees in a selected community or to support the animal protection association in Wiener Neustadt. EVN acts as the broker for this programme, and customers make the donations. This year's "tree campaign" ran from 1 June to 30 September 2022 and 95 communities in Lower Austria took part.

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ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Natural resources	Safeguarding soil and ground water protection 7		In North Macedonia, the surface areas of solid ground (concrete, asphalt) are treated with a universal absorbing material as a preventive measure in the event smaller quantities of hazardous materials are leaked. New, particularly resistant and long-lived secondary tanks were also purchased in 2021. They provide ideal protection for soil and ground water. In addition, degreasing agents are used to clean surfaces that were soiled by grease, oil, crude oil products and other liquids that are harmful to the environment.
	Environmentally friendly and economical utilisation of sewage sludge 7		A sewage sludge utilisation plant in central Germany was commissioned during April 2022. sludge2energy, a 50:50 joint venture with EVN, was responsible for the planning, assembly and construction. This facility is designed to accommodate the environmentally friendly, economic utilisation of over 33,000 t of dehydrated and 2,700 t of externally dried sewage sludge each year. Plans call for the recapture of the vital component phosphorus from the sewage sludge in the future.
Contain environmental pollution and optimise waste management; reduce emissions	Continuation of environmental management systems 7		Our waste utilisation plant in Dürnrohr is certified under ISO 9001 quality management, ISO 14001 environmental management and EMAS. It is also a registered waste management facility. These certifications are updated regularly.
Contain environmental pollution; reduce emissions	Prevention of the contamination; process optimisation and reduction of emissions in thermal utilisation 7		We achieved the targeted reduction of emissions in our district heating plants by installing primary circulation in the biomass equipment in Hagenbrunn, Leopoldsdorf, Korneuburg and Tulln. Evaluations are currently in progress to determine whether there is a need or possibility to install this equipment in other plants. The firing process in Tulln and Korneuburg was also optimised by mechanical modifications in the firing room and the flue gas path. To reduce the emissions from household heating, we are continuing to construct new biomass heating plants for district heating supplies. Current projects include the construction of a biomass cogeneration plant in Krems, plans for a similar plant in St. Pölten and the expansion of tanks at the biomass plants Wiener Neustadt Civitas Nova (completed), Bruck/Leitha and Guntramsdorf (in planning). The biomass district heating plant in Langenlebarn has also started operations.
Innovation and new prospects for the environment	Innovation supports the system transformation toward renewable energy 2 3 4 6		EVN is advancing its innovation activities through numerous projects. Following is a selection of the projects pursued in 2021/22: → Projects in model regions to optimise the use and storage of renewable generation (Reallabor Waldviertel, LOW TECH inno-lab Weinviertel) → Development and roll-out of a virtual power plant with private customers' flexibilities (Green the Flex) → Projects to optimise renewable energy communities (NETSE, hybrid LSC) → Bi-directional charging of e-vehicles and greater flexibility through demand-side management (Car2Flex) → Integration and use of flexible loads in industrial operations on the energy and control reserve market (Industry4Redispatch) → Pilot project by RAG for the large-volume seasonal storage of renewable solar energy, which is converted into green electricity through electrolysis and stored in former natural gas storage facilities in pure form (Underground Sun Storage) For information on our innovation projects, also see page 73ff

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Ethical business operations	Increasing awareness for compliance issues throughout the EVN Group 1	Not SDG relevant	To introduce our new employees to compliance issues, we offer the "Compliance Basic" webinar as mandatory initial training. The online webinar "Compliance Basic" was adapted and installed on the internal learning platform "ELI" in 2021/22. For 700 employees previously limited by Covid-19, we organised a compliance update as on-site training. A compliance roundtable was also held for managers. Additional articles and a Christmas quiz on anticorruption can also be found in our employee magazine "hello".
Responsible supplier management	Sustainable orientation of all procurement procedures at EVN 1		The implementation of the "strategic supplier management" project is currently in progress, and several work packages have been successfully transferred to line personnel: The EVN Integrity Clause was updated and expanded to include social minimum standards. In addition, all suppliers and bidders are required to accept the Integrity Clause after login or during the registration process in EVN's procurement portal. A system was created to classify and evaluate merchandise groups based on market, ESG, legal and supply security criteria as a means of ranking the related risks in a merchandise group score. The system is currently being implemented in the line organisation. Transactions by the corporate function "procurement and purchasing" include the screening of all suppliers by a well-known rating agency to identify potential risks (e.g. in the areas of sustainability, social minimum standards, compliance).
Emissions	Development of goals together with the Science Based Targets initiative (SBTi) to reduce CO_2 emissions 6		The goals were submitted to SBTi at the end of the 2020/21 financial year and accepted at the beginning of 2021/22. The base year for the five goals to reduce various Scope 1, Scope 2 and Scope 3 emissions is the 2018/19 financial year, and the target year is 2033/34. By reaching these goals, we are making an important contribution to realising the "well below 2 °C goal" set by the Paris Climate Agreement.
	Climate neutrality in selected Group companies 6		In 2021/22, EVN Wasser was the first Group company to receive certification for climate neutrality under PAS 2060. Plans call for the gradual certification of other Group companies in the future in accordance with PAS 2060.
Circular economy	Upcycle products through cooperation with other firms 7		kabelplus cooperates with Refurbed, an online marketplace for certified and carefully selected traders who market refurbished products. Used equipment is extensively overhauled, improved to meet the latest technical standards and, in the end, is impossible to differentiate from new equipment.

Areas of activity

1. Sustainable increase in corporate value
2. Supply security
3. Customer orientation
4. Innovation and digitalisation
5. Attractive employer
6. Climate protection
7. Environmental protection
8. Stakeholder dialogue

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Biodiversity	Development of biological compensation areas 7		To protect biodiversity and the variety of species, EVN creates compensation areas at selected wind park projects. EVN Naturkraft also establishes alternative habitats at locations with endangered species (primarily birds). These areas are inspected annually by ornithologists based on specific indicators ("state and respond"). In addition, a report is prepared each year which defines new protective measures where required.

Areas of activity

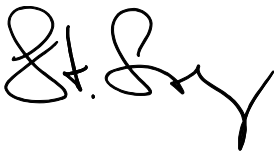
1. Sustainable increase in corporate value
2. Supply security
3. Customer orientation
4. Innovation and digitalisation
5. Attractive employer
6. Climate protection
7. Environmental protection
8. Stakeholder dialogue

This sustainability programme is an expression of our efforts to connect the areas of activity in our materiality matrix with concrete project goals and measures. We want these areas of activity to have a significant influence on our daily activities as a company, just the same as the core strategies which place our responsible and sustainable orientation in a medium- and long-term context. The communication of our sustainability programme in concrete terms is also intended to strengthen the commitment of our employees further because we want our actions to always be in harmony with our strategy and in the best interests of our stakeholders. These goals and measures are intended to make a concrete contribution to meeting the 17 Sustainable Development Goals (SDGs) set by the United Nations.

For the EVN materiality matrix, see page 16f
For information on the SDGs and the individual targets, also see https://sustainabledevelopment.un.org/sdgs

Maria Enzersdorf, 23 November 2022

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Independent assurance on the non-financial reporting

To the members of the Management and the Supervisory Board of EVN AG, Maria Enzersdorf

The subsequent independent assurance report in the English language is a translation provided for informational purposes only. The German text of the signed confirmation report, which refers to the German version of the non-financial reporting 2021/22, is the only legally binding version. This English translation has no legal effect. More specifically, it cannot be used for interpreting the German version of the independent assurance report.

Independent Assurance Report on the Consolidated Non-Financial Reporting according to § 267a UGB

We have performed a limited assurance engagement on the consolidated non-financial report and sustainability performance disclosures and indicators of EVN AG (hereinafter referred to as the "Company") for the financial year 2021/22 in accordance with Section 267a UGB (Austrian Commercial Code).

Responsibility of the legal representatives

The legal representatives of the Company are responsible for the proper preparation of the consolidated non-financial report in accordance with the requirements pursuant Section 267a UGB (Austrian Commercial Code), the GRI Standards 2016 Option "Core" as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

The legal representative's responsibility includes the selection and application of appropriate non-financial reporting methods (in particular the identification of material topics) and the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances. It also includes designing, implementing, and maintaining systems, processes and internal controls relevant to the preparation and fair presentation of the Sustainability Report that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion, based on our audit procedures and the evidence we have obtained, as to whether any matters have come to our attention that cause us to believe that the consolidated non-financial report of the Company as of 30 September 2022 is not, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the GRI Standards 2016 (option "Core") as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

Clarification on the scope of the audit due to the integrated non-financial reporting in the full report. Our audit covers the following area of the full report:

→ Non-financial report in the full report 2021/22

We conducted our audit in accordance with Austrian generally accepted standards for other audits (KFS/PG 13) and the International Standard on Assurance Engagements (ISAE 3000 (Revised)) applicable to such audits. These standards require our compliance with ethical requirements, including independence requirements, and plan and perform the engagement, under consideration of materiality, to express our conclusion with limited assurance.

In a limited assurance engagement, the audit procedures performed are less extensive in comparison to a reasonable assurance engagement, and consequently less assurance is obtained.

The procedures selected depend on the auditor's judgement and included in particular the following activities:

- Interviewing employees responsible for the materiality analysis at Group level in order to gain an understanding of the procedure for identifying material sustainability issues and the corresponding reporting boundaries of the Company;
- Risk assessment, including a media analysis, of relevant information about the Company's sustainability performance during the reporting period;
- Assessment of the design and implementation of systems and processes for the identification, processing and monitoring of environmental, social and labour data, respect for human rights and the fight against corruption and bribery, including the consolidation of data;
- Interviews with personnel at Group level responsible for identifying, consolidating and performing internal control activities related to disclosures of concepts, risks, due diligence processes, results and performance indicators;
- Assessment of the design and implementation of systems and processes for determining, processing and monitoring the sustainability performance data and indicators included in the scope of the audit, including the consolidation of the data;
- Review of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented accurately and fairly;
- Assessment of local data collection, validation and reporting processes and the reliability of reported data through a process and sample survey of the sites in North Macedonia and Bulgaria. The interviews were conducted virtually.
- Analytical assessment of the data and trends of the quantitative disclosures for the GRI Standards listed in the GRI Index, which were reported by all sites for consolidation at Group level;
- Assessment of whether the requirements according to Section 267a UGB and GRI standards 2016 (option "Core") have been adequately addressed;
- Assessment of the overall presentation of the disclosures through critical reading of the non-financial report.

The subject matter of our engagement is neither an audit of financial statements nor a review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of breach of trust and administrative offences, nor the assessment of the effectiveness and efficiency of the management is the object of our engagement.

Furthermore, the audit of forward-looking statements, prior-year figures, statements from external documentation sources and expert opinions as well as references to further reporting by the Company are not part of our engagement. The information audited as part of the audit of the annual financial statements was checked for correctness (no substantive audit).

Summary assessment

Based on our audit procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial report for the financial year 2021/22 of the Company is not prepared, in all material respects, in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the GRI Standards 2016

(option "Core") as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

Limitation of use

We consent to the publication of our audit certificate together with the non-financial report. The report does not form the basis for any reliance by third parties on its contents. The report is not intended to be relied upon by third parties in making (financial) decisions. Claims by third parties can therefore not be derived from it. Our responsibility is solely to the Company.

Terms of engagement

With regard to our responsibility and liability towards the company and towards third parties, point 7 of the General Conditions of Contract for the Public Accounting Professions applies.

Vienna, 23 November 2022

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerhard Posautz
Auditor

Peter Bartos
Auditor

Report of the Supervisory Board

Ladies and Gentlemen,

The Supervisory Board remained in close contact with the Executive Board and management throughout the 2021/22 financial year to address the wide-ranging challenges triggered by the geopolitical and economic uncertainty in EVN's markets and the resulting energy market crisis.

Many diverse tasks – in part, of an unprecedented scope – required action and involved all organisational units in different ways. To name only a few examples, they ranged from issues related to supply security, in particular with regard to the procurement and storage of natural gas, to challenges for the regulatory mechanisms in South East Europe and the pressure on earnings in the energy supply business caused by the massive rise in procurement costs as well as the commitment of the customer relations staff to master the enormous communication flows that resulted from the increased need for assistance by our customers. In spite of this crisis, the Executive Board continued the implementation of the ambitious Strategy 2030 with its focus on the transformation towards a CO_2-neutral energy system.

In mastering the challenges created by the energy market crisis and in implementing the Strategy 2030, EVN has taken the right steps and met the current distortions with great resistance, as is also demonstrated by Group net result for 2021/22.

Fulfilment of duties

The Supervisory Board actively monitored and supported EVN's strategic steps as part of its designated responsibilities. Six plenary meetings and ten committee meetings were held during the reporting year, in which the Supervisory Board fulfilled the tasks and duties required by legal regulations and the company's by-laws. The Executive Board provided the Supervisory Board with regular, timely and comprehensive reports on all relevant aspects of business development, including the risk position and risk management of EVN and its key Group companies. This reporting, in particular, allowed the Supervisory Board to continuously supervise and support the Executive Board's management activities. The control functions exercised by the Supervisory Board within the framework of open discussions with the Executive Board did not lead to any objections. Recommendations by the Supervisory Board were taken up by the Executive Board. Moreover, the Executive Board submitted the transactions requiring approval to the Supervisory Board for its decision.

Austrian Corporate Governance Code

EVN, as a listed company, is committed to compliance with the Austrian Corporate Governance Code. EVN complies in full with the Code in the January 2021 version. EVN complies with all C-Rules, with two exceptions. These exceptions are explained in the consolidated corporate governance report.

Consolidated corporate governance report

Schönherr Rechtsanwälte GmbH audited the consolidated corporate governance report for 2021/22, which was prepared by EVN in accordance with C-Rule 62 of the Austrian Corporate Governance Code and § 96 (2) of the Austrian Stock Corporation Act, and reported to the Executive Board, the Audit Committee and the Supervisory Board on their work. In a meeting on 14 December 2022, the Supervisory Board examined the consolidated corporate governance report as required by § 96 of the Austrian Stock Corporation Act and in accordance with the opinion 22 published by the Austrian Financial Reporting and Auditing Committee. This analysis was based on a report issued by the Audit Committee on 1 December 2022 and did not lead to any objections.

Remuneration policy and report

The 91st Annual General Meeting of EVN in January 2020 approved the principles of remuneration (remuneration policy) for the members of the Executive Board and Supervisory Board of EVN which were prepared by the Supervisory Board in accordance with §§ 78a and 98a of the Austrian Stock Corporation Act. On this basis, the Executive Board and Supervisory Board prepared a remuneration report for the 2021/22 financial year in accordance with §§ 78c and 98a of the Austrian Stock Corporation Act which will be presented to the 94th Annual General Meeting for voting.

Annual financial statements and consolidated financial statements

BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed to audit the financial statements for the financial year from 1 October 2021 to 30 September 2022. This firm examined the annual financial statements of EVN as of 30 September 2022, which were prepared in accordance with Austrian accounting regulations, and the management report submitted by the Executive Board. BDO presented a written audit report on the audit and issued an unqualified opinion.

The Supervisory Board received and reviewed the auditors' report. In accordance with § 92 of the Austrian Stock Corporation Act, the Audit Committee reported to the Supervisory Board on the results of the audit and its effects on financial reporting as well as the additional report prepared by the auditor based on the requirements of Art. 11 of Regulation (EU) No. 537/2014 on the statutory audit of public-interest entities.

Following a detailed analysis and discussions by the Audit Committee and the Supervisory Board, the Supervisory Board approved the following documents that were submitted by the Executive Board: the annual financial statements as of 30 September 2022 together with the notes, the management report together with the non-financial statement, and the consolidated corporate governance report as well as the recommendation for the use of profits. The annual financial statements as of 30 September 2022 were thereby approved in accordance with § 96 (4) of the Austrian Stock Corporation Act.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and, together with the management report, also audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which issued an unqualified opinion. The Audit Committee reviewed the consolidated financial statements together with the management report and consolidated non-financial report and reported on its activities to the Supervisory Board, which subsequently approved these documents.

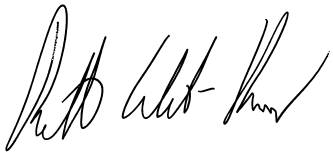
It should be noted that the consolidated non-financial report includes, for the first time, a report in accordance with Regulation (EU) 2020/852 of the European Parliament and the Council from 18 June 2020 on the establishment of a framework to facilitate sustainable investments and to amend Regulation (EU) 2019/2088 (EU Taxonomy Regulation). This report by EVN exceeds the requirements for limited disclosures in the first year of application and already includes material aspects of reporting in the sense of full application. BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was responsible for a limited assurance audit of the consolidated non-financial report for the 2021/22 financial year. The audit was performed in agreement with the requirements of the Austrian Sustainability and Diversity Improvement Act, respectively with § 267a of the Austrian Commercial Code and GRI standards 2016 option "core" as well as Article 8 of the EU Taxonomy Regulation (2020/852) in connection with Article 10 para. 2 and para. 4 of the delegated regulation of the European Commission (2021/2178) and in connection with Article 9 letter a and b of the EU Taxonomy Regulation (2020/852).

In conclusion, the Supervisory Board would like to thank the Executive Board and all employees of the EVN Group for their performance and commitment during the 2021/22 financial year. Special thanks are also directed to EVN's shareholders, customers and partners for their trust in the company.

This report to the Annual General Meeting was unanimously approved by the Supervisory Board.

Maria Enzersdorf, 14 December 2022

On behalf of the Supervisory Board



Bettina Glatz-Kremsner
President

Consolidated corporate governance report

Basic principles

EVN AG (EVN) is an Austrian stock corporation whose shares are traded on the Vienna Stock Exchange. Corporate governance is therefore based on Austrian law – in particular the Stock Corporation Act and capital market laws, legal regulations governing co-determination by employees and the company by-laws, as well as the Austrian Corporate Governance Code (ACGC) and the rules of procedure for the company's corporate bodies.

In agreement with § 243c of the Austrian Commercial Code and the applicable provisions of the ACGC, the company prepares a consolidated corporate governance report each year as of 30 September which is available under www.evn.at/Corporate-Governance-Report.

Commitment to the Austrian Corporate Governance Code

Introduction

The Executive Board and Supervisory Board of EVN are committed to the principles of good corporate governance and, in this way, meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 March 2021, EVN announced its commitment to comply with the ACGC in the January 2021 version. The ACGC is available under www.corporate-governance.at.

Burgenland Holding Aktiengesellschaft is a stock corporation under Austrian law, which is listed on the Vienna Stock Exchange and included in EVN's scope of consolidation. The corporate governance report prepared and published by this company is available under www.buho.at/corporate-governance-bericht.

The ACGC rules are divided into three categories[1]:

- The legal requirements (L-Rules) are based on binding regulations which must be observed by all Austrian listed companies.
- The C-Rules (Comply or Explain) should be observed; any deviations must be explained and justified.
- The R-Rules (Recommendations) represent recommendations and do not require the disclosure or justification of deviations.

1) In order to improve readability, the rules in the following section are presented without reference to the ACGC

The Executive Board and Supervisory Board formerly declare that EVN complies with all C-Rules of the ACGC, irrespective of the following deviations and explanations.

Deviations from C-Rules

EVN does not fully comply with the following C-Rules of the ACGC:

C-Rule 16: EVN does not comply with this rule which requires the management board to have a chairman. The Supervisory Board did not appoint a member of the Executive Board to serve as chairman because the Executive Board consists of only two members in line with its assigned duties and the company's structure. In this case, a valid resolution by the Executive Board requires that meetings be announced in the approved manner and both Executive Board members must be present. Resolutions must be passed unanimously and abstention from voting is not permitted. If a unanimous decision is not reached, the Executive Board must review and vote again on the respective point of the agenda within ten days. The Executive Board must report to the Supervisory Board if the second round of voting does not bring a unanimous decision. One member was appointed as spokesman of the Executive Board. The Supervisory Board's decision not to appoint a chairman for the Executive Board applies for an indefinite period.

C-Rule 45: The provision that prohibits Supervisory Board members from holding corporate functions in a competing company is observed by all members of the Supervisory Board with one exception. Supervisory Board member Peter Weinelt serves as the managing director of Wiener Stadtwerke GmbH which, in particular through its subsidiaries, competes in part with subsidiaries of EVN. The decision to elect Mr. Weinelt to the Supervisory Board was taken by the Annual General Meeting. The proposal for this nomination was approved by the Supervisory Board based on a recommendation by the Nominating Committee. The representation of major shareholders on the company's Supervisory Board has proven to be advantageous. This deviation applies to the entire term of the involved Supervisory Board member's appointment. EVN's corporate governance and continued practice on the Supervisory Board ensure that potential conflicts of interest are clarified in advance of voting on related issues and legally compliant procedures are guaranteed.

Executive Board

Composition

Stefan Szyszkowitz
Member and Spokesman of the Executive Board

Born in 1964, Master of Law, Master of Business Administration. Joined EVN in 1993; first appointed to the EVN Executive Board on 20 January 2011. End of the current term of office: 19 January 2026.

Supervisory board mandates in other companies not included in the consolidated financial statements (C-Rule 16)

	Function
Wiener Börse AG	Member of the supervisory board
Österreichische Post Aktiengesellschaft	Member of the supervisory board
Verbund AG	Member of the supervisory board

Supervisory board mandates in material, consolidated companies[1)]

	Function
Burgenland Holding Aktiengesellschaft	Chairman of the supervisory board
EVN Macedonia AD	Chairman of the supervisory board
RAG Austria AG	Chairman of the supervisory board
Netz Niederösterreich GmbH	Vice-Chairman of the supervisory board
Burgenland Energie AG	Vice-Chairman of the supervisory board

1) In addition to the supervisory board functions, the Executive Board manages significant subsidiaries based on quarterly reporting by segment.

Franz Mittermayer
Member of the Executive Board

Born in 1958, Master of Mechanical Engineering and Industrial Management. Joined EVN in 1993; first appointed to the EVN Executive Board on 1 October 2017. He was reappointed to the Executive Board as of 1 October 2022 for a term extending to 30 September 2027.

Supervisory board mandates in material, consolidated companies[1)]

	Function
Netz Niederösterreich GmbH	Chairman of the supervisory board
Burgenland Holding Aktiengesellschaft	Vice-Chairman of the supervisory board
Burgenland Energie AG	Member of the supervisory board
RAG Austria AG	Member of the supervisory board

1) In addition to the supervisory board functions, the Executive Board manages significant subsidiaries based on quarterly reporting by segment.

Working procedures

The Executive Board of EVN must have a minimum of two members. If the Supervisory Board does not appoint a chairman or spokesman for the Executive Board, the members are entitled to designate their own spokesman. The Executive Board is responsible for managing the company to support its business activities and continued success in the interests of shareholders, employees and the general public. The work of the Executive Board is based on legal requirements, in particular stock corporation, stock exchange and commercial laws, the by-laws and the rules of procedure for the Executive Board that were approved by the Supervisory Board as well as the ACGC.

Irrespective of the Executive Board's overall responsibility, the Supervisory Board establishes and assigns specific areas of responsibility to the individual Executive Board members based on the given requirements. Certain transactions are reserved for joint discussions and decision-making by the full Executive Board.

Stefan Szyszkowitz is responsible for the Energy and South East Europe segments as well as the following corporate functions: controlling, customer relations, finance, accounting, general secretary and investment management, legal and public affairs, information and communications, and human resources.

Franz Mittermayer is responsible for the Generation, Networks and Environment segments as well as the following corporate functions: data processing, procurement and purchasing, administration and construction, and internal auditing.

Moreover, the Executive Board is required to obtain the prior consent of the Supervisory Board for business transactions that require this approval based on legal regulations or a previous Supervisory Board resolution. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such cases.

Organisational regulations require the Executive Board to report to the Supervisory Board. These reporting standards also apply to the Supervisory Board committees. The reporting obligations of the Executive Board include quarterly reports on the development of business in the Group and information on matters of importance relating to major Group subsidiaries.

Supervisory Board

Composition

As of 30 September 2022, the Supervisory Board of EVN AG had ten shareholder representatives elected by the Annual General Meeting and five members delegated by the works council. The shareholder representatives were elected by the 92nd Annual General Meeting on 21 January 2021 for a term of office extending to the Annual General Meeting which will vote on the release from liability for the 2024/25 financial year.

The composition of the Supervisory Board reflects a balance between the professional and personal qualifications of the members as well as a balance of technical and specialist expertise. Diversity with regard to the representation of both genders, the age structure and internationality is also taken into account.

Independence

The Supervisory Board established the following criteria for the independence of the members of the Supervisory Board of EVN AG based on the general clause defined by C-Rule 53:

A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the company or its management board that could lead to a material conflict of interest and is therefore capable of influencing the member's behaviour. The following criteria form the basis for evaluating the independence of the members of the Supervisory Board of EVN AG who are elected by the Annual General Meeting:

1. The Supervisory Board member may not have served as a member of the Executive Board or a top executive of EVN or any of its subsidiaries during the past five years.
2. The Supervisory Board member may not maintain, or in the previous year did not maintain, any business relations with EVN or a subsidiary of EVN that are considered material for that member. This also applies to business relations of companies in which the Supervisory Board member holds a significant economic interest but does not cover appointments to corporate bodies within the EVN Group. The approval of individual transactions by the Supervisory Board in accordance with L-Rule 48 does not automatically lead to qualification as not independent.
3. The Supervisory Board member may not have acted as an auditor of EVN or owned a share in or worked as an employee of the auditing company during the past three years.
4. The Supervisory Board member may not serve on the management board of another company in which a member of the Executive Board of EVN is a member of the supervisory board.
5. The Supervisory Board member may not serve on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who hold an investment in the company as shareholders or who represent the interests of such shareholders.
6. The Supervisory Board member may not be closely related (i. e. direct offspring, spouse, life partner, parent, uncle, aunt, brother, sister, niece, nephew) to a member of the Executive Board or to persons who hold one of the above-mentioned positions.

In accordance with C-Rule 54, companies with a free float of more than 20% are required to have at least one of the supervisory board members elected by the general meeting or delegated by shareholders in accordance with the by-laws who is independent pursuant to C-Rule 53 and who is not a shareholder with a stake of more than 10% or who represents such a shareholder's interests. In the case of companies with a free float of over 50%, at least two members of the supervisory board must meet these criteria. EVN has a free float of 20.6% (incl. 0.9% treasury shares). Nine members (90%) of the Supervisory Board are considered independent according to C-Rule 53 and seven members (70%) according to C-Rule 54.

Members of the Supervisory Board as of 30 September 2022

Shareholder representatives	Date of initial appointment[1]	Supervisory board or comparable functions in Austrian or foreign listed companies[2]	Independence C-Rule 53[3]	Independence C-Rule 54[4]	Diversity factors[5]
Bettina Glatz-Kremsner President and Chairwoman	21.01.2016	General council member of Oesterreichische Nationalbank; Member of the supervisory board of Österreichische Lotterien Gesellschaft m.b.H.	Yes	Yes	Female born 1962 Austria
Norbert Griesmayr 1st Vice-Chairman	12.01.2001	Chairman of the management board of Hutschinski Privatstiftung; member of the management board of Privatstiftung zur Verwaltung von Anteilsrechten; vice-chairman of the supervisory board of BauWelt Handels-Aktiengesellschaft, Collegialität Versicherungsverein Privatstiftung and JLP Health GmbH; member of the supervisory board of VAV Versicherungs-Aktiengesellschaft, Österreichisches Verkehrsbüro Aktiengesellschaft and card complete Service Bank AG	No	No	Male born 1957 Austria
Willi Stiowicek 2nd Vice-Chairman	15.01.2009	Member of the supervisory board of NÖ.Regional.GmbH	Yes	Yes	Male born 1956 Austria
Georg Bartmann	21.01.2021	Head of the finance department and financial group in the provincial government of Lower Austria; managing director of NÖ Landes-Beteiligungsholding GmbH, NÖ Holding GmbH, NÖ BET GmbH and NÖ Immobilien Holding GmbH; chairman of the supervisory board of Land Niederösterreich Finanz- und Beteiligungsmanagement GmbH and tecnet equity NÖ Technologiebeteiligungs-Invest GmbH; vice-chairman of the supervisory board of Breitband Holding GmbH, EBG MedAustron GmbH and N.vest Unternehmensfinanzierungen des Landes Niederösterreich GmbH; member of the supervisory board of NÖ Landesgesundheitsagentur	Yes	No	Male born 1965 Austria
Gustav Dressler	21.01.2021	Owner and manager of an agricultural company; member of the management board of Caressa Privatstiftung	Yes	Yes	Male born 1954 Austriah
Philipp Gruber	21.01.2016	Member of the Wiener Neustadt town council; director of the provincial parliament club of the Lower Austrian People's Party; chairman of the management board of Business Messen Wiener Neustadt Genossenschaft für Wirtschaftsförderung registrierte Genossenschaft mit beschränkter Haftung	Yes	Yes	Male born 1979 Austria
Maria Patek	21.01.2021	Head of the forestry and sustainability section in the Federal Ministry of Agriculture, Regions and Tourism; chairwoman of the association for the promotion of forestry	Yes	Yes	Female born 1958 Austria
Angela Stransky	16.01.2014	Authorised officer of ecoplus.Niederösterreichs Wirtschaftsagentur GmbH; managing director of Breitband Holding GmbH; member of the supervisory board of riz up Niederösterreichs Gründeragentur GmbH	Yes	Yes	Female born 1960 Austria
Peter Weinelt	21.01.2021	Deputy director general of WIENER STADTWERKE GmbH; managing director of WIENER STADTWERKE Planvermögen GmbH; chairman of the supervisory board of WIEN ENERGIE GmbH, WIENER NETZE GmbH, WienIT GmbH and B&F Wien – Bestatttung & Friedhöfe Wien; member of the supervisory board of Verbund AG, Burgenland Holding Aktiengesellschaft and Wiener Gesundheitsverbund	Yes	No	Male born 1966 Austria
Friedrich Zibuschka	21.01.2016	Associate professor in the Institute for Transportation Studies at the University of Natural Resources and Life Sciences, Vienna; general partner of Zibuschka Regional Consulting OG	Yes	Yes	Male born 1950 Austria

Employee representatives					
Paul Hofer	01.04.2007	Chairman of the European works council of the EVN Group; chairman of the central works council of the EVN Group; chairman of the central works council of EVN AG; member of the supervisory board of VBV-Pensionskasse Aktiengesellschaft	n. a.	n. a.	Male born 1960 Austria
Uwe Mitter	14.05.2019	Chairman of the central works council of Netz Niederösterreich GmbH; member of the supervisory board of Netz Niederösterreich GmbH; vice-chairman of the central works council of the EVN Group	n. a.	n. a.	Male born 1971 Austria
Irene Pugl	14.05.2019	Chairwoman of the works council of EVN Business Service GmbH; vice-chairwoman of the central works council of the EVN Group	n. a.	n. a.	Female born 1975 Austria
Friedrich Bußlehner	01.01.2016	Vice-chairman of the central works council of Netz Niederösterreich GmbH; member of the supervisory board of Netz Niederösterreich GmbH	n. a.	n. a.	Male born 1962 Austria
Monika Fraißl	01.07.2013	Vice-chairwoman of the central works council of Netz Niederösterreich GmbH (headquarters)	n. a.	n. a.	Female born 1973 Austria

1) The terms of office of the Supervisory Board members elected by the Annual General Meeting expire at the end of the Annual General Meeting that will vote on their release from liability for the 2024/25 financial year.
2) Including other material functions
3) The majority of the Supervisory Board members elected by the Annual General Meeting or delegated pursuant to the by-laws are independent of the company and its Executive Board.
4) Companies with a free float of more than 20% are required to have at least one of the supervisory board members elected by the general meeting or delegated by shareholders pursuant to the by-laws who is independent pursuant to C-Rule 53 and who is not a shareholder with a stake of more than 10% or who represents such a shareholder's interests.
5) Gender, year of birth and citizenship

Contracts requiring the approval of the Supervisory Board (L-Rule 48): EVN concluded an EFET[1)] framework contract for trading with electricity, natural gas, certificates of origin and CO_2 certificates as well as other individual agreements at standard market conditions with Verbund Energy 4 Business GmbH ("VEB") and also with WIEN ENERGIE GmbH ("WE"). In addition, EVN concluded a contract for the delivery by VEB to EVN of energy and certificates of origin covering a base load of 21 MW for 2023–2025.

1) European Federation of Energy Traders

Since Supervisory Board member Peter Weinelt has a material economic interest in WIENER STADTWERKE GmbH, which is the sole shareholder of WE, and is also a member of the supervisory board of Verbund AG, the approval of EVN's Supervisory Board was requested and obtained prior to the conclusion of these contracts. Mr. Weinelt did not participate in the respective voting.

The company has concluded no material transactions with closely related companies or parties as defined in § 95a of the Austrian Stock Corporation Act.

Working procedure

The Supervisory Board is headed by a chairwoman and two vice-chairmen. The rules of procedure for the Executive Board and Supervisory Board include a catalogue of transactions which require the Supervisory Board approval.

Communications between the Executive Board and the Supervisory Board take place at the meetings of the Supervisory Board and its committees and in writing, as required. In addition, the Executive Board and the chairwoman of the Supervisory Board maintain regular contact on issues that fall under the responsibility of the Supervisory Board. In particular, this includes the preparation of meetings.

Six plenary meetings were held by the Supervisory Board during the reporting year, at which its members fulfilled their tasks and duties. The Supervisory Board monitored the activities of the Executive Board, accepted its reports and, in addition to the annually recurring cycle of resolutions on the annual financial statements and budget, dealt with a number of issues which required Supervi-

sory Board approval. Specific issues included the tender for and appointment of an Executive Board member, measures in the EVN Group to mitigate the increase in energy prices, the approval of financing frameworks for the EVN Group and financing and liability limits for EVN Energievertrieb GmbH & Co KG, an increase in the budget for the sewage sludge utilisation plant in Dürnrohr, the approval for the purchase of four properties and the sale of one property, the authorisation of a guarantee framework for ENERGIEALLIANZ Austria GmbH concerning contracts with OeMAG Abwicklungsstelle für Ökostrom AG and the approval of photovoltaic expansion in North Macedonia as well as numerous operational transactions, in particular involving water supplies.

In addition to the formal meetings, the members of the Supervisory Board received training and information at elective events which covered cybersecurity at EVN and current developments in this area, an update on international energy market developments and the related effects on prices and tariffs at EVN KG as well as current energy sector developments.

The average attendance at Supervisory Board meetings equalled 94.44% in 2021/22. No member was absent from more than half the Supervisory Board meetings during the past financial year.

Evaluation of the Supervisory Board's activities
In accordance with C-Rule 36, the Supervisory Board carried out a self-evaluation of its activities in 2021/22. This assessment was based on an extensive written questionnaire which was answered by the members of the Supervisory Board. The results of the evaluation were discussed in a plenary meeting.

The Supervisory Board dealt with potential conflicts of interest on the part of its members and took appropriate steps.

Committees

The Supervisory Board fulfils its responsibilities as a joint decision-making body in cases where individual issues are not delegated to its committees. These committees are responsible for preparing negotiations and resolutions, monitoring the implementation of the Supervisory Board's decisions and taking decisions on issues delegated by the Supervisory Board. In accordance with the requirements of the Austrian Stock Corporation Act, the ACGC and its rules of procedure, the Supervisory Board has established an Audit Committee, a Working Committee, a Nominating Committee and a Remuneration Committee. Each of these committees includes at least three elected Supervisory Board members and the legally required number of employee representatives:

Working Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiowicek	Member
Georg Bartmann	Member
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The Working Committee includes the chairwoman of the Supervisory Board, the two vice-chairmen and any elected members as well as the employee representatives delegated in accordance with § 110 (4) of the Austrian Labour Constitutional Act.

This committee is responsible for specific tasks assigned by the full Supervisory Board and, in certain urgent cases, is authorised to approve specific business transactions on behalf of the Supervisory Board. It is also responsible for all other issues where there are reasons to assume a possible conflict of interest on the Supervisory Board but not in the Working Committee.

The Working Committee of the Supervisory Board met three times during the 2021/22 financial year. Discussions centred on projects involving heat supplies and the expansion of wind power, the conclusion of contracts with VEB and WE, the approval of a credit line, an update to the risk report due to the crisis in Ukraine, and the approval of additional costs forseveral previously approved renewable energy projects to accommodate an increase in prices.

Remuneration Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman; remuneration expert
Norbert Griesmayr	Member
Willi Stiowicek	Member

The Remuneration Committee includes the chairwoman of the Supervisory Board, who also serves as chairwoman of this committee, the two vice-chairmen and, if necessary, a further member with knowledge and experience relating to remuneration policy. Most of the committee members are independent members of the Supervisory Board.

This committee is responsible for all matters concerning the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. In particular, the Remuneration Committee is responsible for the negotiation, content, conclusion, implementation and, if appropriate, termination of the employment contracts with the

members of the Executive Board in accordance with the applicable rules of the ACGC. Each year it prepares a draft report on remuneration policy for the Executive Board members and evaluates this remuneration policy at least every fourth year. It also makes a recommendation for remuneration policy to the full Supervisory Board if this is considered necessary.

In cases where the Remuneration Committee makes use of a consultant, it must ensure that this person and any other persons active with him/her in a network (§ 271b of the Austrian Commercial Code) have not advised the Executive Board or one of its members on remuneration issues or served as an advisor during the past two years.

The Remuneration Committee met three times in 2021/22. Discussions focused, above all, on the conclusion of an employment contract for an Executive Board member, the definition of targets for the variable remuneration of the Executive Board and the determination of the respective target attainment, the preparation of a report on the remuneration of the members of the Executive Board and Supervisory Board of EVN AG, and a report on remuneration issues.

Nominating Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiowicek	Member
Georg Bartmann	Member
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The Nominating Committee includes the chairwoman of the Supervisory Board and three elected members, as well as the employee representatives delegated in accordance with § 110 (4) of the Austrian Labour Constitutional Act.

This committee prepares the tender for appointments to the Executive Board in accordance with the Austrian law governing appointments, reviews applications and manages the application process. It can engage consultants for support with and evaluation of the applications. The Nominating Committee submits recommendations to the Supervisory Board for appointments to upcoming vacant or newly created positions on the Executive Board and deals with issues involving succession planning. It can also make recommendations for appointments to upcoming vacant or newly created positions on the Supervisory Board. The Nominating Committee meets as needed.

The Nominating Committee met twice in 2021/22, during which discussions focused on the tender for an Executive Board position and preparations for the appointment of an Executive Board member as well as the diversity concept for appointments to the Executive Board and Supervisory Board of EVN AG.

Audit Committee

Name	Function
Georg Bartmann	Chairman, financial expert
Bettina Glatz-Kremsner	Member
Norbert Griesmayr	Member
Willi Stiowicek	Member
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The responsibilities of the Audit Committee are as follows:

- monitoring the accounting process and issuing recommendations or suggestions to ensure its reliability;
- monitoring the effectiveness of the company's internal control, internal audit and risk management systems;
- monitoring the audit of the annual and consolidated financial statements, including the results and conclusions indicated in the reports by the Auditor Oversight Commission;
- verifying and monitoring the independence of the auditor of the annual financial statements (and consolidated financial statements), in particular with regard to additional services provided for the audited company; moreover, Art. 5 (5) of Regulation (EU) No. 537/2014 on the statutory audit of public-interest entities must be observed;
- reporting on the results of the audit to the Supervisory Board, explaining how the audit contributed to the reliability of financial reporting and explaining the role of the Audit Committee in this procedure;
- reviewing the annual financial statements and preparing the required authorisation, reviewing the proposal for the distribution of profits, the management report, the corporate governance report and the non-financial report (§ 243b of the Austrian Commercial Code) as well as submitting a report on the results of this review to the Supervisory Board;
- if necessary, examining the consolidated financial statements, the Group management report, the consolidated corporate governance report and the consolidated non-financial report (§ 267a of the Austrian Commercial Code) as well as submitting a report on the results of this review to the Supervisory Board;
- selecting an auditor for the annual and consolidated financial statements, taking the appropriateness of the fee into consideration, as well as preparing a proposal for the Supervisory Board on this selection; moreover, Art. 16 of Regulation (EU) No. 537/2014 on the statutory audit of public-interest entities must be observed.

The Audit Committee includes a financial expert as required by law. Based on their professional experience, in particular their, for the most part, many years on the Supervisory Board, all members of the Audit Committee are familiar with the sector in which the company operates.

The Audit Committee met twice during the 2021/22 financial year and dealt with all its assigned responsibilities, above all with preparations for the resolution on the consolidated financial statements and annual financial statements as of 30 September 2021, including the related reports, the recommendation for the use of profits and the internal control, audit, risk and compliance management system. Further activities involved a recommendation for the appointment of an auditor for the 2021/22 annual and consolidated financial statements and a report by the auditor on the provision of non-audit services. The Audit Committee acknowledged the report on the evaluation of transactions carried out during the course of normal business activities and at ordinary market conditions (§ 95a (6) of the Austrian Stock Corporation Act).

Measures to support women and diversity concept[1)]

1) § 243c (2) no. 2 and (3) of the Austrian Commercial Code

The EVN Group is committed to offering equal opportunities to all its employees. The company is convinced that diversified teams produce better results and are more effective and innovative than single-gender groups.

The percentage of women in EVN's workforce equalled 23.40% in 2021/22, and roughly 10.5% of the positions for managing directors and authorised officers were filled by women. The Women@EVN programme is designed to achieve the greatest possible diversity at the upper management level and gradually increase the percentage of women in management positions. Numerous initiatives have been introduced to create a framework that enables women to assume qualified positions in specialised areas and at the management level in line with their inclinations and skills.

Eleven women currently serve as project managers (project manager career path) in the EVN Group. The percentage of young women in the corporate management development programme has always been higher than the current share of women in EVN's workforce.

EVN has long pursued measures that are designed to support women's work-life balance. Examples of these measures are flexible working time models, individualised support for women returning after maternity leave, day care during school holidays, information events for staff members on parental leave as well as a comprehensive programme of vocational and professional education which is also open to all employees on parental leave. These measures are supplemented by a range of home office work options. EVN's objective for the medium term is to increase the share of women to a level that mirrors their current educational levels in the applicable professional groups.

The Austrian Equal Opportunity Act requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared the required report and submitted it to the Central Works Council.

The diversity concept approved by the Nominating Committee of the Supervisory Board for appointments to the Executive and Supervisory Board of EVN AG also defines equal opportunity as the underlying principle for all corporate management and supervisory bodies.

There are no women on EVN's Executive Board at the present time. New appointments are based on public tenders in accordance with the Austrian law governing personnel appointments.

Elections to the Supervisory Board are intended to create a balanced mix between the professional qualifications and expertise of the members as well as a balance of technical and personal credentials. Special focus is placed on diversity with regard to the representation of both genders, a balanced age structure and the internationality of the members.

EVN's Supervisory Board – as a whole and in the individual committees – has the necessary expertise required by the company, especially in the business, legal and technical fields. Attention was given to creating and maintaining a balance between continuity and change.

EVN's Supervisory Board included five women in 2021/22: three shareholder representatives and two employee representatives. Bettina Glatz-Kremsner has served as chairwoman of the Supervisory Board since 2016. She is also a member of four Supervisory Board committees and chairwoman of three. The percentage of women equals 33.3% for the Supervisory Board as a whole. The current composition of EVN's Supervisory Board meets the requirements of the Austrian Equality Act for Men and Women on Supervisory Boards with regard to the number of shareholder representatives and the number of employee representatives. This law calls for a ratio of 30% for both genders on the supervisory boards of listed corporations with a specified minimum number of supervisory board members and employees. At the present time, EVN is required to meet the 30% quota for the Supervisory Board in total.

The members of the Supervisory Board range in age from 43 to 72 years; the average age is 58.5 years.

External evaluation

In accordance with C-Rule 62, compliance with the C-Rules of the ACGC must be evaluated at least every three years by an external institution and the results of this evaluation must be included in the corporate governance report.

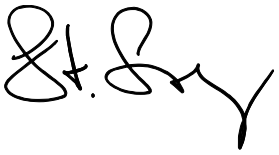
Furthermore, the Supervisory Board is required by § 96 of the Austrian Stock Corporation Act to inform the Annual General Meeting whether, and if so, which sections of the consolidated corporate governance report were examined and indicate whether the final results of this examination provided any grounds for material objections. The Audit Committee is required by § 92 (4a) no. 4 lit. g of the Austrian Stock Corporation Act to review the consolidated corporate governance report in advance and to issue a report on its review to the full Supervisory Board. In order to optimally meet these requirements, EVN commissioned Schönherr Rechtsanwälte GmbH to evaluate the consolidated corporate governance report for 2021/22, including compliance with the C-Rules of the ACGC.

Schönherr Rechtsanwälte GmbH evaluated EVN's consolidated corporate governance report for 2021/22 in agreement with C-Rule 62 and § 96 of the Austrian Stock Corporation Act and reported to the Executive Board, the Audit Committee and the Supervisory Board on its review. This report on compliance with the ACGC can be found under www.investor.evn.at. The evaluation showed that EVN complied with the C-Rules of the ACGC in 2021/22 with two justified exceptions.

Changes after the balance sheet date

No reportable changes occurred between the balance sheet date on 30 September 2022 and the preparation of this consolidated corporate governance report.

Maria Enzersdorf, 23 November 2022



Stefan Szyszkowitz
Member and Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Management report

Energy policy environment

European energy policy in times of crisis

The massive distortions in the energy sector that have been present since autumn 2021 and were further exacerbated by the war in Ukraine led to the passage of several temporary legal directives at the EU level. For example: the gas storage regulation requires EU member states to fill their storage capacity to at least 80% by 1 November 2022 and to 90% in the following years – also as of 1 November. The EU's goal is to collectively fill 85% of the total gas storage capacity in 2022.

The regulation over emergency measures in reaction to the high electricity prices also includes the following temporary special measures:

- Binding and voluntary goals to reduce electricity consumption between 1 December 2022 and 31 March 2023
- A cap on market revenues from electricity generation at EUR 180 per MWh
- A solidarity contribution based on the taxable profits of companies operating in the crude petroleum, natural gas, coal and refinery sectors when profits exceed 20% of the comparative period
- Member states will use the income from windfall profits in electricity generation and the solidarity contribution from the crude petroleum, natural gas, coal and refinery sectors to provide temporary financial support for end customers like households and small and medium-sized enterprises in view of the high energy prices.

The member states must implement the regulation over emergency measures into national law by 1 December 2022 but have a certain degree of freedom in designing the goals and measures at the national level. The EU has also announced plans for spring 2023 to reform the so-called merit order mechanism that determines electricity prices. Experts are currently working out the necessary details. Measures involving natural gas are also in planning. The Council has decided that these measures will include the establishment of a procurement platform, the limitation of price fluctuations in gas exchanges and the creation of new price indexes.

Austria's crisis laws

The Austrian Parliament also passed several laws that are designed to master the energy crisis. An amendment to the Gas Act regulates the creation of strategic gas reserves for Austria. The recently enacted Gas Diversification Act is intended to reduce the dependence on Russian natural gas by providing subsidies for the procurement of natural gas from non-Russian sources and for refitting equipment to operate with alternative energy carriers.

Amendments to the Energy Management Act also create an additional incentive for storage and stockpiling by companies. Austria has implemented a three-step gas emergency plan which, in the event of a crisis, regulates supplies for protected customer groups based on the Energy Management Act.

The Austrian federal government approved several relief packages in 2022 to counter the inflation triggered by the sharp rise in energy costs. The entitlement to certain parts of this monetary assistance is not tied to any requirements, but other parts are based on social needs. In Lower Austria, EVN's supply area, all household customers can additionally benefit from the electricity price rebate approved by the provincial government. Energy-intensive companies in Austria receive financial relief through the Business Energy Cost Subsidy Act. In November 2022 the Austrian government announced the implementation of the EU regulation which calls for a temporary cap on market revenues from renewable generation and a solidarity contribution.

Energy and climate policy

European Union

The EU is continuing to work on the implementation of various legal regulations which are scheduled for enactment as part of the "Fit for 55" legislative package. As a milestone to meeting the Paris climate goal by 2030, the package includes a reduction of at least 55% in net greenhouse gas emissions below the 1990 level. The Commission sees this as a decisive step to make Europe the first climate-neutral continent by 2050. The "Fit for 55" content most relevant for EVN is as follows:

- Renewable energy directive which, among others, calls for an increase to 40% by 2030 in the target for the share of renewable energies in the European Union
- EU emissions trading system directive which includes, among others, a recommendation to cut emissions by further reducing the availability of CO_2 emission certificates
- Effort sharing regulation that defines a new emission trading system for road traffic and the building sector
- Energy efficiency directive which, among others, sets ambitious annual energy saving requirements based on energy consumption

→ Revision of the energy taxation directive that shall tax fuels based on their energy content and environmental performance

The EU is also currently revising its policies for the financing of energy infrastructure projects. Additional funding is expected for hydrogen infrastructure and CO_2 separation and storage in the future.

Austria

The goals set by the Austrian federal government call for electricity consumption to be covered in full (national balance) through renewable energy sources by 2030 and require climate neutrality by 2040. In order to meet these goals, state subsidies depending on the level of electricity prices and ranging up to EUR 1bn per year will be provided over the next decade to support the expansion of renewable generation capacity.

The new Renewable Energy Expansion Act, which was passed by the Austrian Parliament in July 2021, defines the necessary framework conditions for the attainment of the country's energy and climate goals. This legal regulation also includes concrete expansion targets: an increase of 27 TWh in electricity generation from renewable sources by 2030 with 11 TWh coming from photovoltaics, 10 TWh from wind power, 5 TWh from hydropower and 1 TWh from biomass.

The most relevant points in the Renewable Energy Expansion Act for EVN's business activities include the subsidy mechanisms for the construction of new photovoltaic, wind power, hydropower and biomass equipment as well as investment subsidies for electrolysis equipment to convert electricity into hydrogen or synthetic gas. Investment security will also be created for existing and future renewable gas generating plants, and an increase of 5 TWh in nationally produced renewable gas as a share of Austria's total natural gas volumes is planned by 2030. Other relevant contents include the framework conditions for citizens' and renewable energy communities.

The Austrian energy industry is still waiting for specific regulations on various subjects from the responsible ministries which are essential for the application of the Renewable Energy Expansion Act. A new federal energy efficiency act is also outstanding. The draft of the Renewable Heat Act which is targeted at accelerating the reduction in CO_2 from heating and an amendment to the Environmental Impact Assessment Act are currently under review, whereby the branch hopes these regulations will lead to more efficient and faster approval processes for renewable energy projects. An amendment to the Electricity Industry and Organisation Act is still outstanding – it is expected to bring changes for network operators and implement the EU Clean Energy Package in national law.

Regulatory environment

Austria

The operation of the distribution networks and network infrastructure for electricity and natural gas in Lower Austria is the responsibility of EVN's group company Netz Niederösterreich. All investments and expenditures by this company to ensure the continuous operations of the network infrastructure are remunerated through network tariffs which are set by the E-Control Commission each year in accordance with the Austrian regulatory method.

Key parameters for the determination of the network tariffs include the interest-bearing capital base (regulatory asset base) of the network operator and the weighted average cost of capital. Also included is an incentive in the form of productivity factors, which serve as cost reduction targets for the respective company and also include inflationary adjustments. E-Control sets the weighted average cost of capital and cost reduction targets for an entire regulatory period, which equals five years in Austria.

The regulatory authority reduced the weighted average cost of capital with the start of the new regulatory periods for the natural gas distribution network and for the electricity distribution network on 1 January 2018 and 1 January 2019, respectively, to reflect the generally lower interest rate levels. However, a differentiation was made for the first time between the efficiency of the various network operators and between existing and new equipment in order to create incentives for further investments and efficiency improvements. This benefits network operators with higher productivity in industry comparison as well as with the slightly higher interest rates on the capital required for new investments. EVN's network company has received a very positive evaluation from the regulatory authority for its productivity in peer-group benchmarking. A new regulatory period for the natural gas distribution network will start on 1 January 2023.

Bulgaria

The delivery of electricity to industrial and commercial customers in Bulgaria has been liberalised. EVN Trading SEE serves as the supplier for customers in this market segment. Household customers remain in the regulated market and are supplied by EVN Bulgaria EC,

which also acts as a "supplier of last resort" for customers who do not select another supplier or cannot receive electricity from their chosen supplier through no fault of their own. In view of the current energy policy debate in Bulgaria, it can be assumed that the transfer of household customers to the liberalised market will be postponed at least to the end of 2025. Energy sales to customers in the regulated market segments and the procurement of the corresponding volumes are based on regulated prices.

The Bulgarian regulatory authority set new energy tariffs for the regulated market segments as of 1 July 2022. The electricity prices for household customers in EVN's supply area were increased by 3.6% on average (previous year: average increase of 3.6% as of 1 July 2021).

The new three-year regulation period for the electricity network in Bulgaria began on 1 July 2021. The regulatory method defines a revenue cap which covers recognised operating expenses, amortisation and depreciation as well as an adequate return on the regulatory asset base. The applied method also includes the projected network distribution volumes as well as an annually defined investment factor for planned future investments. EP Yug is responsible for the operation of the electricity distribution networks in EVN's Bulgarian supply area. This company received government compensation payments in 2021/22 to cover the added costs resulting from the massive increase in electricity prices and the resulting enormous costs to cover network losses.

North Macedonia
In order to achieve the legally required unbundling of the individual fields in the energy business and meet the related requirements, EVN operates through various companies in North Macedonia. Network operations in the regulated market segment are the responsibility of Elektrodistribucija DOOEL, while customers in the liberalised market segment receive deliveries from the sales company EVN Macedonia Elektrosnabduvanje DOOEL. EVN Macedonia Elektrani DOOEL serves as a production company. Since 1 July 2019, EVN Home DOO has supplied electricity to all households and small businesses in the regulated market segments based on a license as the "supplier of universal service". This license has an initial term of five years.

An unscheduled increase of 9.5% in the electricity prices for household customers of EVN Home DOO by the regulator (effective as of 1 January 2022) was followed by a 21.8% increase as of 1 July 2022. In addition, the regulated electricity purchase price for EVN Home DOO was set at EUR 48.0 per MWh (previous year: average increase of 12.4% as of 1 July 2021 with a parallel temporary reduction of 13 percentage points in the value added tax on energy).

A new three-year regulation period for the electricity network began on 1 July 2021 and brought an improvement in the recognition of operating expenses. Similar to the framework in Bulgaria, the regulatory method for the electricity network in North Macedonia defines a revenue cap which covers recognised operating expenses, amortisation and depreciation as well as an adequate return on the regulatory asset base. An unscheduled increase in network charges by the regulator as of 1 January 2022 led to partial compensation for the substantial increase in costs to cover network losses, and an additional increase in network charges was announced as of 1 July 2022. In accordance with the current regulatory scheme, the remaining added costs should be offset through future tariff decisions.

Croatia
The liberalisation of the Croatian natural gas market for household customers was nearly complete in 2022. The market for commercial and industrial customers has been liberalised since 2012 and is characterised by increasing competition among the natural gas suppliers active in the country. The new LNG terminal near the island of Krk was commissioned on 1 January 2021 and has further diversified natural gas supplies in Croatia. The substantial fluctuation in natural gas prices during the reporting period and the resulting changes in the suppliers' offering structure have led to expectations of continued consolidation on the Croatian natural gas market.

General business environment

The strong recovery in the global economy during the second half of 2021 was followed by weaker growth this past spring. The war in Ukraine and China's strict zero-Covid policy fuelled the already strong inflationary trend and further disrupted worldwide supply chains. Economic developments in Europe were negatively influenced by wide-ranging political uncertainty and the massive increase in energy prices. Forecasts point to a decline from the sound economic growth of 5.2% in 2021 to 3.1% to 3.2% for the 2022 calendar year and a further weakening to 0.4% in 2023.

The Austrian economy generated sound growth during the first half of 2022. Exports benefited from rising international demand for products from the manufacturing sector – in the wake of the corona crisis and with the support of a weak euro. The end of corona-related restrictions also provided added impulses for a strong increase in private consumption over the previous year. However, the framework conditions have deteriorated significantly in recent months due to the growing economic weakness in the eurozone and high inflation. Another negative factor is the war in Ukraine and the resulting sharp rise in energy prices above the already high year-end 2021 levels at the beginning of 2022. GDP growth in Austria amounted to 4.6% in 2021 and is expected to reach a similar level in 2022 – specifically between 4.6% and 4.8% – but experts are forecasting a substantial drop to only 0.2% to 1.0% in 2023.

Economic growth in Bulgaria stagnated, not least as a result of inflation and the shortages in international supply chains. Rising worldwide costs, especially for energy, raw material and food products, undermined demand and created substantial pressure on imports. The weakness in the European economy is expected to cut export growth in half during 2022. As a result of the high energy and producer prices, energy-intensive companies have reduced their production. This, in turn, led the Bulgarian government to extend the employment programmes which were introduced as job protection during the corona pandemic. Public sector debt in relation to the GDP in Bulgaria has ranged from roughly 15% to 30% for a decade and is very low in European comparison, while the average household deficit equals 0.5% of annual GDP as seen over an economic cycle. The country's fiscal stability has always been protected, even in politically turbulent times. Economic output in Bulgaria equalled 4.2% in 2021, while growth is expected to range from 2.3% to 3.9% in 2022 and from 1.1% to 4.3% in 2023.

In Croatia, the robust growth that took hold on a broad basis in 2021 and led to a GDP increase of 10.2% continued into 2022. The clear improvement in the epidemiological situation and the easing of corona-related measures – not only in Croatia but also throughout Europa – supported a strong increase in travel during 2022 and had a corresponding positive effect, above all on the service sector. Steady, solid growth in private consumption also contributed to GDP growth. Croatia will join the eurozone on 1 January 2023. This should slightly reduce the economic risks for Croatia in an environment that is characterised by growing uncertainty, strong inflationary pressure and economic weakness. Forecasts point to a GDP increase of 3.8% to 6.5% in 2022 and 1.0% to 3.5% in 2023.

The EU officially opened accession negotiations with North Macedonia on 19 July 2022, a date that marks an important milestone on the road to the European Single Market. North Macedonia's export sector – above all the automobile supplier industry – is heavily dependent on international demand and, in particular, on economic developments in the EU. Nearly 80% of the country's exports are directed to this economic zone. As a result of the war in Ukraine, the supply chain problems and political uncertainty have had a negative impact on economic growth in North Macedonia. GDP growth is expected to range from 2.3% to 2.7% in the 2022 calendar year, compared with 4.0% in 2021, and should increase slightly to 2.5% to 3.1% in 2023.

Energy sector environment

EVN's energy business is significantly influenced by external factors. On the sales side, the weather plays a key role through the demand for electricity, natural gas and heat by household

GDP growth	%	2023f	2022e	2021	2020	2019
EU-28[1)2)5)]		0.3 to 0.5	3.1 to 3.2	5.2	–6.1	1.6
Austria[1)2)3)5)]		0.2 to 1.0	4.6 to 4.8	4.6	–6.7	1.5
Bulgaria[1)2)4)]		1.1 to 4.3	2.3 to 3.9	4.2	–4.4	4.0
Croatia[1)2)5)]		1.0 to 3.5	3.8 to 6.5	10.2	–8.1	3.5
North Macedonia[4)5)]		2.5 to 3.1	2.3 to 2.7	4.0	6.1	3.9

1) Source: "European Economic Forecast, Autumn 2022", EU-Commission, November 2022
2) Source: "Herbst-Prognose der österreichischen Wirtschaft 2022–2023", IHS, October 2022
3) Source: "Prognose für 2022 und 2023: Stagflation in Österreich", WIFO, October 2022
4) Source: "Global Economic Prospects", World Bank, June 2022
5) Source: "World Economic Outlook", International Monetary Fund, April 2022

customers, while the general business environment represents a main driver for industrial customers' energy requirements. Generation and procurement, in contrast, are not only influenced by the weather but also by the geopolitical climate.

The weather in EVN's three core markets differed during the 2021/22 financial year. In Austria, the heating degree total – which defines the temperature-related demand for energy – was 5.8 percentage points above the long-term average but 4.3 percentage points below the previous year. The heating degree total in Bulgaria and North Macedonia exceeded the long-term average as well as the previous year level: plus 13.9 percentage points in Bulgaria and plus 4.6 percentage points in North Macedonia.

The cooling degree total, which measures the temperature-related demand for cooling energy, rose substantially by 13.7 percentage points in Austria but remained below the long-term average. In Bulgaria and North Macedonia, the cooling degree total was 20.7 percentage points and 15.8 percentage points, respectively, below the respective previous year figure, and was lower than the long-term average in Bulgaria but higher in North Macedonia.

Economic and geopolitical developments over the past one and a half years have led to massive distortions on the energy markets. The economic catch-up effects after Covid-19 as well as the war in Ukraine and a reduction in generation capacity due to inspections at the French nuclear power plants, together with lower water flows in the European rivers, led to a significant increase in energy prices. The average EEX price for natural gas was subject to dramatic fluctuations and quadrupled during the reporting period from EUR 26.2 per MWh to EUR 123.1 per MWh. The uncertainty connected with ongoing natural gas deliveries was reflected in very volatile developments. The average price for CO_2 emission certificates was somewhat more stable but still rose by 91.5% year-on-year to EUR 78.0 per tonne in 2021/22.

The development of the prices for primary energy and CO_2 certificates also had an influence on the market prices for electricity: The spot market prices for base load and peak load electricity averaged EUR 258.7 per MWh and EUR 296.3 per MWh (previous year: EUR 64.9 per MWh and EUR 75.2 per MWh) due to the sharp rise in primary energy prices as well as a reduced generation offering.

Energy sector environment – indicators		**2021/22**	2020/21
Heating-related energy demand[1]	%		
Austria		105.8	110.1
Bulgaria		111.8	97.9
North Macedonia		106.2	101.6
Cooling-related energy demand[1]	%		
Austria		86.4	72.7
Bulgaria		86.5	107.2
North Macedonia		123.0	138.8
Primary energy and CO_2 emission certificates			
Crude oil – Brent	EUR/bbl	89.5	50.4
Natural gas – NCG[2]	EUR/MWh	123.1	26.2
Hard coal – API#2[3]	EUR/t	258.8	76.9
CO_2 emission certificates	EUR/t	78.0	40.7
Electricity – EPEX spot market[4]			
Base load	EUR/MWh	258.7	64.9
Peak load	EUR/MWh	296.3	75.2

1) Calculated based on the heating degree total respectively cooling degree total; the basis (100%) corresponds to the adjusted long-term average for the respective countries.
2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas
3) ARA notation (Amsterdam, Rotterdam, Antwerp)
4) EPEX spot – European Power Exchange

Business development

The scope of consolidation and changes in comparison with the previous year are explained in the notes to the consolidated financial statements.

Also see page 185f

The macroeconomic environment against the backdrop of the Covid-19 pandemic, the war in Ukraine and high inflation

The potential effects of the Covid-19 pandemic and the war in Ukraine were analysed, in particular, with a view towards the recoverability of assets in accordance with IAS 36 and IFRS 9 as well as further uncertainty in discretionary assessments.

The Covid-19 pandemic and economic developments related to the war in Ukraine are expected to lead to an increase in bankruptcies and in receivables defaults in the near term. Similar to the practice in previous financial years, the EVN Group has included the forecasted increase in potential receivables defaults through a forward looking component.

EVN calculates the impairment losses for trade receivables in accordance with IFRS 9B5.5.35 based on regionally differentiated analyses of historical default incidents. Previously introduced government subsidy measures have prevented any rapid increase in receivables defaults by customers to date. However, we expect an increase in bankruptcies and receivables defaults during the coming years after the expiration of these government support measures. In preparation for such incidents, the EVN Group recognised a EUR 6.1m higher impairment loss allowance for trade receivables for the 2021/22 financial year (previous year: increase of EUR 4.1m) through the forward looking component (see the Credit and default risk under note **61. Risk management** in the Consolidated notes 2021/22).

Russia's assault on Ukraine, which began on 24 February 2022, has strained relations between the majority of states of the international community and the Russian Federation and led to a series of reciprocal sanctions by the EU as well as the Russian Federation. The result has been an unparalleled increase in energy prices. This development created operational difficulties for EVN during the 2021/22 financial year because price adjustments are only possible with a delay due to contract terms or, in South East Europe, only in later periods due to the regulatory framework. Moreover, the high energy prices are reflected in higher customer receivables and a potential increase in receivables defaults. The forward looking component included as a result of the Covid-19 pandemic is, according to current estimates, sufficient to address the expected receivables defaults. This is especially accurate against the backdrop of the wide-ranging measures introduced by governments in Austria, Bulgaria, Croatia and North Macedonia to support household and commercial customers (among others, compensation payments for network losses, energy vouchers, energy price subsidies for end customers etc.).

Global distortions and a change in the Group's risk and earnings expectations for future projects led to the recognition of an impairment loss to goodwill in the international project business as of 31 March 2022 (see note **35. Intangible assets).**

As a consequence of the political developments in Russia, EVN tested the combined heat and power plants in Moscow for impairment and subsequently wrote off these assets in full as of 31 March 2022 (see note **36. Property, plant and equipment).** EVN has also decided to completely withdraw from Russia and is currently in negotiations for the sale of the combined heat and power plants in that country (see note **43. Assets and liabilities held for sale).**

Apart from price increases on the energy markets and the different effects on EVN's activities and business fields, investments and operating expenses are also affected by the soaring inflation rates. Current macroeconomic developments can also have a – direct and indirect – negative influence on the demand for energy. All these factors were included in preparing the risk analyses for 2021/22.

See the risk report on page 158ff

The possible termination of gas deliveries from Russia could, depending on the timing and duration, have an impact on natural gas deliveries to EVN's customers. In view of this possibility, work is in progress to continuously increase the volumes of non-Russian gas and strategic gas supplies. Measures to support supply security are connected with higher costs and can have a negative influence on earnings in individual periods.

Low net debt and a comfortable base of contractually committed, undrawn credit lines give EVN a constant, high degree of financial flexibility and solid liquidity reserves. In summary, the corona crisis had only a selective negative influence on EVN's operating results in 2021/22, as in the previous years. The current high energy prices, however, have a substantial negative effect on earnings from energy supply, while renewable energy generation is a source of positive earnings contributions. Stabilising effects were provided, above all, by EVN's integrated business model and widely diversified customer portfolio. The EVN Group can therefore be considered a going concern.

Statement of operations

Highlights 2021/22

- → Historic distortions on the international energy markets
  - – Wholesale prices for energy and energy carriers reach all-time highs in summer 2022; prices decline but remain high
  - – Developments intensified by the geopolitical environment and the resulting impact on inflation
- → Different effects on the diversified business areas; at the equity accounted EVN KG, higher procurement costs led to massive pressure on earnings from energy supply
- → Earnings in South East Europe stabilised by unscheduled government compensation for added costs
- → Recognition of impairment losses (in particular, to goodwill in the international project business and to the natural gas network)
- → Group net result below previous year, as expected

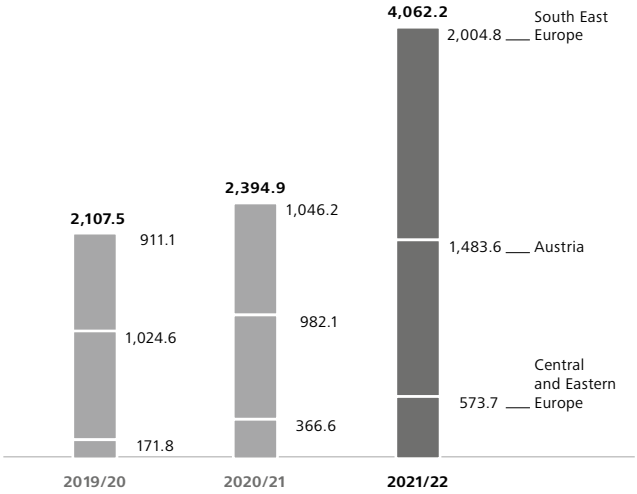
Results of operations

Revenue recorded by the EVN Group rose by 69.6% year-on-year to EUR 4,062.2m in 2021/22. This development was supported by a number of individual effects: In South East Europe, the strong increase in electricity prices led to substantial growth in the energy supply business. In Austria, the higher network tariffs set by E-Control as of 1 January 2021 and 1 January 2022 had a positive effect on network revenue. Other important impulses were provided by price effects in renewable electricity generation, price adjustments by EVN Wärme, higher revenue from natural gas trading and positive valuation effects of hedges. An increase in the use of the Theiss power plant by the Austrian network transmission operator for network stabilisation offset the absence of revenue from the Walsum 10 power plant following the divestment of EVN's stake and the termination of energy purchases from this source. An increase in revenue was also reported by the international project business.

The revenue generated by EVN outside Austria amounted to EUR 2,578.6m (previous year: EUR 1,412.8m). This represents an increase in the share of Group revenue from 59.0% in the previous year to 63.5% in 2021/22.

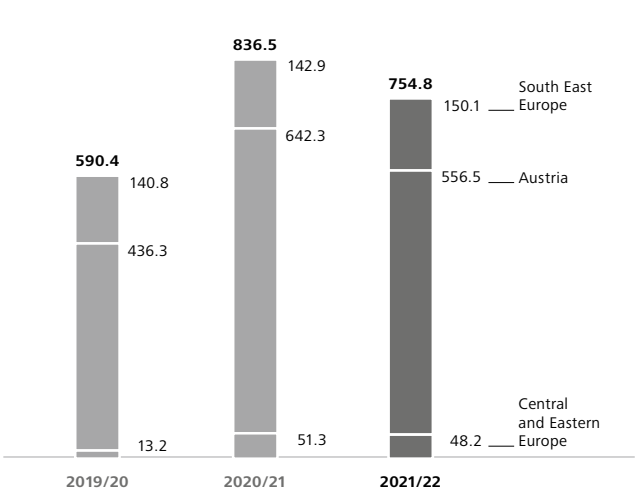
Revenue by region

EURm



EBITDA by region

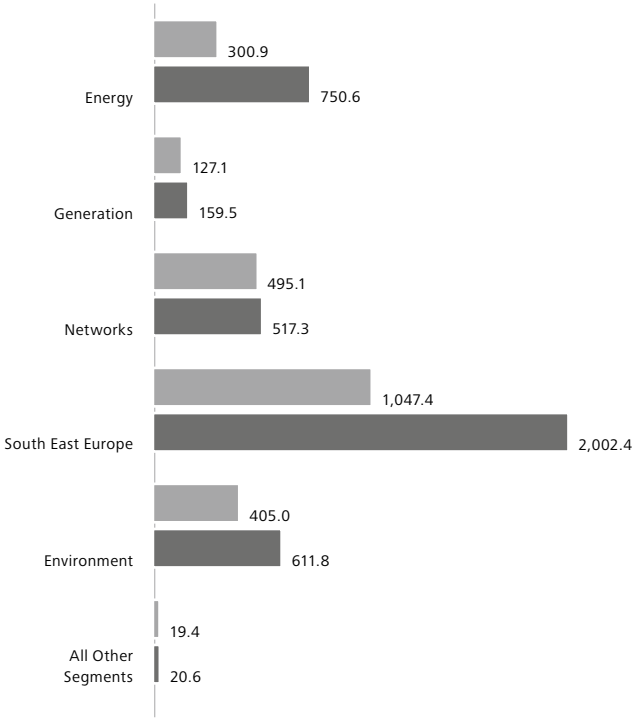
EURm



External revenue by segment

EURm

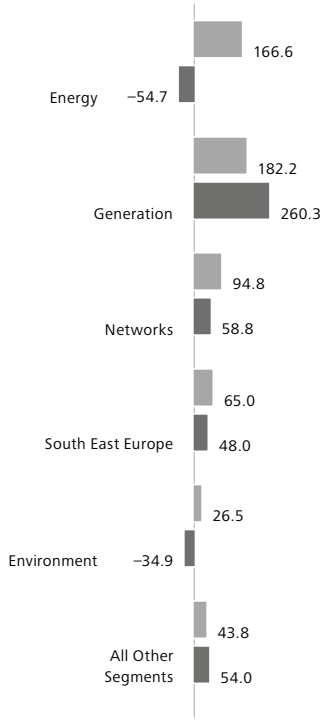
2020/21
2021/22



EBIT by segment

EURm

2020/21
2021/22



Other operating income in the previous year was positively influenced by non-recurring effects related to the Walsum 10 power plant. The absence of these effects in 2021/22 was reflected in a 56.2% decline to EUR 109.5m.

The distortions on energy markets were responsible for a substantial increase in the cost of electricity purchases from third parties and primary energy expenses to EUR 2,278.2m (previous year: EUR 1,064.7m). This effect paralleled the development of revenue and was clearly visible through a massive increase in energy procurement costs in South East Europe, higher primary energy costs for the more frequent use of the Theiss power plant, and higher procurement costs for EVN Wärme. The cost of materials and services rose by 38.9% to EUR 707.1m in line with revenue growth in the international project business.

Personnel expenses were 3.0% higher year-on-year at EUR 372.2m due to adjustments required by collective bargaining agreements. The EVN Group had an average workforce of 7,135 in 2021/22 (previous year: 7,126 employees).

Higher receivables write-offs in North Macedonia were responsible for an increase of 40.1% in other operating expenses to EUR 158.4m. The share of results from equity accounted investees with operational nature fell by 58.7% to EUR 98.9m, primarily due to higher electricity and natural gas procurement costs at EVN KG. In the previous year, this position included revaluations to the Verbund Innkraftwerke power plants (EUR 25.3m) and to the Ashta hydropower plant in Albania (EUR 23.8m). The higher demand for natural gas storage led to an increase in the earnings contribution from RAG.

Condensed consolidated statement of operations	2021/22 EURm	2020/21 EURm	+/– Nominal	+/– %	2019/20 EURm
Revenue	**4,062.2**	**2,394.9**	**1,667.3**	**69.6**	**2,107.5**
Other operating income	109.5	250.1	–140.5	–56.2	64.4
Electricity purchases and primary energy expenses	–2,278.2	–1,064.7	–1,213.5	–	–888.3
Cost of materials and services	–707.1	–509.2	–197.9	–38.9	–316.9
Personnel expenses	–372.2	–361.3	–10.9	–3.0	–349.3
Other operating expenses	–158.4	–113.0	–45.4	–40.1	–121.1
Share of results from equity accounted investees with operational nature	98.9	239.6	–140.7	–58.7	94.1
EBITDA	**754.8**	**836.5**	**–81.7**	**–9.8**	**590.4**
Depreciation and amortisation	–318.0	–337.7	19.8	5.8	–296.7
Effects from impairment tests	–105.2	–112.4	7.1	6.3	–20.6
Results from operating activities (EBIT)	**331.6**	**386.4**	**–54.8**	**–14.2**	**273.1**
Financial results	**–30.5**	**–20.0**	**–10.5**	**–52.5**	**–15.8**
Result before income tax	**301.2**	**366.4**	**–65.3**	**–17.8**	**257.3**
Income tax	–64.0	–14.7	–49.3	–	–28.7
Result for the period	**237.1**	**351.7**	**–114.6**	**–32.6**	**228.6**
thereof result attributable to EVN AG shareholders (Group net result)	209.6	325.3	–115.8	–35.6	199.8
thereof result attributable to non-controlling interests	27.5	26.4	1.1	4.3	28.9
Earnings per share in EUR[1]	**1.18**	**1.83**	**–0.7**	**–35.6**	**1.12**

1) There is no difference between basic and diluted earnings per share.

Based on these developments, EBITDA recorded by the EVN Group declined by 9.8% year-on-year to EUR 754.8m in 2021/22. Depreciation and amortisation, including the effects from impairment testing, were 6.0% lower at EUR 423.2m. Scheduled depreciation and amortisation in the previous year included the full write-off of power plant components as well as the amortisation of capitalised advance costs for the project in Kuwait.

The effects of impairment testing were based on different underlying developments in both reporting years. In the second quarter of 2021/22, the global distortions led to a change in the Group's risk and earnings expectations for future projects and to the recognition of an impairment loss to goodwill in the international project business (EUR 52.9m) and to the residual carrying amount of the two sludge-fired combined heat and power plants in Moscow (EUR 5.5m). Impairment testing as of 30 September 2022 resulted in the recognition of a EUR 32.9m impairment loss to the natural gas network operated by Netz Niederösterreich to reflect the expected weighted average cost of capital in the coming regulatory period. Other impairment losses recognised as of 30 September 2022 involved district heating equipment in Lower Austria (EUR 6.8m) and the Bulgarian district heating company TEZ Plovdiv (EUR 16.7m). These impairment losses were contrasted by a revaluation of EUR 9.6m to the Kavarna wind park in Bulgaria to reflect the increase in electricity prices. In the previous year – in addition to impairment losses and revaluations of EUR 1.8m and EUR 2.5m, respectively, on electricity and district heating equipment – the takeover of an additional electricity procurement right had resulted in the recognition of impairment losses totalling EUR 113.3m to the Walsum 10 power plant.

Based on all these developments, EBIT declined by 14.2% to EUR 331.6m.

Financial results declined by 52.5% to EUR –30.5m in 2021/22 despite an increase in the dividend from Verbund AG to EUR 1.05 per share for the 2021 financial year (previous year: EUR 0.75 per share) and the reduction in interest expense which resulted from

the scheduled redemption of the bond due in April 2022 (nominal value: EUR 300m). Negative factors included the development of foreign exchange rates, a value adjustment to a loan extended to an equity accounted company in the international project business, and the weaker performance of the R138 fund in the current stock market environment.

The result before income tax was 17.8% lower than the previous year at EUR 301.2m in 2021/22. After the deduction of income tax expense – which increased to EUR 64.0m (previous year: EUR 14.7m), among others due to value adjustments to tax loss carryforwards in the international project business – and the earnings attributable to non-controlling interests, Group net result for the 2021/22 financial year fell by 35.6% to EUR 209.6m.

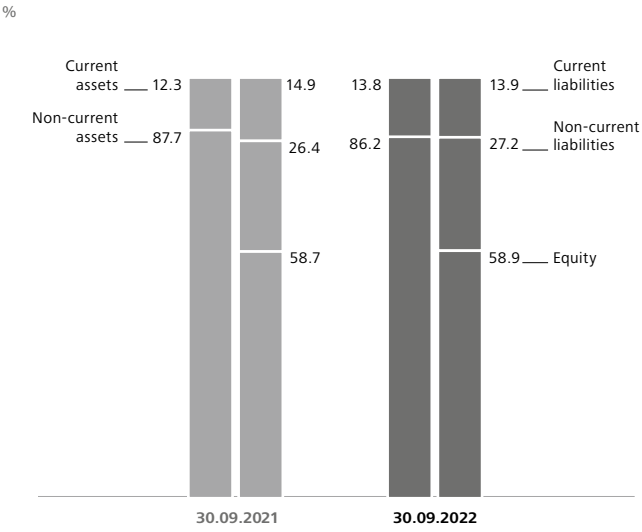
Statement of financial position

Asset and financial position

EVN's balance sheet total rose by 11.6% over the level on 30 September 2021 to EUR 12,430.5m as of 30 September 2022. A strong increase was recorded in the carrying amount of the equity accounted investees with operational nature, above all due to the valuation of hedges held by EVN KG and EnergieAllianz at the end of the 2021/22 financial year. The market price of the Verbund share nearly matched the previous year at EUR 87.45 as of 30 September 2022 (EUR 87.70 as of 30 September 2021), which means the valuation of the Verbund investment and therefore also the other investments remained stable. The high pace of investments by EVN led to an increase in property, plant and equipment and intangible assets, which was reduced by impair-

Condensed consolidated statement of financial position	30.09.2022 EURm	30.09.2021 EURm	+/– Nominal	+/– %	30.09.2020 EURm
Assets					
Non-current assets					
Intangible assets and property. plant and equipment	4,071.3	3,908.6	162.7	4.2	3,920.3
Investments in equity accounted investees and other investments	6,422.0	5,607.0	815.0	14.5	3,170.9
Other non-current assets	218.7	257.0	–38.3	–14.9	336.4
	10,712.0	**9,772.6**	**939.4**	**9.6**	**7,427.6**
Current assets	**1,718.5**	**1,367.1**	**351.4**	**25.7**	**938.1**
Total assets	**12,430.5**	**11,139.8**	**1,290.7**	**11.6**	**8,365.7**
Equity and liabilities					
Equity					
Issued capital and reserves attributable to shareholders of EVN AG	7,047.8	6,281.2	766.6	12.2	4,282.1
Non-controlling interests	273.3	263.2	10.2	3.9	261.2
	7,321.1	**6,544.3**	**776.8**	**11.9**	**4,543.3**
Non-current liabilities					
Non-current loans and borrowings	1,150.8	718.9	431.9	60.1	1,045.3
Deferred tax liabilities and non-current provisions	1,463.0	1,480.8	–17.8	–1.2	996.4
Deferred income from network subsidies and other non-current liabilities	769.0	738.2	30.8	4.2	756.6
	3,382.8	**2,937.9**	**444.9**	**15.1**	**2,798.3**
Current liabilities					
Current loans and borrowings	377.4	318.0	59.4	18.7	110.0
Other current liabilities	1,349.1	1,339.6	9.5	0.7	914.1
	1,726.5	**1,657.6**	**69.0**	**4.2**	**1,024.1**
Total equity and liabilities	**12,430.5**	**11,139.8**	**1,290.7**	**11.6**	**8,365.7**

Balance sheet structure



ment losses recognised during the reporting year. Non-current assets increased by a total of 9.6% to EUR 10,712.0m.

Current assets rose by 25.7% to EUR 1,718.5m, primarily due to the increase in inventories that resulted from the significantly higher wholesale prices for natural gas and an increase in strategic gas reserves to protect supply security. Other receivables and assets also increased during the reporting year.

Equity totalled EUR 7,321.1m as of 30 September 2022 and was higher than on 30 September 2021 despite the dividend payment in February 2022 for the 2020/21 financial year. This increase was based on the earnings recorded in 2021/22 and, above all, on the positive effects of revaluations – especially for equity accounted investees – recorded directly in equity without recognition to profit or loss. The equity ratio equalled 58.9% as of 30 September 2022 (30 September 2021: 58.7%).

Non-current liabilities were 15.1% higher at EUR 3,382.8m. This development was based on the higher valuation of equity-accounted investees and the resulting increase in non-current tax liabilities, which was offset in part by the lower future Austrian corporate tax rate applied to deferred taxes. In addition, EVN issued registered bonds in April 2022 (nominal value: EUR 155m, two tranches with terms of 12 and 15 years) and registered bonds and promissory note loans in July 2022 (nominal value: EUR 157m, tranches with terms of five, seven, ten and 16 years). Of the three new bank loans totalling EUR 250m which were arranged during the reporting year, the EUR 100m loan due in February 2023 was reclassified to current financial liabilities. Employee-related provisions declined during 2021/22.

Current liabilities rose by 4.2% over the level on 30 September 2021 to EUR 1,726.5m. The main drivers included a higher balance of trade payables and the increase in current financial liabilities which resulted from new, short-term bank borrowings. These effects were contrasted by the scheduled redemption of a bond (nominal value: EUR 300m) in April 2022 and the development of other current liabilities. This latter position included a substantially lower volume of investments by EVN KG in the Group's cash pool, whereby the decline was reduced by an increase in liabilities from derivatives.

Value analysis

The weighted average cost of capital (WACC) after tax – including EVN's specific company and country risks – was set at 5.0% for the purpose of corporate management. The operating return on capital employed (OpROCE) amounted to 5.5% for the reporting

Value analysis

		2021/22	2020/21	+/– %	2019/20
Average equity	EURm	6,932.7	5,543.8	25.1	4,547.7
WACC after income tax[1) 2)]	%	5.0	5.5	-0.5	5.5
Operating ROCE (OpROCE)[1) 3)]	%	5.5	6.5	-0.9	6.2
Average capital employed[3)]	EURm	5,683.2	4,842.5	17.4	4,405.7
Net operating profit after tax (NOPAT)[3)]	EURm	313.4	312.8	0.2	274.6
EVA®	EURm	29.3	46.4	-37.0	32.3

1) Changes reported in percentage points
2) The WACC given is used for the purpose of corporate management.
3) Adjusted for impairment losses and one-off effects. The market value of the investment in Verbund AG is not included in capital employed in order to consistently determine the value contribution.

Capital structure indicators	30.09.2022 EURm	30.09.2021 EURm	+/– Nominal	+/– %	30.09.2020 EURm
Non-current loans and borrowings and leasing liabilities	1,206.1	773.9	432.2	55.8	1,118.1
Current loans and borrowings[1]	128.8	323.4	–194.5	–60.2	40.6
Cash and cash equivalents	–36.9	–122.3	85.3	69.8	–140.0
Non-current and current securities	–285.6	–473.5	187.9	39.7	–325.8
Non-current and current loans receivable	–29.4	–39.6	10.2	25.8	–36.8
Financial net debt	**983.1**	**461.9**	**521.2**	**–**	**656.2**
Net debt	**1,245.1**	**813.8**	**431.2**	**53.0**	**1,037.7**
Equity	**7,321.1**	**6,544.3**	**776.8**	**11.9**	**4,543.3**
Gearing (%)[2]	**17.0**	**12.4**	**–**	**4.6**	**22.8**

1) Excluding bank overdrafts contained in cash and cash equivalents
2) Changes reported in percentage points

year (previous year: 6.5%). The economic value added (EVA®) generated in 2021/22 totalled EUR 29.3m (previous year: EUR 46.4m).

Liquidity position

EVN's net debt remains constant at approximately EUR 1bn, with fluctuations as of the respective balance sheet dates (net debt including non-current employee-related provisions as of 30 September 2022: EUR 1,245.1m; previous year: EUR 813.8m). The gearing ratio increased from 12.4% to 17.0%.

In order to safeguard its financial flexibility, the EVN Group holds a syndicated credit line of EUR 400.0m as well as contractually agreed bilateral credit commitments of EUR 227.0m. These bilateral commitments were not drawn as of 30 September 2022 and were therefore available in full. The term of the syndicated credit line which serves as a strategic liquidity reserve will end in May 2025. The remaining terms of the bilateral credit lines concluded with 11 banks range up to four years. These solid liquidity reserves underscore the EVN Group's high level of financial stability and flexibility.

Statement of cash flows

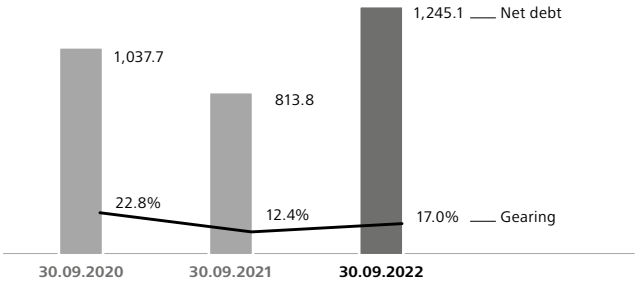
Gross cash flow declined from EUR 762.3m in 2020/21 to EUR 734.3m in 2021/22. However, the comparative value was unusually high because of compensation payments for the takeover of an electricity procurement right in 2020/21. The decline was reduced by higher dividends from equity accounted companies.

Cash flow from operating activities declined even stronger year-on-year. The underlying factors were a significantly lower volume of investments by EVN KG in the Group's cash pool as well as the negative development of working capital in the international project business and – driven by energy prices – also in the energy business. The decline was reduced slightly by income tax payments which were lower than the previous year.

Cash flow from investing activities totalled EUR –336.7m in 2021/22 (previous year: EUR –754.3m). It reflects the year-on-year increase in investments in property, plant and equipment – whereby the previous year also included a compensation payment in connection with the exit from the Walsum 10 power plant – and the change in cash fund investments that are reported under current financial investments. In addition, EVN KG received a capital contribution during the reporting year.

Net debt and gearing

EURm and %



For additional information on the composition and terms of non-current financial liabilities, see page 225f

Cash flow from financing activities amounted to EUR 115.8m (previous year: EUR –53.0m). This amount includes three new bank loans totalling EUR 250m, the issue of registered bonds (nominal value: EUR 155m) in April 2022 and the issue of registered bonds and promissory note loans (nominal value: EUR 157m) in July 2022. Contrary factors included the scheduled redemption of a bond (nominal value: EUR 300m) and the dividend payment for the 2020/21 financial year to the shareholders of EVN and to non-controlling interests.

Cash flow totalled EUR –69.8m in 2021/22, and cash and cash equivalents equalled EUR 36.9m as of 30 September 2022. EVN AG also had contractually agreed, undrawn credit lines of EUR 627m at its disposal to service potential short-term financing requirements.

Investments

Capital expenditure was substantially higher than the previous year at EUR 564.0m in 2021/22 (previous year: EUR 415.0m). This increase was based on the implementation of the Strategy 2030 which sets the focal points for EVN's investments in network infrastructure, renewable generation, natural heat and drinking water.

Investments in the Energy Segment included the construction of a new biomass combined heat and power plant in Krems and, above all, the expansion of heating equipment and the heating networks.

In the Generation Segment, investments were again directed to the expansion of wind power capacity in Lower Austria. The increase over the previous year reflects the favourable conclusion of long-standing approval processes for several projects where realisation has now started.

Investments in the Lower Austrian network infrastructure have increased once again. EVN's projects in this area make a key contribution to the transformation towards a CO_2-neutral energy system because the continuous expansion of the networks at all voltage levels together with the construction and/or expansion of transformer stations and substations represent the basic requirements to feed the growing electricity production from renewable sources into the energy system. Other reasons for the higher volume of investments include the widespread installation of smart meters, the realisation of digitalisation projects, and investments in the kabelplus telecommunications network.

Condensed consolidated statement of cash flows	2021/22 EURm	2020/21 EURm	+/– Nominal	+/– %	2019/20 EURm
Result before income tax	301.2	366.4	–65.3	–17.8	257.3
Non-cash items	433.2	395.8	37.3	9.4	239.8
Gross cash flow	**734.3**	**762.3**	**–28.0**	**–3.7**	**497.1**
Changes in current and non-current balance sheet items	–556.7	94.4	–651.1	–	–40.7
Income tax paid	–26.6	–67.0	40.4	60.3	–44.3
Net cash flow from operating activities	**151.0**	**789.6**	**–638.6**	**–80.9**	**412.0**
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	–477.4	–605.9	128.5	21.2	–300.1
Changes in financial assets and other non-current assets	–50.7	–0.3	–50.4	–	34.0
Changes in current securities	191.5	–148.1	339.5	–	–162.5
Net cash flow from investing activities	**–336.7**	**–754.3**	**417.6**	**55.4**	**–428.6**
Net cash flow from financing activities	**115.8**	**–53.0**	**168.9**	**–**	**–88.8**
Net change in cash and cash equivalents	**–69.8**	**–17.7**	**–52.1**	**–**	**–105.4**
Cash and cash equivalents at the beginning of the period	**122.3**	**140.0**	**–17.7**	**–12.6**	**246.2**
Currency translation differences on cash and cash equivalents	–15.5	0.0	–15.5	–	–0.9
Cash and cash equivalents at the end of the period	**36.9**	**122.3**	**–85.3**	**–69.8**	**140.0**

Investment priorities[1]	2021/22 EURm	2020/21 EURm	+/– Nominal	+/– %	2019/20 EURm
Energy	41.7	20.5	21.2	–	17.9
Generation	56.0	24.6	31.4	–	48.4
thereof renewable energy Lower Austria	43.1	18.9	24.2	–	17.8
thereof thermal power plants	10.3	5.6	4.7	83.1	30.3
Networks	334.3	249.0	85.4	34.3	181.8
thereof electricity networks	267.4	196.0	71.4	36.4	130.7
thereof natural gas networks	43.3	31.3	12.0	38.3	30.3
thereof cable TV and telecommunications networks	25.3	21.7	3.7	16.9	20.8
South East Europe	110.0	100.4	9.6	9.6	99.7
Environment	19.9	20.5	–0.6	–2.8	16.8
thereof cross-regional supply pipelines and local networks for drinking water	18.8	18.9	–0.1	–0.3	15.4
All Other Segments	2.1	0.1	2.0	–	3.3
Total	564.0	415.0	149.1	35.9	367.9

1) After consolidation

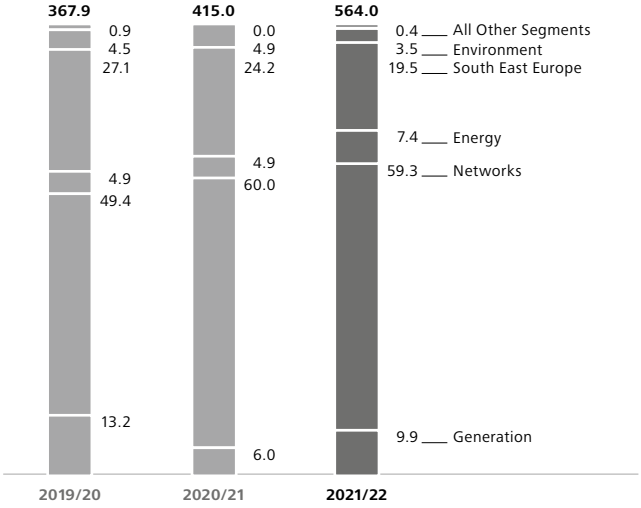
△ GRI indicator: GRI 203-1

EVN's investments in South East Europe involved network investments to strengthen supply security and, among others, the construction of two photovoltaic plants with roughly 1.1 MW of installed capacity each in North Macedonia.

In line with its corporate strategy, EVN also sets focal points for its investments in the Environment Segment – namely the improvement of supply security and quality of drinking water in Lower Austria. The focus here is on the expansion of cross-regional supply pipelines.

Structure of investments

%, total in EURm



Innovation, research and development

The areas of activity in the EVN materiality matrix also define the framework for innovation, research and development activities. Projects are directed primarily to safeguarding supply security, protecting the environment and resources, and strengthening the company's competitive position. Customer benefits have high priority on all projects. This is reflected in the continuous development and improvement of digital applications that bring greater comfort for our customers and greater efficiency.

In 2021/22 EVN spent EUR 2.6m (previous year: EUR 1.4m) on innovation, research and development projects. Public subsidies were received for these projects and represent a subsidy quota of 5.7%.

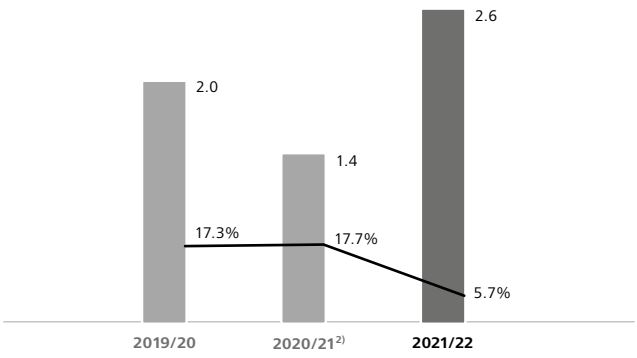
An important focal point for EVN's innovation, research and development activities during the reporting year involved projects and field tests for the bundling and marketing of flexibilities from private, commercial and industrial operations. The integrated consumers form a so-called virtual power plant where the use of high-consumption equipment is postponed to times when the demand for electricity is lower. That helps to prevent peak loads in power plants and eases the burden on the transport and distribution networks. EVN is also testing the bi-directional charging of e-vehicles at its own locations, a procedure that could make an important contribution to increasing flexibility and improving demand side management. Examples of current research projects are Green the Flex, Industry4Redispatch, car2flex and the Open Data Platform.

Business activities in this area were strengthened during the reporting year with the acquisition of cyberGRID, a company specialised in the integration of renewable energies and battery storage as well as the development of related, creative IT solutions.

EVN and the Lower Austrian Energy and Environmental Agency founded "Energiezukunft Niederösterreich" in 2021/22. This organisation provides services for energy communities, e. g. in configuration or communications with public authorities, network operators and market players.

Expenditures for innovation, research and development projects and share of subsidies[1)]

EURm and %



1) Share of subsidies in total expenditure for innovation, research and development projects
2) EVN also received a subsidy for a multi-year networks project.

Risk management

Definition of risk

The EVN Group defines risk as the potential deviation from planned corporate targets and objectives.

Risk management process

The primary goal of risk management is to protect current and future earnings and cash flows through the active identification and control of risk. As part of this process, a centrally organised corporate risk management department provides the decentralised risk managers with effective methods and tools for identifying and assessing risks. The responsible business units communicate their risk exposures to corporate risk management, which defines suit-able actions to minimise these risks. The necessary actions are then implemented by the individual business units. The corporate risk management department is also responsible for analysing EVN's risk exposure. The risks related to sustainability, climate and compliance issues are identified annually and managed by specialised organisational units and/or processes in agreement with central risk management. EVN's risk management process includes the following steps:

- **Identification:** The survey and/or revision of risks based on the latest risk inventory (review of risk inventory) and the identification of new risk positions and appropriate risk management countermeasures
- **Assessment and analysis:** The qualitative and quantitative evaluation of the identified risks; the aggregation of risks from different points of view; and the modelling of earnings and cash flow distributions
- **Reporting:** Discussion and evaluation of the risk profile by the Risk Working Committee and the Group Risk Committee; the implementation of further risk management measures where necessary; reporting on risk issues to the Audit Committee
- **Process review:** Definition of the organisational units that must submit to an explicit risk assessment; regular reviews to determine whether the methods used to identify and assess risks should be modified to reflect changed conditions; routine reviews by the internal audit department

Responsibilities of the Risk Working Committee

The Risk Working Committee supports the corporate risk management department in the correct implementation of the risk management process. It evaluates and approves changes in risk (assessment) methods and defines the type and scope of risk reporting. The voting members of the committee at the corporate level include the heads of the following corporate functions: controlling, legal and public affairs, finance, accounting, internal audit and the chief compliance officer (CCO) as well as an (internal) energy industry expert.

Group Risk Committee and control

The results of the risk inventory and the related reports are presented to and discussed by the Group Risk Committee, which consists of the Executive Board of EVN AG, the heads of the organisational units and the members of the Risk Working Committee. The Group Risk Committee decides on any need for action, can establish working groups and assign specified tasks, and is authorised to approve the results of the risk inventory (risk reports).

△ GRI indicator: GRI 102-30

Risk profile

In addition to the normal industry risks and uncertainties, EVN's risk profile is influenced primarily by political, legal and regulatory challenges and changes in the competitive environment. EVN carries out an annual risk inventory that is updated as needed through ad-hoc risk reports. This inventory includes the following categorisation of risks: market and competition risks, financial risks, operating risks, external risks, strategic and planning risks and other risks. The following table shows the risks classified under the above categories and the measures designated for their minimisation.

In line with the Sustainability and Diversity Improvement Act, the risk inventory aims to systematically identify potential risks and effects of EVN's business activities and business relations on areas of environmental, social and employee-related issues, the observance of human rights and the fight against corruption. The identified risks and their impact were dealt with in accordance with the steps defined by the risk management process.

☐ For the material impacts, see page 21ff

Potential climate risks

EVN also places high priority on climate protection, and potential climate risks are therefore identified as part of the risk inventory. Climate risk is consciously not defined as a separate risk category but – wherever applicable – represents interdisciplinary material in the individual risk categories. A differentiation is made between transition risks and physical risks: Transition risks include the uncertainties which arise during the transition to a renewable energy system. Physical risks, in contrast, involve events and changes caused directly by climatic factors.

Following are several examples that illustrate the allocation of potential climate risks to EVN's risk categories:

- Weaker demand due to a mild winter: physical risk that is assigned to the category "profit margin risk"
- Decline in electricity production due to a climate-related drop in water flows: physical risk that is assigned to the category "profit margin risk"
- Damage caused by extreme weather: physical risk that is assigned to the category "service disruptions/network breakdowns"
- Change in environmental regulations: transition risk that is assigned to the category "external risks"; stricter requirements could possibly lead to additional costs
- Additional stress for the electricity network due to the ongoing expansion of substantially more volatile renewable generation: transition risk that is assigned to the category "operating risks" ("service disruptions/network breakdowns")

Risk analyses for 2021/22

In view of the changed circumstances on the energy markets and geopolitical developments, above all in Ukraine, EVN's corporate risk management carried out Group-wide, ad hoc analyses in addition to the regular risk inventory during 2021/22. The identified risks and the related impact were reported to the EVN Supervisory Board. The uncertainties and effects of the current situation which are relevant for EVN can be assigned to existing risk categories. The qualitative and quantitative assessment of the risks identified in connection with the war in Ukraine and the energy market crisis is therefore presented together with the risk categories listed on the following pages. Following is an excerpt of the uncertainties with potentially significant effects:

- → Margin reduction caused by the increase in energy procurement costs
- → Increase in working capital due to the volatility on the energy markets and the resulting negative impact on liquidity
- → Stability of the regulatory systems in Bulgaria and North Macedonia, also in view of the current political uncertainty
- → Payment delays ranging up to default by trading partners and major customers
- → Interruption or termination of natural gas deliveries to Austria and the subsequent implementation of government intervention measures as well as a negative influence on natural gas storage operations
- → Increasing procurement costs for investments and maintenance
- → Supply chain problems
- → Cybersecurity
- → Legal cap on revenue from renewable generation

The potential risks and effects of the Covid-19 pandemic remain the focus of continuous monitoring but have declined and are currently overshadowed by other issues.

Overall risk profile

In addition to the uncertainties connected with the areas of business and operations outside Austria, EVN continues to be confronted with a challenging environment in its home market of Lower Austria. These growing uncertainties have led to an increase in EVN's overall risk profile since the end of the previous financial year on 30 September 2021. However, it is still not possible to identify any future risks at the present time that could endanger the continued existence of the EVN Group. The following table provides a summary of the material risks and uncertainties to which the EVN Group is exposed.

Key features of the internal control and risk management system related to accounting processes

In accordance with § 267 (3b) and in connection with § 243a (2) of the Austrian Commercial Code, those companies whose shares are admitted for trading on a regulated market are required to disclose the key features of their internal control and risk management system for corporate accounting processes in the management report. The Executive Board is responsible for establishing a suitable internal control and risk management system (ICS) for accounting processes as defined in § 82 of the Austrian Stock Corporation Act. The effectiveness of the ICS must be monitored by the Audit Committee in accordance with § 92 (4a) no. 4b of the Austrian Stock Corporation Act.

EVN's ICS for accounting processes is monitored at regular intervals by auditing the processes that are considered to be exposed to risk. The results of these monitoring activities are reported to the Executive Board and the Audit Committee. The ICS ensures clear lines of responsibility and eliminates unnecessary process steps, and thereby further improves the security of processes for the preparation of financial statements. The description of the major features of the ICS covers five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The Code of Conduct issued by EVN and the underlying values apply to all Group employees.

EVN's Code of Conduct is available under www.evn.at/code-of-conduct

The consolidated financial statements are prepared by Group accounting. The related processes are based on a uniform accounting guideline that defines the accounting policies to be applied as well as key processes and schedules for the entire Group. Binding instructions apply to the reconciliation of intragroup accounts and other work required for the preparation of the consolidated financial statements. All employees involved in the accounting process have the necessary qualifications and undergo regular training. Complex actuarial opinions and valuations are prepared by external experts or specially qualified employees. The managers responsible for the specific processes – in general, the heads of the organisational units and corporate services – are responsible for compliance with these processes and the related control measures.

EVN's major risks and related risk management measures

Risk category	Description	Measure
Market and competition risks		
Profit margin risk (price and volume effects)	Energy sales and production: failure to meet profit margin targets → Procurement and selling prices (esp. for energy carriers) that are volatile and/or deviate from forecasts → Weaker demand (above all due to weather/ climate change, politics, reputation or competition) → Decline in own generation → Reduced project volume in the environmental services business (in particular due to market saturation, limited resources for infrastructure projects, non-inclusion in or failure to win tenders) Potential climate risk	Procurement strategy tailored to the market environment; hedging strategies; diversification of customer segments and business areas; product portfolio that reflects customer demands; longer-term sale of power plant capacity
Supplier risk	Cost overruns on planned projects; incomplete performance of contracted services or failure to meet contract obligations	Partnerships; contractual controls wherever possible; third party expert opinions
Financial risks		
Foreign currency risks	Transaction risks (foreign exchange losses) and translation risks on the conversion of foreign currency amounts in the consolidated financial statements; financing for Group companies that does not reflect the respective foreign exchange situation	Monitoring; limits; hedging instruments
Liquidity, cash flow and financing risk	Failure to repay liabilities on schedule or to obtain the required liquidity/funds when needed at the expected conditions; potential climate risk	Long-term, centrally managed financial planning; safeguarding financing requirements (e. g. through credit lines)
Market price risks	Decline in the value of investments (e. g. funds) and listed strategic holdings (e. g. Verbund AG, Burgenland Holding); potential climate risk	Monitoring of loss potential via daily value-at-risk calculations; investment guidelines
Counterparty/credit risks (default risks)	Complete or partial failure of a business partner or customer to provide the agreed performance	Contractual construction; credit monitoring and credit limit systems; regular monitoring of customer behaviour; hedging instruments; insurance; systematic diversification of business partners
Investment risks	Failure of a core subsidiary or holding company to meet profit targets; potential climate risk	Representation on corporate bodies of the respective company
Rating changes	Higher refinancing costs due to rating downgrades; potential climate risk	Ensuring compliance with key financial indicators
Interest rate risks	Changes in market rates; increase in interest expense; negative effects of low interest rates on the valuation of assets and provisions and on future tariffs	Use of hedging instruments; fixed interest rates in financing contracts

EVN's major risks and related risk management measures

Risk category	Description	Measure
Impairment risks	Recognition of impairment losses to receivables, goodwill, investments, generation equipment and other assets (profitability/value significantly dependent on electricity and primary energy prices and energy sector framework conditions); potential climate risk	Monitoring via sensitivity analyses
Guarantee risk	Financial loss due to claim of contingent liabilities; potential climate risk	Limit volume of guarantees as far as possible; routine monitoring
Strategy and planning risks		
Technology risk	Late identification of and reaction to new technologies (delayed investments) or to changes in customer needs; investments in "wrong" technologies; potential climate risk	Active participation in external research projects; own demonstration facilities and pilot projects; ongoing adjustments to keep technologies at the latest level
Planning risk	Model risks; incorrect or incomplete assumptions; lost opportunities	Feasibility studies by experienced, highly qualified employees; monitoring of parameters and regular updates; four-eyes principle
Organisational risks	Inefficient or ineffective processes and interfaces; duplication; potential climate risk	Process management; documentation; internal control system (ICS)
Operating risks		
Infrastructure risks	Incorrect design and use of technical facilities; potential climate risk	Elimination of technical weaknesses; regular inspections and reviews of current and planned infrastructure
Service disruptions/network breakdowns (own and third party), accidents	Supply interruptions; physical danger to persons or infrastructure through explosions/accidents; potential climate risk	Technical upgrading at interfaces of the different networks; expansion and maintenance of network capacity
IT/security risks (incl. cybersecurity)	System losses; data loss or unintended transfer; hacker attacks	Strict system and risk monitoring (internal control system); backup systems; technical maintenance; external audits; occupational safety and health measures; crisis training
Workforce risks	Loss of highly qualified employees; absence due to work accidents; surplus or shortfall of personnel; communication problems; cultural barriers; fraud; intentional or unintentional misrepresentations of transactions or items in the annual financial statements	Attractive work environment; occupational health care and safety measures; flexible working time models; training; events for employees for the exchange of information and networking purposes; internal control system (ICS)
External risks		
Legislative, regulatory and political risks	Change in political and legal parameters and/or the regulatory environment (e. g. environmental laws, changes in the legal framework, shifting subsidy scheme, market liberalisation in South East Europe); political and economic instability; network operations: non-inclusion of actual operating costs in the network tariffs established by regulatory authority; potential climate risk	Cooperation with interest groups, associations and government agencies on a regional, national and international level; appropriate documentation and service charges

EVN's major risks and related risk management measures

Risk category	Description	Measure
Legal and litigation risks	Non-compliance with contracts; litigation risk from various lawsuits; regulatory and supervisory audits	Representation in local, regional, national and EU-wide interest groups; legal consulting
Social and general economic environment	Macroeconomic developments; debt/financial crisis; stagnating or declining purchasing power; rising unemployment; potential climate risk	Best possible utilisation of (anti-)cyclical optimisation potential
Contract risks	Failure to identify legal, economic or technical problems; contract risks under financing agreements	Extensive legal due diligence; involvement of external experts/legal advisors; contract database and ongoing monitoring
Other risks		
Granting of undue advantages, non-compliance, data protection incidents	Distribution of confidential internal information to third parties and the granting of undue advantages/corruption; violation of regulations for the protection of personal data	Internal control systems; uniform guidelines and standards; Code of Conduct; compliance organisation
Project risk	Cost overruns on the construction of new capacity; potential climate risk	Contractual agreement on economic parameters
Co-investment risk	Risks related to the implementation of major projects jointly with partners; potential climate risk	Contractual safeguards; efficient project management
Sabotage	Sabotage, e. g. to natural gas lines, wastewater treatment plants or waste incineration plants	Suitable security measures; regular measurement of water quality and emissions
Image risk	Reputational damage; potential climate risk	Transparent and proactive communications; sustainable management

Risk assessment and control activities

Multi-stage control measures have been implemented to prevent material misstatements in the presentation of transactions in order to ensure that the individual financial statements of all subsidiaries are recorded correctly. These measures include automated controls that are executed by the consolidation software as well as manual controls by the involved corporate services. These corporate service departments carry out extensive plausibility checks of the individual subsidiaries' financial statements to ensure their correct transfer to the consolidated financial statements. The review of the financial statement data includes analyses at the position, segment and Group levels, both before and after consolidation. The consolidated financial statements are not released until these quality controls are complete at all levels.

EVN AG and the major domestic and foreign subsidiaries use SAP software (FI module, finance and accounting) for their accounting. The IFRS consolidated financial statements are prepared with the Hyperion Financial Management software, whereby the data from the individual financial statements of the consolidated companies are transferred by means of an interface. The accounting systems and all upstream systems are protected by restricted access as well as automated and mandatory manual control steps.

The ICS for financial reporting and all accounting-related processes are reviewed by the auditor at least once each year to verify compliance with the required controls, to evaluate any risk incidents that occurred during the financial year and to determine whether the controls are still suitable to deal with the existing risks. In the reporting period, a number of process adjustments and improvements were made as part of the continuous efforts to further develop the ICS for financial reporting.

Information, communication and monitoring

The Executive Board provides the Supervisory Board with quarterly reports on EVN's asset, financial and earnings position, together

with a statement of financial position and a statement of operations. The Executive Board and the Audit Committee also receive a report on the ICS for financial accounting twice each year, which contains basic information to evaluate the efficiency and effectiveness of the ICS and is designed to support the management of the ICS by the responsible corporate bodies. The report is prepared by ICS management in cooperation with the ICS Committee based on information supplied by the managers responsible for ICS, the persons who carried out the controls and the auditors.

This information is also distributed to management and key personnel in the involved companies to facilitate monitoring and control activities and thereby ensure the accuracy of accounting and reporting procedures. EVN's internal audit department carries out regular reviews of the ICS for financial accounting, and their findings are also included in the continuous improvement of this system.

GRI indicators: GRI 102-31, GRI 102-33

Consolidated non-financial report

The consolidated non-financial statement required by the Austrian Sustainability and Diversity Improvement Act was prepared in accordance with § 267a of the Austrian Commercial Code and is presented as an independent non-financial report.

See page 1ff

Disclosures required by § 243a of the Austrian Commercial Code

1. The share capital of EVN AG totalled EUR 330,000,000 as of 30 September 2022 and was divided into 179,878,402 zero par value bearer shares, each of which represents an equal stake in share capital. Shareholders are not entitled to the issue of individual share certificates. There is only one class of shares, and all shares carry the same rights and responsibilities. EVN AG shares are traded in the Prime Market segment of the Vienna Stock Exchange.

2. There are no restrictions on voting rights or agreements limiting the transfer of shares which exceed the general requirements of the Austrian Stock Corporation Act.

   However, it should be noted that the transferability of the investment owned by the province of Lower Austria, which holds its shares through NÖ Landes-Beteiligungsholding GmbH, St. Pölten, is limited by Austrian federal and provincial constitutional law.

   NÖ Landes-Beteiligungsholding GmbH ("NLH") and Wiener Stadtwerke GmbH ("WSTW") established a tax participation association on 23 September 2021, for which they concluded an "agreement over the creation of a tax participation association for their investments in EVN AG". This contract basically calls for the syndicated exercise of voting rights by NLH and WSTW in the Annual General Meetings of EVN AG but reflects only the voting weight in the Annual General Meeting based on the respective investments held by NLH and WSTW and in accordance with legal regulations and/or the articles of association (NLH continues to hold a simple – but not qualified – majority and WSTW continues to hold a blocking minority).

3. Based on the above-mentioned constitutional requirements, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51.0%. The second largest shareholder is Wiener Stadtwerke GmbH, Vienna, with a stake of 28.4%; this company is wholly owned by the city of Vienna. As of 30 September 2022, EVN AG held treasury shares representing 0.9% of share capital and free float equalled 19.7%.

4. EVN AG has not issued any shares with special control rights.

5. Employees who own shares in EVN AG may exercise their voting rights personally at the Annual General Meeting. EVN AG does not have a stock option programme.

6. The Executive Board consists of at least two members. The Supervisory Board has a minimum of eight and a maximum of twelve members. Unless another majority is required by law, the Annual General Meeting passes its resolutions with a simple majority of the votes cast or with a majority of the capital represented in cases requiring a majority of capital.

7. There were no authorisations as defined by § 243a (1) no. 7 of the Austrian Commercial Code in effect during the 2021/22 financial year which entitled the Executive Board, in particular, to issue the company's shares. However, the possibility of issuing previously repurchased treasury shares to employees remains intact.

8. A change of control in EVN AG in the sense of § 243a (1) no. 8 of the Austrian Commercial Code is currently not possible

because of the legal regulations described above under points 2. and 3. Therefore, there are no possible consequences of a change of control.

9. There are no agreements to provide compensation to the members of corporate bodies or employees in the event of a public takeover.

Outlook for the 2022/23 financial year

EVN will continue to pursue the course defined by the Strategy 2030 in 2022/23. The focus will be placed, above all, on the realisation of those ambitious projects that make a direct contribution to the transformation towards a CO_2-neutral energy system. Included here are the increase in renewable generation as well as an extensive programme of investments in the network infrastructure to make the energy future possible. However, the current energy crisis is a source of additional challenges and uncertainty.

Against the backdrop of debates at the European and national level over the reform of the energy market and the introduction of a revenue cap on electricity production, the development of earnings from electricity generation is connected with substantial uncertainty. The high price levels on the wholesale markets continue to represent a challenge for the energy supply business. Earnings are, however, expected to return to a normalised level, not least due to the gradual transfer of the higher procurement costs to electricity, natural gas and heat customers.

The development of earnings in the Networks Segment is determined by the Austrian regulatory methodology. A new regulatory period for the natural gas distribution network will begin on 1 January 2023 and bring a lower weighted average cost of capital. Moreover, customers are expected to continue their efforts to reduce electricity and natural gas consumption over the coming months. All these developments will have a negative effect on business performance in this segment.

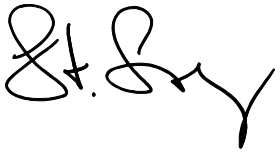
The regulatory authorities in Bulgaria and North Macedonia have still not defined future measures to offset the higher procurement prices for energy and the coverage of network losses. Consequently, the development of earnings in the South East Europe Segment is connected with uncertainty.

Existing assignments will represent the main activities for the international project business, above all the large-scale project in Kuwait. The current geopolitical environment, supply chain disruptions and a renewed intensification of the corona crisis could slow this progress and weaken earnings.

For the 2022/23 financial year, EVN expects Group net result in line with the previous year and within a range of roughly EUR 190m to EUR 250m – under the assumption of a stable regulatory environment and predictable energy sector and tax frameworks. The earnings contribution from Verbund AG for the 2022 financial year is initially not included in this estimate. EVN's dividend from operating activities is expected to at least equal the previous year (EUR 0.52 per share), whereby EVN wants its shareholders to appropriately participate in any additional earnings growth.

Investments in the core areas of networks, renewable generation and drinking water supplies will be carried out as planned and, in spite of current macroeconomic and energy sector developments, remain at a level exceeding EUR 500m per year. These activities will strengthen EVN's position as the leading infrastructure operator in Lower Austria and form the basis for further growth in a stable market.

Maria Enzersdorf, 23 November 2022



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Segment report

Overview

EVN's corporate structure comprises six reportable segments. In accordance with IFRS 8 "Operating Segments", they are differentiated and defined solely on the basis of the internal organisational and reporting structure. Business activities which cannot be reported separately because they are below the quantitative thresholds are aggregated under "All Other Segments".

Business areas	Segments	Major activities
Energy business	Energy	→ Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in EnergieAllianz[1)] → Investment as sole limited partner in EVN KG[1)]
	Generation	→ Generation of electricity from renewable energy sources as well as thermal production capacities for network stability at Austrian and international locations → Operation of a thermal waste utilisation plant in Lower Austria → 13.0% investment in Verbund Innkraftwerke (Germany)[1)] → 49.99% investment in Ashta run-of-river power plant (Albania)[1)]
	Networks	→ Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	→ Operation of distribution networks and network infrastructure for electricity in Bulgaria and North Macedonia → Sale of electricity to end customers in Bulgaria and North Macedonia → Generation of electricity from hydropower and photovoltaics in North Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	→ Water supply and wastewater disposal in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment, thermal waste and sludge utilisation
Other business activities	All Other Segments	→ 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG[1)] → 73.63% investment in Burgenland Holding, which holds a stake of 49.0% in Burgenland Energie[1)] → 12.63% investment in Verbund AG[2)] → Corporate services

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.
2) Dividends are included under financial results.

Key energy business indicators	GWh	2021/22	2020/21	+/– Absolut	+/– %	2019/20
Electricity generation volumes		3,365	3,997	–633	–15.8	3,785
thereof renewable energy sources		2,248	2,283	–35	–1.5	2,250
thereof thermal energy sources		1,117	1,715	–597	–34.8	1,535
Network distribution volumes						
Electricity		23,092	23,257	–165	–0.7	22,154
Natural gas[1)]		15,877	16,184	–307	–1.9	15,228
Energy sales volumes to end customers						
Electricity		20,853	20,207	647	3.2	19,813
thereof Central and Western Europe[2)]		8,662	8,717	–55	–0.6	8,463
thereof South East Europe		12,191	11,490	702	6.1	11,351
Natural gas		4,987	5,412	–425	–7.9	4,957
Heat		2,545	2,545	0	0.0	2,303
thereof Central and Western Europe[2)]		2,328	2,342	–14	–0.6	2,111
thereof South East Europe		217	203	13	6.6	192

1) Incl. network distribution volumes to EVN power plants
2) Covers Austria and Germany

Energy

Highlights 2021/22

- → Energy sales volumes below previous year
- → Massive pressure on earnings in energy supply business at equity accounted EVN KG due to higher procurement costs
- → EBITDA, EBIT and result before income tax below previous year, which was influenced by positive non-recurring effects

Development of energy sales volumes

EVN recorded a decline in sales volumes to end customers in all three products groups – electricity, natural gas and heat – during 2021/22. In addition to milder temperatures in year-on-year comparison, the demand for energy was reduced by consumers' energy saving efforts. The lower electricity sales volumes to private customers in Austria were, however, partly offset by new major customers in Germany. The electricity and natural gas sales volumes recorded by EVN KG and EnergieAllianz in Austria and Germany fell by 0.7% to 8,629 GWh and by 8.1% to 4,835 GWh. EVN Wärme recorded a decline of 0.6% in sales volumes to 2,328 GWh.

Revenue development

Revenue in the Energy Segment rose substantially to EUR 764.1m (previous year: EUR 311.4m). This development was supported by price and volume effects in the marketing of EVN's own electricity production as well as the positive valuation of hedges, price adjustments by EVN Wärme, higher revenue from trading in CO_2 emission certificates and natural gas trading.

Operating expenses

Operating expenses paralleled the development of revenue with a sizeable year-on-year increase to EUR 797.1m (previous year: EUR 243.8m). The underlying cause was the sharp rise in energy market prices, which drove primary energy costs for the more frequently used Theiss gas-fired power plant to support network stability as well as the cost of energy purchases from third parties and procurement costs for EVN Wärme. Operating expenses were also increased by valuation effects from hedges for primary energy carriers. Another factor involved the reduction of operating expenses in the previous year through non-recurring effects related to the termination of onerous contracts from the marketing of EVN's own electricity production.

Results from equity accounted investees

The share of results from the equity accounted energy supply company EVN KG was negatively influenced by the sharp rise in

Key indicators – Energy[1]		2021/22	2020/21	+/– Nominal	+/– %	2019/20
Key energy business indicators	GWh					
Energy sales to end customers						
Electricity sales volumes[2]		8,662	8,717	–55	–0.6	8,463
Natural gas sales volumes[2]		4,835	5,259	–423	–8.1	4,839
Heat sales volumes		2,328	2,342	–14	–0.6	2,111
Key financial indicators	EURm					
External revenue		750.6	300.9	449.8	–	372.9
Internal revenue		13.4	10.6	2.9	27.0	10.7
Total revenue		**764.1**	**311.4**	**452.6**	–	**383.6**
Operating expenses		–797.1	–243.8	–553.4	–	–339.3
Share of results from equity accounted investees with operational nature		6.4	120.9	–114.5	–94.7	39.4
EBITDA		**–26.7**	**188.6**	**–215.3**	–	**83.8**
Depreciation and amortisation including effects from impairment tests		–28.0	–22.0	–6.0	–27.1	–22.3
Results from operating activities (EBIT)		**–54.7**	**166.6**	**–221.2**	–	**61.4**
Financial results		–2.7	–2.1	–0.6	–26.2	–1.6
Result before income tax		**–57.3**	**164.5**	**–221.8**	–	**59.9**
Total assets		1,914.1	1,142.4	771.7	67.6	774.8
Total liabilities		993.3	604.3	388.9	64.4	641.9
Investments[3]		43.0	21.1	21.9	–	28.8

1) The comparative amounts for previous periods include the marketing of the electricity generated by the Walsum 10 power plant which was terminated as of 30 September 2021 following the sale of the 49% investment in STEAG-Walsum 10 Kraftwerksgesellschaft mbH and simultaneous cancellation of the electricity procurement contract for the Walsum 10 power plant.
2) Consists mainly of sales volumes from EVN KG and EnergieAllianz in Austria and Germany; the results from these two sales companies are included in EBITDA under the share of results from equity accounted investees with operational nature.
3) In intangible assets and property, plant and equipment

procurement costs during 2021/22. As a consequence, the share of results from equity accounted investees dropped to EUR 6.4m (previous year: EUR 120.9m). EVN's general delivery terms were amended as of 1 September 2022 to include the semi-annual adjustment of supply contracts with fixed consumer prices based on the Austrian Electricity Price Index (ÖSPI), respectively the Austrian Gas Price Index (ÖGPI).

Operating results

EBITDA in the Energy Segment amounted to EUR –26.7m in 2021/22. Depreciation and amortisation, including the effects from impairment testing, rose by 27.1% to EUR 28.0m. Included here are higher impairment losses of EUR 6.8m (previous year: EUR 1.5m) to district heating plants. EBIT in this segment fell to EUR –54.7m (previous year: EUR 166.6m).

Financial results and result before income tax

Financial results were slightly lower than the previous year at EUR –2.7m, and the result before income tax for 2021/22 amounted to EUR –57.3m (previous year: EUR 164.5m).

Investments

Investments in the Energy Segment doubled to EUR 43.0m during the reporting year. In addition to the ongoing expansion of the networks and equipment, projects focused primarily on the construction of a new biomass combined heat and power plant in Krems.

Outlook

Business development in the Energy Segment is determined by the marketing of EVN's own electricity production, by EVN Wärme and by the equity accounted energy supply business. The high wholesale price levels continue to create a challenge for the segment's business activities. However, earnings should return to a normalised level – not least when higher procurement costs are gradually passed on to electricity, natural gas and heat customers.

Generation

Highlights 2021/22

- → Electricity generation below previous year due to lower water flows and the exit from the investment in the Walsum 10 power plant
- → Share of renewable generation: 66.8% (previous year: 57.1%)
- → EBITDA, EBIT and result before income tax above previous year

Development of electricity generation

Renewable electricity production in the Generation Segment was 1.9% below the previous year at 1,884 GWh in 2021/22. The year-on-year increase in wind flows was only able to partially offset the lower water flows.

The sale of the 49% investment in the Walsum 10 power plant as of 30 September 2021 was reflected in a lower generation volume also at the thermal power plants. This decline was, however, reduced by the more frequent use of the Theiss power plant by the Austrian transmission network operator for network stabilisation. Thermal generation in this segment fell by 44.2% to 778 GWh.

Key indicators – Generation[1]		2021/22	2020/21	+/– Nominal	+/– %	2019/20
Key energy business indicators	GWh					
Electricity generation volumes		**2,662**	**3,314**	**–652**	**–19.7**	**3,083**
thereof renewable energy sources		1,884	1,921	–36	–1.9	1,888
thereof thermal energy sources		778	1,393	–616	–44.2	1,195
Key financial indicators	EURm					
External revenue		159.5	127.1	32.4	25.5	132.1
Internal revenue		264.5	202.2	62.3	30.8	161.8
Total revenue		**424.0**	**329.3**	**94.7**	**28.8**	**293.9**
Operating expenses		–141.9	–119.0	–22.9	–19.2	–156.2
Share of results from equity accounted investees with operational nature		10.8	52.1	–41.3	–79.3	–22.3
EBITDA		**292.9**	**262.5**	**30.5**	**11.6**	**115.4**
Depreciation and amortisation including effects from impairment tests		–32.6	–80.3	47.7	59.4	–72.5
Results from operating activities (EBIT)		**260.3**	**182.2**	**78.2**	**42.9**	**42.9**
Financial results		–2.4	–20.2	17.7	88.0	–12.9
Result before income tax		**257.9**	**162.0**	**95.9**	**59.2**	**30.0**
Total assets		990.9	828.4	162.5	19.6	1,123.4
Total liabilities		398.0	411.3	–13.3	–3.2	710.2
Investments[2]		56.6	27.2	29.4	–	53.4

1) The comparative amounts for previous periods include the 49% investment in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was accounted for as a joint operation. Following the sale of the investment and simultaneous termination of the electricity procurement contract for the Walsum 10 power plant, the investment was deconsolidated as of 30 September 2021.

2) In intangible assets and property, plant and equipment

Revenue development

Revenue in the Generation Segment rose by 28.8% to EUR 424.0m in spite of the decline in generation volumes and as a result of higher electricity prices.

Operating expenses

Operating expenses were 19.2% higher at EUR 141.9m. The increase resulted primarily from the sale of the investment in the Walsum 10 power plant during the previous year and the resulting positive, non-recurring effects in other operating income.

Results from equity accounted investees

The share of results from equity accounted investees was 79.3% lower than the previous year at EUR 10.8m in 2021/22. However, the 2020/21 financial year was substantially influenced by revaluations to the Verbund Innkraftwerke power plants (EUR 25.3m) and the Ashta hydropower plant (EUR 23.8m).

Operating results

EBITDA in the Generation Segment improved by 11.6% to EUR 292.9m. Depreciation and amortisation, including the effects from impairment testing, declined by 59.4% to EUR 32.6m, among others, owing to the absence of scheduled depreciation for the Walsum 10 power plant. This amount also includes revaluations of EUR 9.6m to the Kavarna wind park in Bulgaria that resulted in part from changes in the regulatory framework and in part from higher electricity prices. In total, EBIT equalled EUR 260.3m (previous year: EUR 182.2m).

Financial results

Financial results improved by 88.0% to EUR –2.4m. In the previous year, financial results were reduced by the premature termination of an interest rate hedge that was concluded for the bank financing of the Walsum 10 power plant.

Investments

Investments in this segment more than doubled to EUR 56.6m in 2021/22 (previous year: EUR 27.2m). The increase was based, in particular, on a higher pace of activity in the wind park business following the favourable conclusion of long-standing approval processes for several projects. EVN was working on the realisation of four wind parks in different project phases during 2021/22: The wind parks in Schildberg (12.6 MW), Japons (repowering of existing equipment; 12.6 MW) and Palterndorf-Dobermannsdorf (42 MW) were already under construction, while preparations for construction started on the wind park in Grosskrut-Altlichtenwarth (12.4 MW) and the photovoltaic plant in Trumau (10 MW).

Outlook

Projections over the development of earnings from electricity generation are connected with substantial uncertainty, due to the debates at the European and national levels over the reform of the energy market and the introduction of a revenue cap for electricity production. Against this backdrop and under the assumption that wind and water flows reflect the long-term average, earnings in this segment are expected to be at the same level as the previous year in 2022/23.

Key indicators – Networks		2021/22	2020/21	+/– Nominal	+/– %	2019/20
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		8,608	8,789	–181	–2.1	8,411
Natural gas		15,567	15,871	–305	–1.9	14,967
Key financial indicators	EURm					
External revenue		517.3	495.1	22.2	4.5	462.8
Internal revenue		63.4	58.6	4.7	8.1	55.1
Total revenue		**580.7**	**553.8**	**26.9**	**4.9**	**517.9**
Operating expenses		–344.2	–316.5	–27.7	–8.7	–318.0
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**236.5**	**237.3**	**–0.8**	**–0.3**	**199.9**
Depreciation and amortisation including effects from impairment tests		–177.7	–142.5	–35.2	–24.7	–130.3
Results from operating activities (EBIT)		**58.8**	**94.8**	**–36.0**	**–38.0**	**69.6**
Financial results		–14.5	–13.9	–0.6	–4.3	–12.6
Result before income tax		**44.4**	**81.0**	**–36.6**	**–45.2**	**57.0**
Total assets		2,313.3	2,246.6	66.7	3.0	2,090.4
Total liabilities		1,601.4	1,448.0	153.4	10.6	1,457.2
Investments[1)]		334.4	249.0	85.4	34.3	181.9

1) In intangible assets and property, plant and equipment

Networks

Highlights 2021/22

- → Decline in electricity and natural gas network sales volumes
- → Recognition of an extraordinary impairment loss to the natural gas network
- → EBITDA, EBIT and result before income tax below previous year
- → Increase of roughly 34% in investments

Development of network distribution volumes

Electricity network distribution volumes to household and commercial customers declined by a total of 2.1% to 8,608 GWh in 2021/22 as a result of the generally higher temperatures. Natural gas distribution volumes, above all to household customers, were also lower because of the warmer weather – a development that was, however, offset in part by the increased use of power plants for network stabilisation. In total, natural gas network distribution volumes declined by 1.9% to 15,567 GWh.

Revenue development

As of 1 January 2022, the E-Control Commission raised the network tariffs for household customers by an average of 8.4% for electricity and by an average of 4.7% for natural gas. These price effects led to an increase in revenue from the network business. The positive revenue development at kabelplus resulted from continuing high demand for higher-performance telecommunications services. Revenue in this segment rose by 4.9% to EUR 580.7m.

Operating expenses and operating results

Operating expenses rose by 8.7% to EUR 344.2m following an increase in upstream network costs which, in turn, led to a slight

decline in EBITDA to EUR 236.5m (previous year: EUR 237.3m). Scheduled depreciation and amortisation increased over the 2020/21 level based on the higher volume of investments in recent years. In addition, impairment testing as of 30 September 2022 resulted in the recognition of an impairment loss (EUR 32.9m) to the natural gas network operated by Netz Niederösterreich to reflect the expected compensation payment for financing costs in the coming regulatory period. EBIT therefore declined by 38.0% year-on-year to EUR 58.8m in 2021/22.

Financial results and result before income tax

Financial results amounted to EUR –14.5m and were 4.3% lower than the previous year. The Networks Segment generated result before income tax of EUR 44.4m in 2021/22 (previous year: EUR 81.0m).

Investments

EVN's investments in the Networks Segment rose by 34.3% year-on-year to EUR 334.3m in 2021/22. EVN has prepared a network expansion concept for the various regions in its supply area in Lower Austria to meet the Austrian climate goals and intends to implement these plans in stages by 2030. The focus remains on integrating the steadily increasing quantity of equipment used for decentralised renewable electricity generation. This trend requires the continuous expansion of the networks at all voltage levels as well as the construction and/or expansion of transformer stations and substations to reliably protect supply security and quality.

The increase in the investment volume is also attributable to the widespread installation of smart meters, the realisation of numerous digitalisation projects and investments in the kabelplus telecommunications network.

Outlook

The development of earnings in the Networks Segment is determined by the Austrian regulatory methodology. A new regulatory period for the natural gas distribution network will begin on 1 January 2023 and bring a lower weighted average cost of capital. Moreover, customers are expected to continue their efforts to reduce electricity and natural gas consumption over the coming months. All these developments have a negative effect on business performance, and the result before income tax is therefore expected to be lower than the reporting year in 2022/23.

South East Europe

Highlights 2021/22

- → Energy sales volumes above previous year
- → Business performance supported by government measures as compensation for additional costs for network losses in Bulgaria
- → EBITDA slightly above previous year
- → Decline in EBIT and result before income tax

Energy sector and regulatory development

The reporting year brought an increase in the heating-related demand for energy in Bulgaria and North Macedonia which, however, was largely offset by a decline in the cooling-related energy demand. As a result of these contrary trends, electricity network sales volumes were only slightly higher than the previous year at 14,484 GWh. Electricity sales volumes to end customers rose by 6.1% to 12,191 GWh. This increase is attributable primarily to decisions by customers in the liberalised market segment who are generally free to choose their supplier and who switched to EVN's supply companies as a supplier of last resort. Heat sales volumes in Bulgaria rose by 6.6% year-on-year to 217 GWh.

Renewable generation in this segment rose by 2.6 % to 144 GWh based on slight growth in hydropower and photovoltaics in North Macedonia. The increase in thermal electricity generation was stronger with a plus of 13.7% to 279 GWh following the restart of full operations at the cogeneration plant in Plovdiv, Bulgaria, after inspection-related interruptions in the previous year.

For information on the regulatory environment, see page 145ff

Revenue development

Revenue in the South East Europe Segment rose by 91.2% to EUR 2,003.9m in 2021/22 owing to the massive increase in wholesale prices and the above-mentioned volume effects.

Operating expenses and operating results

Similar to the development of revenue, the energy market distortions were also reflected in a significant increase in the cost of electricity purchases from third parties and primary energy

Key indicators – South East Europe		2021/22	2020/21	+/– Nominal	+/– %	2019/20
Key energy business indicators	GWh					
Electricity generation volumes		**423**	**386**	**37**	**9.6**	**399**
thereof renewable energy		144	140	4	2.6	128
thereof thermal power plants		279	245	34	13.7	270
Network distribution volumes		**14,484**	**14,468**	**16**	**0.1**	**13,742**
Sales volumes to end customers		**12,559**	**11,846**	**713**	**6.0**	**11,661**
thereof electricity		12,191	11,490	702	6.1	11,351
thereof natural gas		151	153	–2	–1.0	118
thereof heat		217	203	13	6.6	192
Key financial indicators	EURm					
External revenue		2,002.4	1,047.4	955.0	91.2	911.5
Internal revenue		1.6	0.7	0.9	–	0.7
Total revenue		**2,003.9**	**1,048.1**	**955.9**	**91.2**	**912.2**
Operating expenses		–1,861.7	–909.0	–952.7	–	–775.5
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**142.2**	**139.0**	**3.2**	**2.3**	**136.7**
Depreciation and amortisation including effects from impairment tests		–94.3	–74.0	–20.2	–27.4	–70.6
Results from operating activities (EBIT)		**48.0**	**65.0**	**–17.1**	**–26.3**	**66.1**
Financial results		–12.5	–15.7	3.2	20.3	–20.4
Result before income tax		**35.4**	**49.4**	**–13.9**	**–28.2**	**45.7**
Total assets		1,388.6	1,242.6	145.9	11.7	1,219.2
Total liabilities		1,013.4	869.0	144.4	16.6	893.7
Investments[1)]		110.0	100.4	9.6	9.6	99.7

1) In intangible assets and property, plant and equipment

expenses. In addition, the rising wholesale prices also led to an increase in the cost of network losses. In Bulgaria, the distribution network operator EP Yug received government compensation payments totalling EUR 91.8m to cover the additional costs arising from July 2021 to September 2022. The Bulgarian district heating company TEZ Plovdiv also received compensation payments of EUR 10.9m for additional costs incurred during the period from December 2021 to September 2022.

In North Macedonia, the additional costs were limited in 2021/22 by a special increase in network tariffs approved by the regulator and by regulated procurement prices for energy for household customers. The remaining additional costs will be reflected in future tariff decisions based on the existing regulation scheme. Higher receivables write-offs were also recorded in North Macedonia.

Operating expenses in this segment totalled EUR 1,861.7m in 2021/22 (previous year: EUR 909.0m). Based on the above developments, EBITDA rose by 2.3% to EUR 142.2m.

Depreciation and amortisation, including the effects from impairment testing, rose by 27.4% to EUR 94.3m. The main reason for this increase was the recognition of an impairment loss (EUR 16.7m) to the Bulgarian district heating company TEZ Plovdiv as of 30 September 2022. EBIT in the South East Europe Segment totalled EUR 48.0m in 2021/22 (previous year: EUR 65.0m).

Key financial indicators – Environment	EURm	2021/22	2020/21	+/– Nominal	+/– %	2019/20
External revenue		611.8	405.0	206.8	51.1	207.7
Internal revenue		0.5	0.5	–0.1	–11.3	0.4
Total revenue		**612.3**	**405.5**	**206.8**	**51.0**	**208.1**
Operating expenses		–571.3	–355.1	–216.2	–60.9	–204.2
Share of results from equity accounted investees with operational nature		15.6	13.6	2.0	14.5	13.3
EBITDA		**56.5**	**64.0**	**–7.4**	**–11.6**	**17.3**
Depreciation and amortisation including effects from impairment tests		–91.4	–37.5	–53.9	–	–16.7
Results from operating activities (EBIT)		**–34.9**	**26.5**	**–61.4**	–	**0.6**
Financial results		–45.5	–10.1	–35.4	–	–5.9
Result before income tax		**–80.3**	**16.4**	**–96.7**	–	**–5.3**
Total assets		1,150.9	979.3	171.6	17.5	862.0
Total liabilities		934.6	771.9	162.7	21.1	716.9
Investments[1)]		21.4	20.7	0.8	3.7	17.1

1) In intangible assets and property, plant and equipment

Financial results and result before income tax

Financial results in this segment improved by 20.3% to EUR –12.5m. All these factors, in combination, led to a 28.2% decline in the result before income tax to EUR 35.4m.

Investments

EVN's investments in South East Europe were 9.6% higher than the previous year at EUR 110.0m in 2021/22. In addition to network investments to strengthen supply security, projects included the construction of two photovoltaic plants in North Macedonia with an installed capacity of 1.5 MW each.

Outlook

EBIT in 2021/22 reflected the EUR 40m to EUR 60m range expected in normal years because of the government compensation provided for additional costs. Future measures to offset higher energy procurement prices and to cover network losses must, however, still be defined by the regulatory authorities in Bulgaria and North Macedonia. Any delay in this compensation could lead to a decline in earnings for the South East Europe Segment in 2022/23.

Environment

Highlights 2021/22

- → Progress on the Umm Al Hayman wastewater treatment plant in Kuwait on schedule
- → Recognition of impairment loss to goodwill in the international project business (EUR 52.9m)
- → EBITDA, EBIT and result before income tax below previous year

International project business

WTE was working on the planning and construction of 14 projects for wastewater treatment, drinking water treatment and thermal sludge utilisation in Germany, Poland, Lithuania, Romania, Bahrain and Kuwait as of 30 September 2022. Two of these projects (the thermal sludge utilisation plants in Hanover and Straubing) are being realised by sludge2energy, a 50:50 joint venture. The thermal sludge utilisation plant in Halle-Lochau, which was also built by sludge2energy, was commissioned in April 2022.

In the EVN Group, international projects was the business activity which was most affected by the Covid-19-related lockdowns, travel restrictions and international supply chain distortions. The start of the large-scale project in Kuwait was complicated by these issues but scheduled progress was made during 2021/22. The stage of completion on the wastewater treatment plant had reached roughly 60% and the wastewater infrastructure nearly 40% by the end of September 2022.

EVN is currently in advanced negotiations with a potential buyer for the two combined heat and power plants in Moscow, which represent the last remaining activities of the EVN Group in Russia.

For information on the sale of the combined heat and power plants, see page 222

Revenue development

Revenue in the Environment Segment rose by 51.0% to EUR 612.3m based on the progress of the project in Kuwait. EVN Wasser, which is responsible for drinking water supplies in Lower Austria, also recorded higher volumes and a related increase in revenue during 2021/22.

Operating expenses

The increase in expenses for third party services and other material costs in this segment generally reflected the progress in the international project business. At EVN Wasser, the year-on-year comparison was influenced by the absence of a prior year positive, non-recurring effect from the refund of an energy duty. Operating expenses increased by 60.9% to EUR 571.3m in 2021/22.

Results from equity accounted investees

The results from equity accounted investees amounted to EUR 15.6m (previous year: EUR 13.6m). The increase was supported by the project in Kuwait but reduced by a negative earnings contribution from sludge2energy.

Operating results

EBITDA in the Environment Segment totalled EUR 56.5m in 2021/22 (previous year: EUR 64.0m). Depreciation and amortisation, including the effects from impairment testing, increased from EUR 37.5m in the previous year to EUR 91.4m. Scheduled depreciation and amortisation declined to EUR 33.0m based on an adjustment to the amortisation period for the capitalised advance project costs in Kuwait. However, a change in risk and earnings expectations during the second quarter led to the recognition of an impairment loss to goodwill in the international project business (EUR 52.9m) and to the residual carrying amount of the two combined heat and power plants in Moscow (EUR 5.5m; higher country risk premium for Russia as an additional factor). EBIT amounted to EUR –34.9m (previous year: EUR 26.5m).

Financial results and result before income tax

Foreign exchange effects were responsible for a decline in financial results to EUR –45.5m (previous year: EUR –10.1m). The result before income tax in this segment totalled EUR –80.3m (previous year: EUR 16.4m).

Investments

Investments in the Environment Segment rose by 3.7% year-on-year to EUR 21.4m in 2021/22 and were chiefly related to drinking water supplies in Lower Austria. The fifth natural filter plant in EVN's supply area started full commercial operations in March 2022. Important milestones were also reached in the construction of a new, 60 km transport pipeline from Krems to Zwettl which will provide long-term protection for water supplies in the Waldviertel and Weinviertel regions: The first of three pipeline sections was commissioned in March 2022, and the 5,000 m³ elevated tank in Pallweis that was built for this project started operations in summer 2022. Further transport pipeline projects are currently under planning and construction.

Outlook

The development of earnings in the Environment Segment will also be significantly influenced by the progress on international projects in 2022/23, above all the large-scale project in Kuwait. However, the current geopolitical environment, supply chain disruptions and a renewed intensification of the corona crisis could slow this progress and weaken earnings.

Excluding the non-recurring effects from the impairment losses recognised in 2021/22, an improvement in earnings is expected in 2022/23.

Key financial indicators – All Other Segments	EURm	2021/22	2020/21	+/– Nominal	+/– %	2019/20
External revenue		20.6	19.4	1.2	6.1	20.4
Internal revenue		75.7	75.2	0.5	0.6	69.0
Total revenue		**96.3**	**94.6**	**1.6**	**1.7**	**89.4**
Operating expenses		–106.0	–101.5	–4.4	–4.4	–96.8
Share of results from equity accounted investees with operational nature		66.2	53.0	13.1	24.8	63.6
EBITDA		**56.5**	**46.1**	**10.4**	**22.5**	**56.3**
Depreciation and amortisation including effects from impairment tests		–2.4	–2.3	–0.1	–5.9	–2.4
Results from operating activities (EBIT)		**54.0**	**43.8**	**10.2**	**23.3**	**53.9**
Financial results		**62.6**	**56.9**	**5.6**	**9.9**	**53.3**
Result before income tax		**116.6**	**100.7**	**15.9**	**15.7**	**107.2**
Total assets		6,575.2	6,528.8	46.4	0.7	4,600.0
Total liabilities		2,001.4	2,249.5	–248.1	–11.0	1,781.9
Investments[1)]		2.1	0.1	2.0	–	3.3

1) In intangible assets and property, plant and equipment

All Other Segments

Highlights 2021/22

- → Higher share of earnings from equity accounted investees with operational nature
- → EBITDA, EBIT and result before income tax above previous year

Revenue, EBITDA and EBIT development

Revenue in this segment rose by 1.7% to EUR 96.3m in 2021/22, while operating expenses increased by 4.4% to EUR 106.0m.

The share of results from equity accounted investees with operational nature increased by 24.8% to EUR 66.2m (previous year: EUR 53.0m). The main driver for this development was an improvement in earnings at RAG due to the higher demand for gas storage as well as positive operating results from Burgenland Energie.

In view of these developments, EBITDA in this segment rose by 22.5% to EUR 56.5m. Depreciation and amortisation, including the effects from impairment testing, were nearly stable year-on-year at EUR 2.4m, and EBIT amounted to EUR 54.0m (previous year: EUR 43.8m).

Financial results and result before income tax

Financial results were 9.9% higher year-on-year at EUR 62.6m, above all owing to a higher dividend from Verbund AG for the 2021 financial year (EUR 1.05 per share; previous year: EUR 0.75 per share) and the decline in interest expense which followed the scheduled redemption of the bond due in April 2022 (nominal value: EUR 300m). These positive effects were contrasted by the weaker performance of the R138 fund in the current stock market environment and negative foreign exchange rate developments.

The result before income tax in this segment was 15.7% higher than the previous year at EUR 116.6m.

Outlook

Stable earnings development is expected for RAG and Burgenland Energie in 2022/23. Moreover, segment earnings are influenced by the dividend payment from Verbund AG.

Consolidated financial statements for 2021/22

According to International Financial Reporting Standards

Consolidated statement of operations

EURm	Note	2021/22	2020/21
Revenue	25	4,062.2	2,394.9
Other operating income	26	109.5	250.1
Cost of materials and services	27	–2,985.3	–1,573.9
Personnel expenses	28	–372.2	–361.3
Other operating expenses	29	–158.4	–113.0
Share of results from equity accounted investees with operational nature	30	98.9	239.6
EBITDA		**754.8**	**836.5**
Depreciation and amortisation	31	–318.0	–337.7
Effects from impairment tests	31	–105.2	–112.4
Results from operating activities (EBIT)		**331.6**	**386.4**
Results from other investments		51.4	37.6
Interest income		5.4	6.1
Interest expense		–37.9	–59.4
Other financial results		–49.4	–4.3
Financial results	32	**–30.5**	**–20.0**
Result before income tax		**301.2**	**366.4**
Income tax	33	–64.0	–14.7
Result for the period		**237.1**	**351.7**
thereof result attributable to EVN AG shareholders (Group net result)		209.6	325.3
thereof result attributable to non-controlling interests		27.5	26.4
Earnings per share in EUR[1)]	34	1.18	1.83
Dividend per share in EUR		0.52[2)]	0.52

1) There is no difference between basic and diluted earnings per share.
2) Proposal to the Annual General Meeting: dividend of EUR 0.52 per share

Consolidated statement of comprehensive income

EURm	Note	2021/22	2020/21
Result for the period		237.1	351.7
Other comprehensive income from			
Items that will not be reclassified to profit or loss		147.2	1,408.7
Remeasurements IAS 19	47	78.1	12.4
Investments in equity accounted investees	47	16.8	4.3
Shares and other equity instruments measured at fair value and reported in other comprehensive income[1)]	47	2.3	1,860.3
Thereon apportionable income tax expense	47	50.0	–468.4
Items that may be reclassified to profit or loss		511.1	352.4
Currency translation differences	5	31.4	5.4
Cash flow hedges	47	–184.1	–0.4
Investments in equity accounted investees	47	793.6	462.1
Thereon apportionable income tax expense	47	–129.7	–114.6
Total other comprehensive income after tax		658.3	1,761.1
Comprehensive income for the period		895.4	2,112.8
thereof income attributable to EVN AG shareholders		858.5	2,085.5
thereof income attributable to non-controlling interests		36.9	27.2

1) See note 63. Reporting on financial instruments

Consolidated statement of financial position

EURm	Note	30.09.2022	30.09.2021
Assets			
Non-current assets			
Intangible assets	35	190.9	216.5
Property, plant and equipment	36	3,880.4	3,692.1
Investments in equity accounted investees	37	2,388.0	1,577.5
Other investments	38	4,034.0	4,029.5
Deferred tax assets	51	55.6	57.0
Other non-current assets	39	163.0	200.0
		10,712.0	**9,772.6**
Current assets			
Inventories	40	206.8	95.7
Trade and other receivables	41	993.5	749.9
Securities and other current financial investments	42	216.8	399.1
Cash and cash equivalents	60	292.0	122.5
Assets held for sale	43	9.3	–
		1,718.5	**1,367.1**
Total assets		**12,430.5**	**11,139.8**
Equity and liabilities			
Equity			
Issued capital and reserves attributable to shareholders of EVN AG	44–48	7,047.8	6,281.2
Non-controlling interests	49	273.3	263.2
		7,321.1	**6,544.3**
Non-current liabilities			
Non-current loans and borrowings	50	1,150.8	718.9
Deferred tax liabilities	51	1,126.7	1,035.4
Non-current provisions	52	336.2	445.3
Deferred income from network subsidies	53	631.3	622.2
Other non-current liabilities	54	137.8	116.0
		3,382.8	**2,937.9**
Current liabilities			
Current loans and borrowings	55	377.4	318.0
Taxes payable and levies		54.9	44.8
Trade payables	56	436.7	331.7
Current provisions	57	135.5	124.8
Other current liabilities	60	720.7	838.2
Liabilities in connection with assets held for sale	43	1.3	–
		1,726.5	**1,657.6**
Total equity and liabilities		**12,430.5**	**11,139.8**

Consolidated statement of changes in equity

EURm	Share capital	Share premium and capital reserves	Retained earnings	Valuation reserve	Currency translation reserve	Treasury shares	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2020	**330.0**	**253.8**	**2,625.0**	**1,105.7**	**–13.5**	**–19.0**	**4,282.1**	**261.2**	**4,543.3**
Comprehensive income	–	–	325.3	1,754.8	5.4	–	2,085.5	27.2	2,112.8
Dividends 2019/20	–	–	–87.3	–	–	–	–87.3	–25.3	–112.6
Change in treasury shares	–	0.4	–	–	–	0.5	0.9	–	0.9
Balance on 30.09.2021	**330.0**	**254.2**	**2,863.0**	**2,860.6**	**–8.1**	**–18.5**	**6,281.2**	**263.2**	**6,544.3**
Comprehensive income	–	–	209.6	617.7	31.3	–	858.5	36.9	895.4
Dividends 2020/21	–	–	–92.7	–	–	–	–92.7	–26.7	–119.4
Change in treasury shares	–	0.4	–	–	–	0.4	0.8	–	0.8
Balance on 30.09.2022	**330.0**	**254.6**	**2,979.9**	**3,478.3**	**23.2**	**–18.1**	**7,047.8**	**273.3**	**7,321.1**
Note	44	45	46	47	5	48		49	

Consolidated statement of cash flows

EURm	Note	2021/22	2020/21
Result before income tax		**301.2**	**366.4**
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment and other non-current assets	31	423.2	450.1
– Results of equity accounted investees and other investments	37, 38	–150.3	–277.2
+ Dividends from equity accounted investees and other investments		204.0	166.9
+ Interest expense		37.9	59.4
– Interest paid		–36.1	–42.6
– Interest income		–5.4	–6.1
+ Interest received		5.2	5.5
+ Losses/– gains from foreign exchange translations		27.1	5.8
+/– Other non-cash financial results		15.0	0.1
– Release of deferred income from network subsidies	60	–58.8	–70.4
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment		2.8	0.8
– Gains from deconsolidations	26	–	–25.6
– Decrease/+ increase in non-current provisions	52	–33.3	129.2
– Impairments due to revaluation of a disposal group		1.9	–
Gross cash flow		**734.3**	**762.3**
+ Decrease/– increase in inventories and receivables		–426.6	–398.3
+ Increase/– decrease in current provisions		10.7	28.7
+ Increase/– decrease in trade payables and other liabilities		–140.8	464.0
– Income tax paid		–26.6	–67.0
Net cash flow from operating activities		**151.0**	**789.6**
+ Proceeds from the disposal of intangible assets and property, plant and equipment		3.9	7.3
+ Proceeds from network subsidies		82.9	77.3
+ Proceeds from the disposal of financial assets and other non-current assets		10.4	6.4
+ Proceeds from the disposal of current securities and other current financial investments		696.3	108.3
– Acquisition of intangible assets and property, plant and equipment		–564.2	–415.4
– Outflows in connection with deconsolidations	26	–	–275.2
– Acquisition of financial assets and other non-current assets		–61.1	–6.7
– Acquisition of current securities and other current financial investments		–504.8	–256.4
Net cash flow from investing activities		**–336.7**	**–754.3**
– Dividends paid to EVN AG shareholders	46	–92.7	–87.3
– Dividends paid to non-controlling interests		–26.7	–25.3
+ Sales of treasury shares		0.8	0.9
+ Increase in financial liabilities	60	562.0	101.0
– Decrease in financial liabilities	60	–320.7	–34.5
– Decrease in leasing liabilities	60	–6.9	–7.8
Net cash flow from financing activities		**115.8**	**–53.0**
Net change in cash and cash equivalents		**–69.8**	**–17.7**
Net change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period[1)]	60	122.3	140.0
Other movements on cash and cash equivalents[2)]		–15.5	–
Cash and cash equivalents at the end of the period[1)]		36.9	122.3
Net change in cash and cash equivalents		**–69.8**	**–17.7**

1) The addition of bank overdrafts results in cash and cash equivalents as reported on the consolidated statement of financial position.
2) Composition of other movements: EUR –16.8m restricted cash, EUR 1.3m currency differences

Consolidated notes

Basis of preparation

1. General

EVN AG, as the parent company of the EVN Group (EVN), is a leading listed Austrian energy and environmental services provider. Its headquarters are located in A-2344 Maria Enzersdorf, Austria. In addition to serving its domestic market in the province of Lower Austria, EVN operates in the Bulgarian, North Macedonian, Croatian, German and Albanian energy industry. EVN is also active in the area of environmental services through subsidiaries that provide customers in eleven countries with water supply, wastewater treatment and thermal waste utilisation services.

The consolidated financial statements are prepared as of the balance sheet date of EVN AG. The financial year of EVN AG covers the period from 1 October to 30 September.

The consolidated financial statements are prepared on the basis of uniform accounting policies. In cases where the balance sheet date of a consolidated company differs from the balance sheet date of EVN AG, interim financial statements are prepared as of 30 September.

The consolidated financial statements are prepared on the basis of historical acquisition and production costs, unless indicated otherwise.

Certain items on the consolidated statement of financial position and the consolidated statement of operations are summarised to achieve a more understandable and clearly structured presentation. These positions are presented individually in the consolidated notes and explained according to the principle of materiality. In order to improve clarity and comparability, the amounts in the consolidated financial statements are generally shown in millions of euros (EURm), unless otherwise noted. Small amounts below TEUR 50 as well as zero values are presented in the notes to the consolidated financial statements with "–" to improve readability. The rounding of individual positions and percentage rates can lead to minimal rounding differences. As far as possible, the legislative basis is presented as is.

The consolidated statement of operations is prepared in accordance with the nature of expense method.

2. Reporting in accordance with IFRS

Pursuant to § 245a of the Austrian Commercial Code, the consolidated financial statements were prepared in accordance with the current guidelines set forth in the IFRS issued by the International Accounting Standards Board (IASB) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that were applicable as of the balance sheet date and had been adopted by the European Union (EU).

Standards and interpretations applied for the first time and changes in accounting policies

The following standards and interpretations were applied for the first time in the 2021/22 financial year:

Standards and interpretations applied for the first time		Effective[1)]	Expected material effects on EVN's consolidated financial statements
Revised standards and interpretations			
IAS 39, IFRS 4, IFRS 7, IFRS 9, IFRS 16	Interest Rate Benchmark Reform – Phase 2	01.01.2021	None
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	01.01.2021	None
IFRS 16	Covid-19-Related Rent Concessions	01.04.2021	None

1) In accordance with the official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

The first-time mandatory application of the amended standards and interpretations has no material impact on the consolidated financial statements.

Standards and interpretations already adopted by the EU, but not yet compulsory		Effective[1]	Expected material effects on EVN's consolidated financial statements
New standards and interpretations			
IFRS 17	Insurance Contracts	01.01.2023	None
Revised standards and interpretations			
IFRS 3	Reference to the Conceptual Framework	01.01.2022	None
IAS 16	Proceeds before Intended Use	01.01.2022	None
IAS 37	Cost of Fulfilling a Contract	01.01.2022	None
Several	Annual Improvements to IFRS 2018–2020	01.01.2022	None
IAS 1	Disclosure of Accounting Policies	01.01.2023	None
IAS 8	Definition of Accounting Estimates	01.01.2023	None
IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	01.01.2023	None
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01.01.2023	None

1) In accordance with IASB, these standards are applicable to financial years beginning on or after the effective date.

The following standards and interpretations had been issued by the IASB as of 30 September 2022, but have not yet been adopted by the EU:

Standards and interpretations not yet applicable and not yet adopted by the EU		Effective[1]	Expected material effects on EVN's consolidated financial statements
Revised standards and interpretations			
IAS 1	Classification of Liabilities as Current or Non-current	01.01.2024	None
IFRS 16	IFRS 16 – Lease Liability in a Sale and Leaseback	01.01.2024	None

1) In accordance with IASB, these standards are applicable to financial years beginning on or after the effective date.

EVN regularly monitors and analyses the effects of the application of revised standards and interpretations on the future presentation of the consolidated financial statements and the future disclosures in the consolidated notes.

Basis of consolidation

3. Consolidation methods

Consolidation is carried out by offsetting the consideration transferred against the fair value of the acquired assets and assumed liabilities.

All significant companies whose financial and operating activities are directly or indirectly controlled by EVN AG (i. e. subsidiaries) are fully consolidated. EVN is considered to have a controlling interest over a company in which it holds an investment when it has a right to variable returns from the investee and can influence the amount of these returns through its control.

This is usually the case when EVN's voting rights exceed 50.0%, but may also apply if EVN has the power of disposition over and is the primary beneficiary of any economic benefits arising from the business operations of these companies or if EVN is required to carry most of the risks. Companies are initially consolidated on the acquisition date or at the time EVN gains control and are deconsolidated when control ends.

In accordance with IFRS 3, assets and liabilities (including contingent liabilities) obtained through business combinations are recognised at their full fair value, irrespective of any existing non-controlling interests. Non-controlling interests in subsidiaries are carried at the proportional share of net assets (excluding the proportional share of goodwill). Intangible assets are recognised separately from goodwill if they can be separated from the acquired company or arise from statutory, contractual or other legal rights. Any remaining positive differences which represent compensation to the seller for market opportunities or developmental potential that cannot be individually identified are recognised in local currency as goodwill and allocated to cash-generating units (CGUs) in the relevant segment (for information on the treatment and recoverability of goodwill, see notes **35. Intangible assets** and **22. Procedures and effects of impairment tests).** Negative differences are recognised in profit or loss after a repeated measurement of the acquired company's identifiable assets and liabilities (including contingent liabilities) and measurement of the acquisition cost. The differences 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 investment in a fully consolidated company is accounted for directly in equity without recognition through profit or loss. As in the previous financial year, there were no acquisitions of companies as defined in IFRS 3 during the reporting period.

Joint arrangements are included in the consolidated financial statements of EVN depending on the rights and obligations attributed to the controlling parties by the respective agreement. If only rights to the net assets are involved, the joint arrangement is classified as a joint venture according to IFRS 11 and included at equity. If rights to the assets and obligations for the liabilities are involved, the joint arrangement is classified as a joint operation according to IFRS 11 and included in the consolidated financial statements through line-by-line consolidation.

Associates – i. e. companies in which EVN AG can directly or indirectly exercise significant influence – are included at equity.

Subsidiaries, joint ventures and associates are not consolidated if their influence on EVN's asset, financial and earnings position is considered to be immaterial, either individually or in total. These companies are reported at cost less any necessary impairment losses. The materiality of an investment is assessed on the basis of the balance sheet total, the proportional share of equity, external revenue and annual profit or loss as reported in the last available financial statements in relation to the respective Group totals.

Intragroup receivables, liabilities, income and expenses as well as interim profits and losses are eliminated unless they are immaterial. The consolidation procedure for profit or loss includes the effects of income taxes as well as the recognition of deferred taxes.

4. Scope of consolidation

The scope of consolidation is determined in accordance with the requirements of IFRS 10. Accordingly, 25 domestic and 27 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2022 (previous year: 26 domestic and 29 foreign subsidiaries). A total of 16 subsidiaries (previous year: 11) were not consolidated due to their immaterial influence on EVN's asset, financial and earnings position, either individually or in total.

EVN AG is the sole limited partner of EVN KG and, as such, participates to 100.0% in the profit or loss of EVN KG. EnergieAllianz, serves as the general partner of EVN KG, but does not hold an investment in this company. The agreements concluded between the EnergieAllianz shareholders for the management of EVN KG result in joint control. EVN KG is therefore classified as a joint venture in the sense of IFRS 11 and consolidated at equity. Contractual agreements also lead to the classification of the EnergieAllianz Group (EnergieAllianz and its subsidiaries) as a joint venture in the sense of IFRS 11; the group is therefore included in the consolidated financial statements at equity.

RBG, a fully consolidated company in which EVN AG has an unchanged interest of 50.03%, holds a 100.0% stake in RAG. RAG is consolidated at equity because contractual agreements prevent EVN from exercising control.

Bioenergie Steyr, in which EVN Wärme holds a stake of 51.0%, is included in EVN's consolidated financial statements at equity because contractual agreements exclude any possibility of control.

Verbund Innkraftwerke, Germany, in which EVN AG has an unchanged interest of 13.0%, is included at equity due to special contractual arrangements that allow for the exercise of significant influence.

The criteria for control defined by IFRS 10 are not considered to be met in companies with an investment of 50.0%. These companies are classified as joint ventures in the sense of IFRS 11 based on the respective contractual agreements and are therefore included in the consolidated financial statements at equity.

An overview of the companies included in the consolidated financial statements is provided under **EVN's investments,** starting on page 264. Notes **49. Non-controlling interests** and **64. Disclosures of interests in other entities** provide detailed information on the subsidiaries with major non-controlling interests as well as joint ventures and associates that are included in the consolidated financial statements.

The scope of consolidation (including EVN AG as the parent company) developed as follows during the reporting year:

Changes in the scope of consolidation	Full consolidation	Line-by-line (joint operation)	Equity	Total
30.09.2020	**60**	**1**	**17**	**78**
Initial consolidation	–	–	–	–
Deconsolidation	–4	–1	–1	–6
Reorganisation[1)]	–1	–	–	–1
30.09.2021	**55**	**–**	**16**	**71**
thereof foreign companies	29	–	6	35
Initial consolidation	–	–	–	–
Deconsolidation	–3	–	–	–3
30.09.2022	**52**	**–**	**16**	**68**
thereof foreign companies	27	–	6	33

1) Internal reorganisation

The previously fully consolidated EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH, Essen, Germany, was deconsolidated on 31 March 2022 due to immateriality.

On 30 September 2022, EVN Macedonia Holding DOOEL, Skopje, Northern Macedonia, and EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH in Liqu., Maria Enzersdorf, were deconsolidated due to immateriality.

The effect on earnings from the deconsolidations is a small amount of less than EUR 0.1m.

5. Foreign currency translation

All Group companies record their foreign currency business transactions at the mid exchange rate in effect on the date of the relevant transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the mid exchange rate on the balance sheet date. Any resulting foreign currency gains or losses are recognised in profit or loss. The exchange rate applied to the initial recognition of an asset, expense or income is derived from the date on which a company initially recognises the related non-monetary asset or non-monetary liability.

In accordance with IAS 21, the annual financial statements of Group companies that are prepared in a foreign currency are translated into euros for inclusion in the consolidated financial statements. This translation is based on the functional currency method, under which the assets and liabilities of companies not reporting in euros are converted at the mid exchange rate on the balance sheet date and any income and expenses are converted at the average annual rate. Unrealised currency translation differences from long-term Group loans are recorded under the currency translation reserve in equity without recognition in profit or loss. Currency translation differences directly recognised in equity resulted in a change to equity of EUR 31.3m in 2021/22 (previous year: EUR 5.4m). Of this amount, EUR –2.1m (previous year: EUR –5.0m) is attributable to transfers to the consolidated statement of operations from partial disposals (redemptions) of net investments and is reported as exchange rate losses in the other financial result (see note **32. Financial results).**

Additions and disposals are reported at the applicable average exchange rates in all tables. Changes in the mid exchange rates between the balance sheet date for the reporting year and the previous year as well as differences arising from the use of mid exchange rates to translate changes during the financial year are reported separately under currency translation differences in all tables.

Goodwill resulting from the acquisition of foreign subsidiaries is recorded at the exchange rate in effect on the acquisition date. This goodwill is subsequently allocated to the acquired company and translated at the exchange rate in effect on the balance sheet date. When a foreign company is deconsolidated, any related currency differences are recognised in profit or loss.

The following key exchange rates were used for foreign currency translation:

Foreign currency translation	2021/22		2020/21	
Currency	Exchange rate on the balance sheet date	Average[1]	Exchange rate on the balance sheet date	Average[1]
Albanian lek	116.59500	120.14423	121.54000	123.08462
Bulgarian lev[2]	1.95583	1.95583	1.95583	1.95583
Bahrain dinar	0.36775	0.40878	0.43630	0.44876
Japanese yen	140.99500	134.31769	129.67000	128.46462
Croatian kuna	7.52415	7.53292	7.48890	7.53688
Kuwaiti dinar	0.30215	0.33036	0.34915	0.36128
Hungarian forint	422.17500	381.05231	360.19000	358.83769
North Macedonian denar	61.49500	61.63175	61.69480	61.64396
Polish zloty	4.84870	4.66853	4.61970	4.55238
Russian rouble	59.62660	78.11961	84.33910	89.42785
Serbian dinar	117.31770	117.52370	117.55950	117.57268
Czech koruna	24.54750	24.85238	25.49500	26.04769

1) Average of the exchange rates on the last day of each month
2) The exchange rate was determined by Bulgarian law.

Accounting policies

6. Intangible assets

Acquired intangible assets are recognised at acquisition cost less straight-line amortisation and any impairment losses, unless their useful life is classified as indefinite. Assets with a determinable limited useful life are amortised on the basis of that expected useful life, which equals three to eight years for software and three to 40 years for rights. Customer relationships capitalised in connection with a business acquisition, which have a determinable useful life because of potential market liberalisation, are amortised on a straight-line basis over five to 15 years. The expected useful lives and amortisation curves are determined by estimating the timing and distribution of cash inflows from the corresponding intangible assets over time. Intangible assets with an indefinite useful life are measured at cost and tested annually for impairment (see note **22. Procedures and effects of impairment tests).**

Internally generated intangible assets must meet the requirements of IAS 38 in order to be capitalised. This standard distinguishes between research and development expenses.

Service concessions that meet the requirements of IFRIC 12 are classified as intangible assets. Expenses and income are recognised according to the percentage of completion method at the fair value of the compensation received. The percentage of completion is assessed according to the cost-to-cost method. The requirements defined in IFRIC 12 are in particular currently met by the Ashta hydropower plant as well as the sewage treatment plant project in Zagreb, both of which are included at equity.

7. Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost less scheduled straight-line depreciation and any necessary impairment losses. The acquisition or production cost also includes the estimated expenses for demolition and disposal if there is an obligation to decommission or demolish the plant and equipment or to restore property at the end of the asset's useful life. The present value of the estimated demolition and/or disposal costs is capitalised along with the acquisition or production cost and also recognised as a liability (provision). Production costs for internally generated fixed assets include appropriate material and manufacturing overheads in addition to direct material and labour costs.

Ongoing maintenance and repairs to property, plant and equipment are recognised in profit or loss, provided this work does not change the nature of the asset or lead to additional future benefits. If these measures enhance the value of the respective asset, the related expenses must be capitalised retroactively as part of the acquisition or production cost.

If the construction of property, plant and equipment continues over an extended period of time, these items are classified as "qualifying assets". The borrowing costs incurred during the construction period are then capitalised as a part of the production cost in accordance with IAS 23. In keeping with EVN's accounting policies, a project gives rise to a qualifying asset only if construction takes at least twelve months. Interest on borrowed capital is not capitalised if the amounts are insignificant over the entire construction phase.

Property, plant and equipment are depreciated from the time they are available for use. Depreciation for property, plant and equipment subject to wear and tear is calculated on a straight-line basis over the expected useful life of the relevant asset or its components. The expected economic and technical life is evaluated at each balance sheet date and adjusted if necessary.

As in the previous year, straight-line depreciation is based on the following useful lives, which are uniform throughout the Group:

Expected useful life of property, plant and equipment	Years
Buildings	10–50
Transmission lines and pipelines	15–50
Machinery	10–50
Meters	5–40
Tools and equipment	3–25

When property, plant and equipment are sold, the acquisition or production cost and accumulated depreciation are reported as a disposal. The difference between the net proceeds from the sale and the carrying amount are recognised in other operating income or expenses.

Some leases include extension and cancellation options which are used by EVN to achieve maximum operating flexibility in the assets used by the Group. The determination of the contract term includes all facts and circumstances which could represent an economic incentive for the exercise of an extension option or the non-exercise of a cancellation option.

EVN evaluates at the beginning of the contract term whether a contract establishes a lease. If a lease is involved, a right of use and corresponding lease liability are recognised. The amount of the right of use represents the amount of the lease liability on the contract's initial recognition date, with an adjustment for any initial direct costs incurred by the lessee, payments at or before the beginning of the lease relationship, lease incentives and/or dismantling obligations. The carrying amount of the lease liability is determined by discounting the payments expected during the lease, the expected payments from issued residual value guarantees, the exercise prices for purchase options (if their exercise is sufficiently probable) and any payments for premature cancellation of the contract (if probable).

8. Investments in equity accounted investees

Investments in equity accounted investees are initially recognised at cost. In subsequent periods, the carrying amounts of these investments are adjusted by the share of profit or loss attributable to EVN, less any dividends received, and by EVN's share of other comprehensive income and any other changes in equity. Investments accounted for according to the equity method are tested for impairment in accordance with IAS 36 if there are any indications of a loss in value (see note **22. Procedures and effects of impairment tests).**

The share of results from equity accounted investees with operational nature is reported as part of results from operating activities (EBIT). The share of results from equity accounted investees with financial nature is reported as part of financial results (see notes **30. Share of results from equity accounted investees with operational nature, 32. Financial results** and **64. Disclosures of interests in other entities).**

9. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company.

Primary financial instruments

Primary financial instruments are measured in accordance with the rules defined by IFRS 9. Initial recognition is based on fair value as of the settlement date, including transaction costs, unless the financial instruments are recognised at fair value through profit or loss. Primary financial instruments are recognised in the consolidated statement of financial position when EVN is contractually entitled to receive payment or other financial assets from another party.

Following the initial application of IFRS 9, EVN has classified its financial assets under the following measurement categories since 1 October 2018:

- → Fair value through other comprehensive income (FVOCI)
- → Fair value through profit or loss (FVTPL)
- → At amortised cost (AC)

The classification of financial assets on initial recognition is based on the business model and the characteristics of the contractual cash flows.

A financial asset is classified at amortised cost (AC) when it is held to collect contractual cash flows and these cash flows consist entirely of interest and principal payments on the outstanding amount. EVN holds loans receivable, trade receivables, remaining other non-current assets, cash on hand and cash at banks within the framework of a business model whose objective is to collect contractual cash flows. Consequently, the cash flow criterion is also met and the financial assets are classified at amortised cost (AC).

The non-current and current securities held by EVN are held within a business model whose objective is neither to collect contractual cash flows nor to collect contractual cash flows and to sell financial assets. These securities are classified at fair value through profit or loss (FVTPL). Derivative financial assets (outside hedge accounting) must be classified at fair value through profit or loss (FVTPL) (see Derivative financial instruments).

Investments in equity instruments are generally measured at fair value through profit or loss (FVTPL). However, EVN decided, at the time IFRS 9 was initially applied, to exercise the "FVOCI option" provided by IFRS 9.5.7.5 and classify all its equity instruments irrevocably at fair value through other comprehensive income (FVOCI).

Financial liabilities are still classified under the following measurement categories:

- → Fair value through profit or loss (FVTPL)
- → At amortised cost (AC)

Subsequent measurement is based on the classification to the measurement categories listed above and the rules applicable to the individual categories. These rules are described in the notes to the individual items on the consolidated statement of financial position.

The introduction of IFRS 9 led to the application at the time of initial recognition of the expected credit loss model (ECL) to debt instruments carried at amortised cost, debt instruments measured at FVOCI, lease receivables and contractual assets as defined in IFRS 15. Under the ECL model, impairment losses are not only recognised for losses which have already occurred but also for expected future credit losses. The related classification is based on a three-stage impairment model. When a financial asset is initially recognised, a loss allowance must be determined for the credit losses expected to occur within one year (risk category 1). Any significant deterioration in the debtor's credit standing leads to the extension of this timeframe to the full term of the financial asset (risk category 2). An impaired credit standing or actual default by the debtor results in reclassification to risk category 3. The criteria for the transfer between risk categories are based on EVN's internal rating system.

EVN determines the expected future credit loss by multiplying the "probability of default (PoD)" with the carrying amount of the financial asset "exposure at default (EAD)" and the actual loss resulting from customer default "loss given default (LGD)".

In contrast to the above-mentioned ECL model, the simplified approach does not include the measurement of the twelve-month expected credit loss but only the lifetime expected credit loss. A simplified approach must be applied to trade receivables and IFRS 15 contractual assets without a significant financing component. An option is also available to apply the simplified approach to trade receivables and IFRS 15 contractual assets with a significant financing component. EVN uses this option. The option to apply the simplified approach in accordance with IFRS 16 to lease receivables is not applied.

EVN uses the practical expedient defined by IFRS 9.B5.5.35 for trade receivables and measures the expected credit loss with a provision matrix (also see note **13. Trade and other receivables).**

Derivative financial instruments
The main instruments used by EVN to manage and limit existing exchange rate and interest rate risks in the financial sector are foreign currency and interest rate swaps. EVN uses swaps, futures and forwards to limit energy sector risks arising from changes in commodity and product prices.

The forward and futures contracts concluded by EVN for the purchase or sale of electricity, natural gas, coal and CO_2 emission certificates serve to hedge the purchase prices for expected electricity and natural gas deliveries or CO_2 emission certificates as well as the selling prices for planned electricity production. If physical delivery is based on the expected procurement, sale or usage requirements, the criteria for the so-called "own use exemption" are met. The contracts are then not considered derivative financial instruments in terms of IFRS 9, but represent pending purchase and sale transactions, which must be assessed for possible impending losses from pending transactions in accordance with IAS 37. If the requirements for the own use exemption are not met – for example, by transactions for short-term optimisation – the contracts are recorded as derivatives in accordance with IFRS 9. Corresponding expenses and income from such derivative financial instruments are reported under results from operating activities.

Derivative financial instruments are recognised at fair value, which generally reflects the acquisition cost, when the respective contract is concluded and measured at fair value in subsequent periods. The fair value of derivative financial instruments is determined on the basis of quoted market prices, information provided by banks or discounting-based valuation methods whereby the counterparty risk is also included. Derivative financial instruments are reported as other (current or non-current) assets or other (current or non-current) liabilities.

EVN has designated significant parts of the listed derivatives as hedges within the framework of hedge accounting. The requirements defined by IFRS 9 for this designation include an approved underlying transaction or hedging instrument, the formal designation and documentation of the hedge relationship, an economic relationship between the underlying transaction and the hedge as well as an appropriately documented hedging strategy.

Cash flow hedges are used to hedge the interest rate risks arising from financial liabilities and foreign exchange risks and to hedge the price risk from planned future electricity sales. At the beginning of the designated hedge relationship, the Group documents the risk management goals and strategies to be followed with regard to the hedge. The Group also documents the economic relationship between the underlying transaction and the hedging instrument as well as expectations as to whether the changes in the cash flows from the underlying transaction and the hedging instrument are expected to offset each other.

When a derivative is designated as a cash flow hedge, the effective portion of the changes in fair value are recognised under other comprehensive income and accumulated in the hedging reserve. The effective portion of the changes in fair value, which is recorded under other comprehensive income, is limited to the cumulative change in the fair value of the underlying transaction (based on present value) since the beginning of the hedge. Any ineffective parts of the changes in the fair value of the derivative are recognised immediately to profit or loss.

If an expected hedged transaction subsequently leads to the recognition of a non-financial item, e. g. inventories, the accumulated amount from the hedging reserve and the reserve for hedging costs is included in the acquisition cost of the non-financial item, if it is recognised.

For all other expected hedged transactions, the accumulated amount in the hedging reserve and the reserve for hedging costs is reclassified to profit or loss of the period or periods in which the expected future hedged cash flows influence profit or loss. If a hedge no longer meets the criteria for hedge accounting or if the hedging instrument is sold, expires, is terminated or exercised, hedge accounting is terminated prospectively. A so-called "rebalancing" is generally carried out when the framework conditions change, and the hedge is only terminated when this is not possible. When cash flow hedge accounting is terminated, the amount in the hedging reserve remains in equity until it is included in the acquisition cost of a non-financial item on initial recognition (for hedging transactions that lead to the recognition of a non-financial item) or until it is reclassified to profit or loss of the period or periods in which the expected hedged future cash flows influence profit or loss (for other cash flow hedges).

If the hedged future cash flows are no longer expected to occur, the amounts in the hedging reserve and the reserve for hedging costs are reclassified immediately to profit or loss.

The accounting treatment of the changes in the fair value of derivatives used for hedging purposes depends on the type of the hedging transaction.

Fair value hedges are used to hedge currency risks.

Derivative financial instruments classified as fair value hedges under IFRS 9 serve to hedge recognised assets or liabilities against the risk of a change in fair value. For fair value hedges, the recognition in profit or loss includes the change in the fair value of the derivative as well as the contrasting change in the fair value of the underlying transaction, as far as it reflects the hedged risk. The related earnings are generally reported under the same position in the consolidated statement of operations as the underlying transaction. Changes in the value of the hedges are essentially offset by the changes in the value of the hedged transactions.

The derivatives used by EVN for hedging purposes constitute effective protection. The changes in the fair value of these derivatives are generally offset by compensating changes in the underlying transactions.

10. Other investments

Other investments include, in addition to other investments, shares in associated companies which are not included in the consolidated financial statements due to immateriality. These shares are recorded at cost less any necessary impairment losses. The other investments were classified irrevocably at fair value through other comprehensive income ("FVOCI option") in accordance with IFRS 9.5.7.5 following the introduction of IFRS 9. The fair value of these investments is based on available information and derived from market quotations, discounted cash flow calculations or the multiplier method. The measurement and deconsolidation results from these equity instruments are recorded under other comprehensive income. Dividends received are still reported on the consolidated statement of operations under income from investments, despite the use of this option (also see note **32. Financial results).**

11. Other non-current assets

Securities recorded under other non-current assets are initially recognised as FVTPL. These assets are recorded at fair value as of the acquisition date and subsequently measured at fair value as of the balance sheet date. Changes in fair value are recognised in the consolidated statement of operations.

Loans receivable are classified as AC, whereby the carrying amount on the acquisition date corresponds to the fair value. These loans are subsequently measured at amortised cost in keeping with the effective interest rate method and also reflect any necessary impairment losses.

Lease receivables arise from the international project business in the Environment Segment. They are classified as finance leases according to IFRS 16.

Receivables arising from derivative transactions are recognised as FVTPL. Gains and losses arising from changes in the fair value of derivative financial instruments are either recognised in profit or loss in the consolidated statement of operations or in other comprehensive income (see note **9. Financial instruments).**

The measurement of the remaining non-current assets is based on acquisition or production cost or the lower net realisable value on the balance sheet date.

Costs incurred for obtaining a contract are capitalised as an asset when EVN assumes these costs can be recovered. The capitalised costs are amortised on a systematic basis depending on how the goods or services are transferred to the customer.

12. Inventories

The measurement of inventories is based on acquisition or production cost or the lower net realisable value as of the balance sheet date. For marketable inventories, these values are derived from the current market price. For other inventories, these figures are based on the expected proceeds less future production costs. Risks arising from the length of storage or reduced marketability are reflected in experience-based reductions. The moving average price method is used to determine the consumption of primary energy inventories as well as raw materials, auxiliary materials and fuels.

The inventories of natural gas held by EVN for trading purposes are measured through profit or loss in the consolidated statement of operations. In accordance with the dealer-broker exception for raw material and commodities traders, measurement is based on fair value less costs to sell. This represents the market price for day-ahead deliveries on the Central European Gas Hub (CEGH).

13. Trade and other receivables

Current receivables are generally recorded at amortised cost, which equals the acquisition cost less impairment losses for the components of the receivables that are expected to be uncollectible. EVN applies the practical expedient provided by IFRS 9.B5.5.35 to trade receivables and determines the expected credit loss with a provision matrix. The input factors for the matrix include analyses of default incidents in previous financial years based on different regional characteristics for the core markets. The expected credit losses determined by the matrix are ranked by the time (over)due based on historical default rates and subsequently written off through profit or loss. The compiled information is reviewed annually, and the default rates are adjusted if necessary. All other receivables are accounted for in accordance with the ECL model (also see note **9. Financial instruments).**

Amortised costs, less any applicable impairment losses, can be considered appropriate estimates of the current value because the remaining term to maturity is generally less than one year.

Exceptions to the above procedure are receivables arising from derivative transactions which are recognised at fair value, and foreign currency items, which are measured at the exchange rates in effect on the balance sheet date.

Contract assets consist primarily of the Group's claims to consideration for performance on contract orders from the project business, in cases where the performance was completed but not yet invoiced as of the balance sheet date. Contract assets are reclassified to receivables when the rights become unconditional. This generally occurs when the Group issues an invoice to the customer.

14. Securities

Current securities, which consist mainly of investment certificates, are classified as FVTPL and measured at their fair value. Changes in fair value are recognised in the consolidated statement of operations.

15. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Cash balances in foreign currencies are translated at the exchange rate in effect on the balance sheet date.

In accordance with internal Group guidelines, EVN invests cash and cash equivalents only with reputable financial institutions with good ratings. In this respect, it is assumed that cash and cash equivalents based on the external ratings by banks and financial institutions have a low risk of default.

16. Assets and liabilities held for sale

Non-current assets as well as disposal groups that contain assets and liabilities are classified as held for sale when their sale is highly likely.

These assets and disposal groups are generally carried at the lower of their respective carrying amount and fair value less disposal costs. Any necessary recognition of an impairment loss to a disposal group is initially allocated to goodwill and, thereafter, to the remaining assets and liabilities on a proportional basis. Impairment losses resulting from the initial classification as held for sale as well as later gains and losses on revaluation are recognised to profit or loss.

Intangible assets and property, plant and equipment are no longer amortised, respectively depreciated once they have been classified as held for sale.

17. Equity

In contrast to borrowings, equity is defined by the IFRS framework as the "residual interest in the assets of an entity after deducting all of its liabilities". Equity is thus the residual value of a company's assets and liabilities.

Treasury shares held by EVN are not recognised as securities pursuant to IAS 32, but are instead reported at their (repurchase) acquisition cost and offset against equity. Any profit or loss resulting from the resale of treasury shares relative to the acquisition cost increases or decreases capital reserves.

The items recorded under other comprehensive income include certain changes in equity that are not recognised through profit or loss as well as the related deferred taxes. For example, this position contains the currency translation reserve, valuation results from equity instruments (FVOCI), the effective portion of changes in the fair value of cash flow hedges as well as all remeasurements according to IAS 19. This item also includes the proportional share of gains and losses recognised directly in equity accounted investees.

18. Provisions

Personnel provisions

The projected unit credit method is used to determine the provisions for pensions and similar obligations as well as severance payments. The expected pension payments are distributed according to the number of years of service by employees until retirement, taking expected future increases in salaries and pensions into account.

The amounts of the provisions are determined by an actuary as of each balance sheet date based on an expert opinion. The measurement principles are described in note **52. Non-current provisions.** All remeasurements – at EVN, only gains and losses from changes in actuarial assumptions – are recognised under other comprehensive income in accordance with IAS 19.

The calculation of the provisions for pensions, as in the previous year, was based on the Austrian mortality tables "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung", which were issued by the Actuarial Association Austria (AVÖ) on 15 August 2018.

The applied interest rate is based on the market yields for first-class, fixed-interest industrial bonds as of the balance sheet date, whereby the maturities of the benefits were taken into account.

The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

Provisions for pensions and pension-related obligations

Under the terms of a company agreement, EVN AG is required to pay a supplementary pension on retirement to employees who joined the company prior to 31 December 1989. This commitment also applies to employees who, within the context of the legal unbundling agreement for the spin-off of the electricity and natural gas networks, are now employed by Netz Niederösterreich. The amount of this supplementary pension is based on performance as well as on the length of service and the amount of remuneration at retirement. EVN, in any case, and the employees, as a rule, also make contributions to the umbrella pension fund VBV Pensionskasse AG (VBV) and the resulting claims are fully credited toward pension payments. Therefore, EVN's obligations toward both retired employees and prospective beneficiaries are covered in part by provisions for pensions as well as by defined contribution payments on the part of VBV.

For employees who joined the company after 1 January 1990, the supplementary company pension was replaced by a defined contribution plan that is financed through VBV. VBV is responsible for the investment of the pension plan assets. Pension commitments were also made to certain employees, which require EVN to pay retirement benefits under certain conditions.

Provisions for pension-related obligations were recognised for liabilities arising from the vested claims of current employees and the current claims of retired personnel and their dependents to receive benefits in kind in the form of electricity and natural gas.

Provision for severance payments

Austrian corporations are required by law to make one-off severance payments to employees whose employment began before 1 January 2003 if they are dismissed, in case of dissolution of the employment relationship by mutual consent or when they reach the legal retirement age. The amount of such payments is based on the number of years of service and the amount of the respective employee's remuneration at the time the severance payment is made.

Employees in Bulgaria and North Macedonia are entitled to severance payments on retirement, which are based on the number of years of service. With regard to severance compensation entitlements, the other EVN employees are covered by similar social protection measures contingent on the legal, economic and tax framework of the country in which they work.

The obligation to make one-off severance payments to employees of Austrian companies whose employment commenced after 31 December 2002 has been transferred to a defined contribution plan. The payments to this external employee fund are reported under personnel expenses.

Other provisions
The other provisions reflect all recognisable legal or factual commitments to third parties based on past events, where the amount of the commitments and/or the precise starting point was still uncertain. In these cases, a reliable estimate of the amount of the obligation is required. If a reliable estimate is not possible, a provision is not recognised. These provisions are recognised at the discounted settlement amount. They are measured based on the expected value or the amount most likely to be incurred.

Risk-free interest rates are used for the discount rates. If the risks and uncertainties in cash flows cannot be taken into consideration adequately, an adopted discount rate is used.

The provisions for service anniversary bonuses required by collective wage and company agreements are measured using the same parameters as the provisions for pensions and similar obligations. A new regulation in the collective agreement for salaried employees of Austrian utility companies entitles salaried employees whose employment relationship began after 31 December 2009 to a service anniversary bonus equalling one month's salary after 15, 20, 25, 30 and 35 years and to one-half month's salary after 40 years. This was taken into account accordingly. All remeasurements – at EVN, only gains and losses from changes in actuarial assumptions – involving service anniversary bonuses are recognised through profit or loss in accordance with IAS 19. The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

Waste disposal and land restoration requirements resulting from legal and perceived commitments are recorded at the present value of the expected future costs. Changes in the estimated costs or the interest rate are offset against the carrying amount of the underlying asset. If the decrease in a provision exceeds the carrying amount of the asset, the difference is recognised through profit or loss. The related depreciation is corrected in accordance with the residual carrying amount and depreciated over the remaining useful life. If the asset has reached the end of its useful life, all subsequent changes to the provisions are recognised in profit or loss.

Provisions for onerous contracts are recognised at the amount of the unavoidable outflow of resources. This represents the lower of the amount that would result from performance of the contract and any compensatory payments to be made in the event of non-performance.

19. Liabilities

Liabilities are reported at amortised cost, with the exception of liabilities arising from derivative financial instruments or liabilities arising from hedge accounting (see note **9. Financial instruments).** Costs for the procurement of funds are considered part of amortised cost. Non-current liabilities are discounted by applying the effective interest method.

With respect to financial liabilities, bullet loans and borrowings with a remaining term to maturity of over one year are classified as non-current and items with a remaining term to maturity of less than one year are reported under current loans and borrowings (for information on maturities see note **50. Non-current loans and borrowings).**

If the fulfilment of a liability is expected within twelve months after the balance sheet date, the liability is classified as current.

Network subsidies – which constitute payments made by customers to cover previous investments by EVN in the upstream network – represent an offset to the acquisition cost of these assets. In the electricity and natural gas network business, they are related to supply obligations by EVN. The granting of investment subsidies generally requires an operational management structure that complies with legal requirements and has been approved by the authorities.

Network and investment subsidies represent an offset to the acquisition or production cost of the related asset and, in accordance with the application of IAS 20 and IFRS 15, are recognised as liabilities. Network and investment subsidies are released on a straight-line basis over the average useful life of the respective assets. The release of network subsidies from the regulated business is reported under other operating income, while comparable items from the non-regulated business are reported under revenue (also see notes **2. Reporting in accordance with IFRS** and **20. Revenue recognition).**

A contract liability must be reported when consideration (e. g. a prepayment) has been transferred by the customer and the company has not yet provided goods or services. In the EVN Group, this generally takes place in connection with prepayments from the international project business.

20. Revenue recognition

IFRS 15 provides a five-step model for the recognition and measurement of revenue from contracts with customers. Under this model, revenue from contracts with customers is recognised when control over a good or service is transferred to the customer. A determination must therefore be made when a contract is concluded as to whether the resulting revenue should be recognised at a specific point in time or over time.

Revenue in the EVN Group results primarily from the sale (energy deliveries) and distribution (network utilisation/network services) of electricity, natural gas, heat and water to industrial, household and commercial customers. The EVN Group also generates revenue from waste utilisation, telecommunications and the international project business. The provision of goods and services by the EVN Group generally takes place over a specific time period, and revenue is therefore recognised over time.

The major services are described below:

Energy deliveries

Revenue results primarily from the transfer of electricity, natural gas, heat and water. Since the customer uses these services as they are provided, revenue is recognised over time. Revenue is recognised at an amount that reflects the services provided and entitled to be invoiced by EVN. In particular for household customers who only receive one invoice per year, the variable consideration is determined by extrapolating the energy consumption based on usage profiles and current temperature trends. The payment terms for energy deliveries generally represent 14 days. There is no significant financing component.

Network utilisation and services

EVN supplies electricity, natural gas, heat and water to its customers within the framework of network usage. The related performance obligation lies, above all, in the continuous provision and availability of energy through the network infrastructure. Revenue from these services is also recognised over time and when the services are provided, as described above. The payment terms for network usage generally represent 14 days. There is no significant financing component.

Network subsidies constitute payments made by customers to cover previous investments by EVN in the upstream network, to the extent they represent compensation for granting usage or purchase rights. Network subsidies in the regulated electricity and natural gas business, where the regulator determines the amount and underlying reason, are recognised as liabilities in accordance with IAS 20 and reported, as in the past, under other operating income as income from the reversal of deferred income from network subsidies. The network subsidies

for all other areas are recorded as non-refundable advance payments (liabilities) in accordance with IFRS 15 and have been released to profit or loss under other revenue since 2018/19 (also see note **2. Reporting in accordance with IFRS).**

International project business

Revenue from the international project business is also recognised in accordance with the percentage of completion method as defined by IFRS 15. Projects are characterised by individual contract conditions with fixed prices and payments which follow a fixed schedule. If the construction services provided exceed the amount of the payment, a contract asset is recognised. If the payments are higher than the construction services provided, a contract liability is recorded. The percentage of completion is determined by the cost-to-cost method, which calls for the recognition of revenue and contract results in relation to actually incurred production costs as a per cent of the expected total costs. Reliable estimates of the total costs for the contracts, selling prices and incurred costs are available. Any changes in the estimated total contract costs and possible resulting losses are recognised in profit or loss in the period incurred. The technological and financial risks which could occur during the remaining term of a project are included through individual estimates and an appropriate amount is added to the expected total costs. Impending losses from the valuation of projects not yet invoiced are expensed immediately. These losses are realised when it is probable that the total contract costs will exceed the contract revenue. In the case that customers terminate the contract for reasons other than the non-fulfilment of the service promised by the company, EVN has a legal claim that at least the expenses incurred plus the lost profit margin will be reimbursed.

Other

EVN also generates revenue from telecommunications, waste utilisation and energy services. Most of the related contracts include services which are consumed by the customer as they are provided, and this revenue is also recognised over time. Revenue from waste utilisation is recognised at a point in time.

Interest income is recorded pro rata temporis using the effective interest rate applicable to the particular asset. Dividends are recognised when a legal entitlement to payment arises.

The costs for obtaining contracts are expensed as incurred if the amortisation period for the related asset equals one year or less. Significant financing components are not included when the period between the transfer to the customer of the promised good or service and payment by the customer is less than one year.

Significant judgments related to revenue recognition

Consumption-based fees for energy deliveries and network utilisation represent variable consideration, which is determined according to the expected value method defined by IFRS 15.53a. Meter-reading dates are spread over the entire year, especially for household customers with rolling invoices. The volumes of energy consumed during the period between the last meter-reading and the balance sheet date must be extrapolated with statistical methods and therefore estimated. The procedure used by EVN assigns each customer to a standard consumption profile in the form of an annual consumption curve for electricity and/or natural gas and extrapolates each customer individually.

In the international project business, the percentage of completion is decisive for the recognition of revenue. Progress on the respective projects is determined by an input-based method (cost-to-cost method). This method requires numerous estimates and judgmental decisions, above all for the identification of incurred costs, total contract costs and realisable contract revenue as well as the related contract risks (technical, political and financial risks). These estimates are reviewed regularly and adjusted if necessary.

21. Income taxes and deferred taxes

The income tax expense reported in the consolidated statement of operations comprises the current income tax expense for fully consolidated companies, which is based on their taxable income and the applicable income tax rate, as well as the change in deferred tax assets and deferred tax liabilities.

The following income tax rates were applied in calculating current income taxes:

Corporate income tax rates

%	2021/22	2020/21
Country of residence		
Austria	25.0	25.0
Albania	15.0	15.0
Bulgaria	10.0	10.0
Germany[1)]	31.2–32.6	31.2–32.6
Croatia	18.0	18.0
Kuwait	15.0	15.0
Lithuania	15.0	15.0
North Macedonia	10.0	10.0
Montenegro	9.0	9.0
Poland	19.0	19.0
Romania	16.0	16.0
Russia	20.0	20.0
Slovenia	19.0	19.0
Czech Republic	19.0	19.0
Cyprus	12.5	12.5

1) The tax rate varies slightly depending on the applicable assessment rate for trade tax.

EVN utilised the corporate tax group option as of 30 September 2022. EVN AG is a member of a participation entity with NÖ Landes-Beteiligungsholding GmbH as the majority participating company and Wiener Stadtwerke GmbH as the minority participating company. A group and tax settlement contract was concluded for this purpose. EVN also has the right to designate other corporate entities as members of this tax group.

The taxable profit of the companies belonging to this group is attributable to EVN AG, which calculates combined results based on the attributed taxable profit. The contract calls for the payment of a positive tax charge, when the aggregated results are positive. As in the previous year, the positive aggregated tax result is based on the allocation method. If the aggregated results are negative, the tax losses are kept on record and offset against future positive results. The related disclosures are reported under income taxes. The transfer of losses from foreign subsidiaries within group taxation leads to the recognition of a liability equal to the nominal amount of the future corporate income tax obligation.

As an offset for the transferred taxable results, the tax group contracts include a tax charge that is based on the stand-alone method. Transferred tax losses are kept on record as internal loss carryforwards for the respective tax group members and offset against future positive earnings. An exception to this procedure is the contract concluded with Burgenland Holding, which calls for a negative tax charge for this company if its taxable results are negative and the group's total results are positive. In other cases, the loss is recorded as an internal loss carryforward and refunded in later years in the form of a negative tax charge as soon as it is covered by positive earnings.

Future changes in the tax rate are taken into account if the relevant law has been enacted by the time the consolidated financial statements are prepared. The eco-social tax reform passed by the Austrian Parliament during EVN's 2021/22 financial year calls for a reduction of the corporate income tax rate to 24% in 2023 and to 23% in 2024. These changes were reflected in the valuation of deferred taxes. Deferred taxes are calculated according to the liability method at the tax rate expected when short-term differences are reversed. Deferred tax assets and deferred tax liabilities are calculated and recognised for all temporary differences (i. e. the difference between the carrying amounts in the consolidated financial statements and the annual financial statements prepared for tax purposes that will balance out in the future).

Deferred tax assets are recognised only if it is probable that there will be sufficient taxable income or taxable temporary differences to utilise these items. Tax loss carryforwards are recognised as deferred tax assets. Deferred tax assets and deferred tax liabilities are presented as a net amount in the consolidated financial statements if there is a legal right and intention to offset these items.

22. Procedures and effects of impairment tests

EVN carries out its impairment tests in accordance with the rules defined by IAS 36. Property, plant and equipment and intangible assets, including goodwill, are tested for impairment when there are internal or external indications of a loss in value. Intangible assets with an indefinite useful life and goodwill are tested at least once each year for signs of impairment.

The impairment testing of goodwill and assets for which no expected future cash flows can be identified is based on an assessment of the respective cash-generating unit (CGU). The decisive criterion used by EVN to classify a generation unit as a CGU is the technical and commercial ability to generate independent revenue. In the EVN Group, this definition applies to the electricity and heat generation plants, electricity, natural gas and water distribution systems, electricity procurement rights, telecommunications networks and facilities in the environmental services business.

The value in use is calculated in accordance with the rules defined by IAS 36. Due to the long-term nature of investments in infrastructure equipment, EVN uses cash flow forecasts that reflect the economic useful life of the equipment. The impairment testing of hydropower plants generally assumes the renewal of the concession and, consequently, perpetual operation at the respective location. For infrastructure equipment/ long-term projects, the detailed planning period of four years is followed by a general planning period up to the end of the asset's economic useful life. However, this general planning period is limited to the availability of external forecasts for electricity prices (currently 2050).

The fair value less costs of disposal is basically calculated in accordance with the fair value measurement hierarchy defined in IFRS 13. Since it is generally not possible to derive market values for the CGUs and assets of EVN under evaluation, the fair value is estimated in accordance with Level 3 in the fair value hierarchy. The fair value less costs of disposal for a CGU is calculated with a WACC-based discounted cash flow method, which is conceptually similar to the value in use procedure, but includes adjustments to the parameters in the DCF model to reflect a market participant's viewpoint.

The calculation of the fair value less disposal costs and the value in use is based on the future cash inflows and outflows which are basically derived from internal medium-term forecasts. The cash flow forecasts are based on the latest financial plans approved by management. The underlying assumptions also take climate-related effects into consideration. The assumptions for the future development of electricity prices are derived from the quotations on the futures market of the European Energy Exchange AG, Leipzig, Germany. For the period extending beyond this time, an average is developed from the forecasts issued by two well-known information service providers in the energy sector. Several scenarios are used for averaging. In this way, the risks that may influence electricity prices in the future are taken into account comprehensively.

A weighted average cost of capital which includes the deduction of income tax (WACC) is used as the discount rate. The equity component of the WACC reflects the risk-free interest rate, a country-specific premium plus a risk premium that incorporates the market risk premium and an appropriate beta coefficient based on peer group capital market indicators. The debt component of the WACC equals the basis interest rate plus a country-specific premium and a rating dependent risk premium. The equity and debt components are weighted according to a capital structure that is appropriate for the CGU based on peer group data at market values. The resulting WACC is used to discount the cash flows in the respective CGU.

For the purpose of estimating the recoverable amount, EVN initially assesses the value in use. In cases where this amount is lower than the carrying amount of the asset, or the CGU, the fair value less costs of disposal is calculated if necessary.

23. Accounting estimates and forward-looking statements

The preparation of the consolidated financial statements in accordance with generally accepted IFRS accounting methods requires estimates and assumptions that have an effect on the assets, liabilities, income and expenses reported in the consolidated financial statements and on the amounts shown in the notes. The actual values may differ from these estimates. The assumptions and estimates are reviewed on a regular basis.

In particular, the following assumptions and estimates can lead to significant adjustments in the carrying amounts of individual assets and liabilities in future reporting periods.

In the international project business, changes in estimates for the progress on major projects can have a material effect. These estimates are particularly relevant for the large-scale project in Kuwait (construction of a wastewater treatment plant and corresponding sewage network) and the large-scale project in Bahrain (expansion of an existing wastewater treatment plant and contruction of a sewage sludge utilisation plant). Revenue is recognised in accordance with the percentage of completion method (see notes **20. Revenue recognition** and **25. Revenue).**

Impairment tests require estimates, especially for future cash surpluses. A change in the general economic, industry or company environment may reduce cash surpluses and therefore lead to signs of impairment. The weighted average cost of capital (WACC) is used to determine the recoverable amounts based on capital market methods. The WACC represents the weighted average interest paid by a company for equity and debt. The weighting applied to the interest on the equity and debt components – which reflects a capital structure at market values – was derived from an appropriate peer group. Given the current volatility on the financial markets, the development of the cost of capital (and above all the country risk premiums) is monitored on a regular basis (see note **22. Procedures and effects of impairment tests).**

For the valuation of the generation portfolio, the price structure beginning with the fifth year (when predictable market prices are no longer available on the electricity exchanges) was based on average forecasts from two well-known market research institutes and information service providers in the energy sector. The most recent studies, which are updated annually due to the current volatility on the electricity markets, were used in each case. The following notes show the sensitivity of these assumptions for the largest CGUs, based on the carrying amount, where a triggering event was identified and for which an impairment loss or reversal was recognised in the financial statements: **35. Intangible assets, 36. Property, plant and equipment** and **37. Investments in equity accounted investees.**

The most important premises and judgmental decisions used to determine the scope of consolidation are described under notes **4. Scope of consolidation** and **38. Other investments.**

WTE constructed a wastewater treatment plant in Budva, Republic of Montenegro, with a contract value of EUR 58.5m. The customer, the municipality of Budva, subsequently failed to meet its payment obligations to WTE. Following the issue of reminders and an extension period, WTE cancelled the investment contract in May 2018 but operations were temporarily continued as a goodwill gesture by WTE. All efforts by WTE to reach an agreement on the outstanding payments failed due to a lack of cooperation by the municipality of Budva; in particular, the joint commission installed for this purpose was unable to deliver any results due to a lack of cooperation by the municipality of Budva. In December 2019, WTE therefore called the guarantee issued by the Republic of Montenegro (EUR 29.3m) and the municipality of Budva (EUR 64.6m). The Republic of Montenegro met its payment obligation, but the municipality of Budva refused to make payment. WTE terminated its operation of the plant at the end of January 2020 after multiple notifications and transferred these operations to the municipality of Budva. WTE has filed an arbitration action in Frankfurt against the municipality of Budva for failure to honour the guarantee; the value in dispute equals EUR 37.9m, including interest. Moreover, WTE filed an arbitration action in Geneva in spring 2021 against the municipality of Budva for non-fulfilment of the investment contract. The outcome of these proceedings can lead to valuation adjustments in future periods (also see note **61. Risk management).**

The valuation of the provisions for pensions, pension-related obligations and severance payments are based on assumptions for the discount rate, retirement age and life expectancy as well as pension and salary increases. The adjustment of these parameters in future periods can lead to valuation adjustments. Moreover, future changes in electricity and natural gas tariffs can lead to valuation adjustments in the pension-related obligations (see note **52. Non-current provisions).**

Assumptions and estimates are also required to determine the useful life of non-current assets (see notes **6. Intangible assets** and **7. Property, plant and equipment),** and the provisions for legal proceedings and environmental protection (see note **18. Provisions)** as well as estimates for other obligations and risks (see note **65. Other obligations and risks).** In addition, it is necessary to make assumptions and estimates for the valuation of receivables and inventories (see notes **12. Inventories** and **13. Trade and other receivables)** and for the recognition of revenue (see note **20. Revenue recognition).** These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

Information on climate change
As an energy and environmental services provider, EVN feels responsible for making concrete contributions to climate protection. This contribution includes, in particular, the minimisation of the emissions caused by its activities. The focus here is also on the transformation of the energy system towards climate-neutral generation, above all through the expansion of wind power and photovoltaic capacity.

In view of the growing importance of climate risks, EVN's strategic considerations include the special requirements created by the energy transformation and the far-reaching changes required by this transformation towards climate neutrality as well as the related effects on all sectors of the economy and on private households. Analyses in this context place a special focus on the requirements for climate protection, possible implementation tracks and the implications for the company's business model. These elements create an important basis for evaluating the opportunities and risks for our business from climate change and the related, rapidly changing regulations.

EVN terminated electricity generation from hard coal in 2020/21. In summer 2021, the company joined the Science Based Targets initiative (SBTi) and, in this connection, set five reduction goals for its activities. Success in this area will make an important contribution to realising the climate goal agreed in Paris to limit global warming to clearly below 2°C.

The impact of climate change on the valuation of assets is evaluated at regular intervals. The preparation of the consolidated financial statements as of 30 September 2022 was also based on the opportunities and risks arising from climate change, the goals defined by our strategy, sustainability and climate protection, including climate neutrality. Material and predictable influencing factors which have an effect on assets, liabilities, income and expenses were reflected in the consolidated financial statements.

The macroeconomic environment against the backdrop of the Covid-19 pandemic, the war in Ukraine and high inflation
The possible effects of the Covid-19 pandemic and the war in Ukraine were evaluated, in particular with regard to the recoverability of assets as defined by IAS 36 and IFRS 9 and to further uncertainties connected with discretionary assessments.

The Covid-19 pandemic and economic developments connected with the war in Ukraine are expected to result in an increase in insolvencies over the coming years. A corresponding increase in receivables defaults is also expected. Similar to previous financial years, the EVN Group has reflected potential receivables defaults through a forward-looking component.

EVN determines the impairment losses for trade receivables in accordance with IFRS 9.B5.5.35 based on regionally differentiated analyses of historical default incidents. EVN has not experienced a sharp rise in customer defaults to date due to the government subsidy measures. However, we expect the expiration of these government measures to be reflected in an increase in bankruptcies and in receivables defaults during the coming years. In preparation for such incidents, the EVN Group raised the impairment loss allowance for trade receivables by EUR 6.1m for the 2021/22 financial year (previous year: EUR 4.1m) through the forward-looking component (see the Credit and default risk under note **61. Risk management).**

Russia's assault on Ukraine which began on 24 February 2022 has strained relations between the majority of the international community and the Russian Federation and led to a series of reciprocal sanctions by the EU as well as the Russian Federation. The result has been an unparalleled increase in energy prices. This development created operational difficulties for EVN during the 2021/22 financial year because price adjustments can only be implemented with a delay due to contract terms or, in South East Europe, only in later periods due to the regulatory framework. Moreover, the high energy prices are reflected in higher customer receivables and a potential increase in receivables defaults. The forward looking component included as a result of the Covid-19 pandemic is, according to current estimates, sufficient to address the expected receivables defaults. This is especially accurate against the backdrop of the wide-ranging measures introduced by governments in Austria, Bulgaria, Croatia and North Macedonia to support household and commercial customers (among others, compensation payments for network losses, energy vouchers, energy price subsidies for end customers etc.).

Global distortions and a change in the Group's risk and earnings expectations for future projects led to the recognition of an impairment loss to goodwill in the international project business as of 31 March 2022 (see note **35. Intangible assets).**

As a consequence of the political developments in Russia, EVN tested the combined heat and power plants in Moscow for impairment and subsequently wrote off these assets in full as of 31 March 2022 (also see note **36. Property, plant and equipment).** EVN has also decided to completely withdraw from Russia and is currently in negotiations for the sale of the combined heat and power plants in that country (also see note **43. Assets and liabilities held for sale).**

Apart from price increases on the energy markets and the different effects on EVN's activities and business fields, investments and operating expenses are also affected by the soaring inflation rates. These cost increases can possibly only be passed on to customers with a delay. These current macroeconomic developments can also have a – direct and indirect – negative influence on the demand for energy and, together with the rising costs, have a negative influence on earnings.

The possible termination of gas deliveries from Russia could, depending on the timing and duration, have an impact on natural gas deliveries to EVN's customers. In view of this possibility, work is in progress to continuously increase the volumes of non-Russian gas and strategic gas supplies. Measures to support supply security are connected with higher costs and can have a negative influence on earnings in individual periods.

Low net debt and a comfortable base of contractually committed, undrawn credit lines give EVN a constant, high degree of financial flexibility and solid liquidity reserves. In summary, the corona crisis had only a selective negative influence on EVN's operating results in 2021/22 and in the previous years. The current high energy prices have a substantial negative effect on earnings from energy supply, while renewable energy generation made a positive contribution to earnings. Stabilising effects were provided, above all, by EVN's integrated business model and widely diversified customer portfolio. The EVN Group can therefore be considered a going concern.

24. Principles of segment reporting

The identification of operating segments is based on the internal organisational and reporting structure and information prepared for internal management decisions (the "management approach"). The Executive Board of the EVN Group (the chief operating decision-maker as defined in IFRS 8) reviews internal management reports on each operating segment at least once each quarter. EVN has defined the following operating segments: Generation, Energy, Networks, South East Europe, Environment and All Other Segments. This conforms in full to the internal reporting structure. The assessment of all segment information is consistent with the IFRS. EBITDA is used as an indicator to measure the earning power of the individual segments. For each segment, EBITDA represents the total net operating profit or loss before interest, taxes, amortisation of intangible assets and depreciation of property, plant and equipment for the companies included in the segment, taking intragroup income and expenses into account (see note **59. Notes to segment reporting).**

Notes to the consolidated statement of operations

25. Revenue

Revenue from contracts with customers is recognised when control of a good or service is transferred to the customer. The consideration is recognised in the amount that the company expects to receive in exchange for these goods or services.

In addition to revenue from contracts with customers, EVN generates other revenue from its ordinary business activities. This revenue is presented separately in the following table:

Revenue

EURm	2021/22	2020/21
Revenue from contracts with customers	3,995.3	2,515.3
Other revenue	66.9	–120.4
Total	**4,062.2**	**2,394.9**

Other revenue includes valuation effects of EUR 44.9m related to energy derivatives which are attributable to the Energy Segment. Positive and negative results from the valuation of these derivatives are offset for reporting. In addition, EVN recorded operating lease revenue for the first time in 2021/22. This revenue equalled EUR 22.1m and represents the reserve performance from a power plant which is attributable to EVN's ordinary business activities.

The following table shows the revenue from contracts with customers classified by segment and product:

Revenue from contracts by segment and product

EURm	2021/22	2020/21
Electricity	405.4	203.6
Natural gas	57.7	41.0
Heat	186.3	144.0
Other	34.3	32.6
Energy	**683.7**	**421.3**
Electricity	95.3	69.0
Other	64.2	58.2
Generation	**159.5**	**127.1**
Electricity	331.3	310.6
Natural gas	103.7	107.2
Other	82.2	77.3
Networks	**517.3**	**495.1**
Electricity	1,973.4	1,027.3
Natural gas	9.4	6.4
Heat	11.2	9.2
Other	8.4	4.5
South East Europe	**2,002.4**	**1,047.4**
Environmental services	604.3	398.7
Electricity	6.1	5.0
Heat	1.5	1.3
Environment	**611.8**	**405.0**
Other	20.6	19.4
All Other Segments	**20.6**	**19.4**
Total	**3,995.3**	**2,515.3**

EVN generally recognises revenue over time in its core business of energy supplies and deliveries as well as in the international project business. An exception to this practice is the recognition of revenue by EVN Wärmekraftwerke in connection with the thermal waste utilisation plant in Dürnrohr, where revenue is recognised at a specific point in time. The related revenue amounted to EUR 53.1m in 2021/22 (previous year: EUR 55.6m).

The increase in revenue resulted primarily from the sharp rise in energy prices and, in the Environment Segment, chiefly from the international project business. The wastewater project in Kuwait which started in summer 2020 made a decisive contribution to revenue growth.

Sales revenues which are expected to be realised in future in connection with performance obligations and which have not yet been met or have only been partially met as of 30 September 2022, mainly relate to network subsidies and the international project business.

In total, the remaining performance obligations amount to EUR 875.2m (previous year: EUR 1,333.7m) at the balance sheet date. Of this amount, EUR 812.4m (previous year: EUR 1,272.5m) relates to performance obligations from the international project business. Revenue is recognised on the basis of the percentage of completion and will be recognised within the next four years, depending on the project. The performance obligations from network subsidies are shown in the following table:

Transaction prices allocated to remaining performance obligations

2021/22 financial year

EURm

	<1 year	1–5 years	>5 years
Network subsidies	6.3	25.4	30.7
Total	**6.3**	**25.4**	**30.7**

2020/21 financial year

EURm

	<1 year	1–5 years	>5 years
Network subsidies	6.1	24.2	30.9
Total	**6.1**	**24.2**	**30.9**

EVN applies the practical expedient provided by IFRS 15.B16 when the respective requirements are met and recognises revenue at the amount it is entitled to invoice. Moreover, contracts for electricity and natural gas deliveries as well as contracts for network utilisation in the household customer business are concluded for an indefinite period. The customer has a unilateral right to terminate the contracts at any time. As a result, EVN does not have a contractual right to transfer the related performance obligations or to receive consideration. EVN therefore uses the practical expedients provided by IFRS 15.121 for the two cases described above and does not disclose any information on the remaining performance obligations.

26. Other operating income

Other operating income EURm	2021/22	2020/21
Income from the reversal of deferred income from network subsidies	53.3	64.8
Own work capitalised	31.8	33.3
Compensation and remunerations	14.1	7.8
Rental income	3.0	2.9
Gains from deconsolidation	–	25.6
Result from the disposal of intangible assets, and property, plant and equipment	–2.8	–0.8
Change in work in progress	–5.2	8.0
Miscellaneous other operating income	15.4	108.5
Total	**109.5**	**250.1**

The decline in other operating income resulted primarily from the sale of the investment in the Walsum 10 power plant. In the previous year, EVN initially took over an additional electricity procurement right for 150 MW from the Walsum 10 power plant and subsequently received a settlement payment for the related marketing risks. This settlement payment equalled EUR 93.2m and was recorded under other operating income. The sale of the 49% investment in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was accounted for as a joint operation, as of 30 September 2021 and the parallel termination of the electricity procurement contract for 410 MW from the Walsum 10 power plant led to a deconsolidation gain of EUR 25.6m.

The increase in compensation and remunerations resulted chiefly from guarantee claims of EUR 6.7m in connection with a wastewater cleaning system.

Miscellaneous other operating income consists, above all, of bonuses, subsidies and services that are not related to business activities.

27. Cost of materials and services

Cost of materials and services EURm	2021/22	2020/21
Electricity procurement costs	1,803.0	904.6
Gas procurement costs	382.8	86.8
Other energy expenses	92.4	73.3
Electricity purchases from third parties and primary energy expenses	**2,278.2**	**1,064.7**
Third-party services and other materials and services	707.1	509.2
Total	**2,985.3**	**1,573.9**

The increase in the cost of third-party electricity purchases and energy carriers resulted, above all, from the sharp rise in energy prices. Since the increase in energy procurement costs cannot be passed on entirely during the same period but only in later periods due to regulatory and contractual terms, this leads to a negative effect on operating earnings and to the shift of earnings to future periods.

In 2021/22, the Bulgarian government awarded EVN compensation payments for the steep rise in natural gas procurement costs and grid losses. Compensation payments totalling EUR 102.7m were recorded as a reduction of the costs for third-party electricity purchases and energy carriers in accordance with IAS 20.29.

The cost of materials includes valuation effects from derivative contracts in the energy sector. In business year under report, these resulted in an increase in expenses of EUR 49.2m (previous year: reduction in expenses of EUR 39.4m).

Other energy expenses include in particular biomass procurement costs and expenses for the use of purchased CO_2 emission certificates, as well as valuation effects from derivative financial instruments in the energy sector.

The expenses for third-party services and other materials and services mainly relate to the project business of the Environment Segment and to third-party services for the operation and maintenance of plants. Moreover, this item also includes other expenses directly allocable to the provision of services.

28. Personnel expenses

Personnel expenses EURm	2021/22	2020/21
Salaries and wages	287.8	282.7
Severance payments	5.1	5.1
Pension costs	10.4	6.8
Compulsory social security contributions and payroll-related taxes	60.4	59.0
Other employee-related expenses	8.4	7.7
Total	**372.2**	**361.3**

Personnel expenses include contributions to the VBV Pensionskasse in the amount of EUR 7.1m (previous year: EUR 7.1m) and contributions to company employee provision funds in the amount of EUR 1.7m (previous year: EUR 1.5m).

The average number of employees was as follows:

Employees by segment[1)]	2021/22	2020/21
Generation	229	249
Networks	1,345	1,327
Energy	274	284
South East Europe	4,114	4,155
Environment	622	555
All Other Segments	550	555
Total	**7,135**	**7,126**

1) Average for the year

The average number of employees comprised 97.7% salaried and 2.3% wage employees (previous year: 97.6% salaried and 2.4% wage employees), whereby no distinction is made between salaried and wage employees in Bulgaria and North Macedonia. Wage employees are therefore counted together with salaried employees in these countries.

29. Other operating expenses

Other operating expenses EURm	2021/22	2020/21
Write-up/write-off of receivables	38.0	7.0
Business operation taxes and duties	18.4	18.4
Legal and consulting fees, expenses related to process risks	14.2	9.7
Maintenance	13.7	10.5
Transportation and travelling expenses, automobile expenses	12.8	10.0
Telecommunications and postage	11.4	11.0
Insurance	11.2	11.7
Advertising expenses	10.3	10.4
Rents	4.5	2.4
Employee training	2.1	1.6
Miscellaneous other operating expenses	21.9	20.4
Total	**158.4**	**113.0**

The position legal and consulting fees, expenses related to process risks also contains the change in the provision for process costs and risks. The item rents includes non-capitalised rental expenses (see note **36. Property, plant and equipment)** as well as changes in provisions for rents for network access in Bulgaria. In addition, expenses which are not under the scope of IFRS 16 are also included.

The substantial increase in receivables write-offs resulted mainly from a higher balance of receivables in North Macedonia. Observable payment behaviour also led to the application of a higher default quota. As in the previous year, a forward-looking component was included in 2021/22 to reflect expected future receivables defaults (also see note **61. Risk management).**

Miscellaneous other operating expenses include environmental protection expenses, fees for monetary transactions, licenses, membership fees and administrative and office expenses.

30. Share of results from equity accounted investees with operational nature

Share of results from equity accounted investees with operational nature EURm	2021/22	2020/21
RAG	51.7	40.4
Burgenland Energie	14.4	12.6
ZOV; ZOV UIP	12.0	12.1
Verbund Innkraftwerke	8.2	27.5
EVN KG	7.2	117.2
Umm Al Hayman	4.6	1.8
Ashta	0.7	24.0
EnergieAllianz	–2.4	2.2
Other companies	2.5	1.8
Total	**98.9**	**239.6**

The share of results from equity accounted investees with operational nature (see note **64. Disclosures of interests in other entities)** is reported as part of the results from operating activities (EBIT).

The share of results from equity accounted investees with operational nature consists primarily of earnings contributions, impairment losses recognised to assets capitalised in connection with acquisitions and other necessary impairment losses and write-ups (see note **37. Investments in equity accounted investees).**

The share of results from equity accounted investees with operational nature decreased to EUR 98.9m in financial year 2021/22 (previous year: EUR 239.6m). This decline is mainly attributable to sharp increases in energy procurement costs at EVN KG. In addition, this effect was strengthened by the impairment write-ups recognised in the previous year at Verbund Innkraftwerke and the Ashta hydropower plant (see note **37. Investments in equity accounted investees).**

31. Depreciation and amortisation and effects from impairment tests

The procedure used for impairment testing is described as part of the disclosures on accounting policies under note **22. Procedures and effects of impairment tests.**

Depreciation and amortisation and effects from impairment tests by items of the consolidated statement of financial position

EURm	2021/22	2020/21
Intangible assets	73.4	24.5
Property, plant and equipment	338.8	402.5
Other non-current assets[1)]	20.6	25.5
Write-up of intangible assets	–	–0.1
Write-up of property, plant and equipment	–9.6	–2.4
Total	423.2	450.1

1) Depreciation of capitalised contract costs

Depreciation and amortisation and effects from impairment tests

EURm	2021/22	2020/21
Scheduled depreciation and amortisation	318.0	337.7
Effects from impairment tests (impairment)[1)]	114.8	114.8
Effects from impairment tests (reversal of impairment)[1)]	–9.6	–2.5
Total	423.2	450.1

1) For details, see notes 35. Intangible assets and 36. Property, plant and equipment

32. Financial results

Financial results EURm	2021/22	2020/21
Income from investments		
Dividend payments	51.4	37.3
thereof Verbund AG	46.1	32.9
thereof Verbund Hydro Power GmbH	3.5	2.4
thereof Wiener Börse AG	1.5	1.8
thereof other companies	0.4	0.2
Valuation results/disposals	–	0.3
Total income from investments	**51.4**	**37.6**
Interest results		
Interest income on financial assets	1.7	1.8
Other interest income	3.7	4.3
Total interest income	**5.4**	**6.1**
Interest expense on financial liabilities	–29.2	–52.6
Interest expense personnel provisions	–4.1	–3.9
Other interest expense	–4.7	–2.8
Total interest expense	**–37.9**	**–59.4**
Total interest results	**–32.5**	**–53.3**
Other financial results		
Results from changes in exchange rates and the disposal of securities from non-current financial assets	–3.3	2.7
Results from changes in exchange rates and the disposal of current financial assets	–5.8	–3.4
Currency gains/losses	–25.5	–3.5
Other financial results	–14.7	–
Total other financial results	**–49.4**	**–4.3**
Financial results	**–30.5**	**–20.0**

Interest income on financial assets includes interest from investment funds whose investment focus is on fixed-interest securities, as well as the interest component from leasing business. Other interest income includes income from liquid funds and securities held as current financial assets.

Interest income on financial assets recognised using the effective interest method amounted to EUR 3.2m (prior year: EUR 3.3m).

The interest expense on financial liabilities represents regular interest payments on issued bonds and bank loans. The reduction in interest expense for financial liabilities is mainly due to the deconsolidation of the Walsum 10 joint operation.

Other interest expense includes the interest expense for lease liabilities, the accrued interest expense on non-current provisions, expenses for current loans as well as leasing costs for biomass equipment, distribution and heating networks. The interest expense on liabilities not designated at fair value through profit or loss totalled EUR 33.8m (previous year: EUR 55.4m).

The increase in other financial results is attributable to an impairment loss of EUR 14.6m recognised to originated loans. These loans were granted to a company consolidated at equity (also see note **37. Investments in equity accounted investees).**

33. Income tax expense

Income tax expense EURm	2021/22	2020/21
Current income tax income and expense	50.9	37.8
thereof Austrian companies	32.3	26.2
thereof foreign companies	18.6	11.6
Deferred tax income and expense	13.1	–23.1
thereof Austrian companies	–1.2	22.4
thereof foreign companies	14.4	–45.4
Total	**64.0**	**14.7**

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2022 (previous year: 25.0%) and the tax expense based on the Group net result reported on the consolidated statement of operations for the 2021/22 financial year:

Calculation of the effective tax rate	2021/22		2020/21	
	%	EURm	%	EURm
Result before income tax		301.2		366.4
Income tax rate/income tax expense at nominal tax rate	25.0	75.3	25.0	91.6
– Different corporate income tax rates in other countries	–3.9	–11.8	–2.6	–9.4
– Effect of tax rate change	–1.3	–4.0	–	–
– Tax-free income from investments	–11.9	–35.8	–12.7	–46.5
+ Revaluation of deferred taxes	14.0	42.0	0.6	2.1
+ Impairment of goodwill	4.4	13.2	–	–
+/– Tax share valuations and impairment on Group receivables	–2.2	–6.7	–3.9	–14.2
+ Non-deductible expenses	1.2	3.5	0.4	1.3
– Other tax-free income	–0.5	–1.4	–0.4	–1.5
+ Aperiodic tax increases	0.1	0.2	–0.3	–1.0
–/+ Other items	–3.5	–10.4	–2.1	–7.7
Effective tax rate/effective income tax expense	**21.3**	**64.0**	**4.0**	**14.7**

The changes in the revaluation of deferred taxes resulted primarily from the recognition of previously unrecognised tax losses.

The tax share valuations mainly relate to the write-down of the participations in OOO EVN Umwelt Service and EVN Bulgaria Fernwärme Holding GmbH (previous year: OOO EVN Umwelt Service), which had a tax effect during the financial year.

The position other items consists primarily of the contractual reduction of the tax charge, which is based on the distribution method.

The effective tax burden on EVN for the 2021/22 financial year amounts to 21.3% of earnings before taxes (previous year: 4.0%). The effective tax rate is a weighted average of the effective local income tax rates of all consolidated subsidiaries (see note **51. Deferred taxes).**

34. Earnings per share

Earnings per share were calculated by dividing Group net result (= proportional share of net result attributable to EVN AG shareholders) by the weighted average number of ordinary shares outstanding in 2021/22, i. e. 178,187,472 (previous year: 178,144,937) (see note **48. Treasury shares).** This amount may be diluted by so-called potential shares arising from stock options or convertible bonds. Since EVN does not have any such shares, there is no difference between basic and diluted earnings per share. Based on the Group net result of EUR 209.6m for the 2021/22 financial year (previous year: EUR 325.3m), earnings per share equalled EUR 1.18 (previous year: EUR 1.83).

Notes to the consolidated statement of financial position

Assets

35. Intangible assets

Goodwill is allocated to the CGUs "international project business" and "other CGUs". Rights include electricity procurement rights, transportation rights for natural gas pipelines and other rights (primarily software licenses). Other intangible assets primarily include the customer bases of the Bulgarian and North Macedonian electricity supply companies.

Reconciliation of intangible assets

2021/22 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2021	**216.2**	**442.2**	**59.5**	**717.9**
Additions	–	47.8	–	47.8
Disposals	–	–3.6	–	–3.6
Transfers	–	0.6	–0.6	–
Change in the scope of consolidation	0.2	–	–	0.2
Gross value 30.09.2022	**216.4**	**487.1**	**58.9**	**762.3**
Accumulated amortisation 30.09.2021	**–160.3**	**–298.0**	**–43.1**	**–501.4**
Scheduled amortisation	–	–16.8	–3.6	–20.5
Impairment losses	–52.9	–0.1	–	–52.9
Disposals	–	3.6	–	3.6
Change in the scope of consolidation	–0.2	–	–	–0.2
Accumulated amortisation 30.09.2022	**–213.4**	**–311.3**	**–46.7**	**–571.5**
Net value 30.09.2021	**55.8**	**144.2**	**16.4**	**216.5**
Net value 30.09.2022	**3.0**	**175.8**	**12.1**	**190.9**

2020/21 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2020	**216.7**	**435.8**	**65.8**	**718.3**
Additions	–	22.9	0.6	23.5
Disposals	–	–12.6	–6.9	–19.5
Transfers	–	0.7	–	0.7
Change in the scope of consolidation	–0.6	–4.6	–	–5.1
Gross value 30.09.2021	**216.2**	**442.2**	**59.5**	**717.9**
Accumulated amortisation 30.09.2020	**–160.9**	**–294.4**	**–46.2**	**–501.4**
Scheduled amortisation	–	–17.5	–3.8	–21.3
Impairment losses	–	–3.2	–	–3.2
Additions	–	0.1	–	0.1
Disposals	–	12.4	6.9	19.3
Change in the scope of consolidation	0.6	4.6	–	5.1
Accumulated amortisation 30.09.2021	**–160.3**	**–298.0**	**–43.1**	**–501.4**
Net value 30.09.2020	**55.8**	**141.4**	**19.7**	**216.9**
Net value 30.09.2021	**55.8**	**144.2**	**16.4**	**216.5**

The rights include EVN's electricity procurement rights to the Danube power plants in Freudenau, Melk and Greifenstein. The carrying amount totalled EUR 41.5m as of 30 September 2022 and will be amortised over the expected remaining operating life of the power plants.

The goodwill in the CGU "international project business" was tested for impairment as of 31 March 2022 due to a change in the Group's risk and earnings expectations caused by the uncertain geopolitical and economic environment. This impairment test led to the recognition of an impairment loss of EUR 52.9m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 392.2m. A WACC after tax of 4.17% (previous year: 3.47%) was used as the discount rate. If the WACC had increased (decreased) by 0.5 percentage points, the net assets of the CGU would, ceteris paribus, have been EUR 77.3m lower in the 2021/22 financial year (cover shortfall of EUR 28.5m). The recoverable amount would correspond to the carrying amount at a WACC after tax of 3.23%.

In 2021/22, a total of EUR 2.4m (previous year: EUR 1.3m) was invested in research and development, EUR 0.9m thereof was capitalised (previous year: small amount of less than EUR 0.1m).

36. Property, plant and equipment

Reconciliation of property, plant and equipment

2021/22 financial year EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2021	**965.6**	**4,729.1**	**2,802.0**	**294.7**	**227.9**	**240.2**	**9,259.5**
Currency translation differences	0.4	1.0	24.4	0.2	0.1	0.1	26.2
Additions	21.8	139.0	60.3	59.8	25.7	215.7	522.3
Disposals	–20.9	–10.5	–45.3	–34.8	–13.8	–1.0	–126.3
Transfers	10.8	72.1	20.0	–	0.7	–103.9	–0.4
Reclassification to assets held for sale	–	–	–79.0	–	–0.1	–	–79.1
Gross value 30.09.2022	**977.6**	**4,930.7**	**2,782.4**	**320.0**	**240.5**	**351.0**	**9,602.2**
Accumulated amortisation 30.09.2021	**–561.8**	**–2,632.4**	**–2,073.8**	**–133.1**	**–154.2**	**–11.9**	**–5,567.3**
Currency translation differences	–0.2	–0.6	–23.7	–0.1	–0.1	–	–24.7
Scheduled depreciation	–25.8	–120.5	–81.1	–23.7	–25.8	–	–276.9
Impairment losses	–3.9	–43.5	–14.1	–0.1	–0.2	–	–61.9
Revaluation	0.5	2.3	6.8	–	–	–	9.6
Disposals	20.7	10.3	44.0	30.6	13.5	0.6	119.8
Reclassifications	0.5	–	–	–	–	–	0.5
Reclassification to assets held for sale	–	–	79.0	–	0.1	–	79.1
Accumulated amortisation 30.09.2022	**–570.1**	**–2,784.4**	**–2,063.0**	**–126.4**	**–166.6**	**–11.3**	**–5,721.7**
Net value 30.09.2021	**403.8**	**2,096.7**	**728.2**	**161.6**	**73.6**	**228.3**	**3,692.1**
Net value 30.09.2022	**407.5**	**2,146.3**	**719.4**	**193.6**	**73.9**	**339.8**	**3,880.4**

2020/21 financial year EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2020	**971.3**	**4,567.4**	**3,184.6**	**283.3**	**233.3**	**211.6**	**9,451.4**
Currency translation differences	–	0.2	4.7	–	–	0.1	4.9
Additions	19.3	114.7	47.3	58.9	26.7	129.1	396.1
Disposals	–23.1	–10.3	–48.6	–50.4	–26.4	–1.0	–159.6
Transfers	13.5	57.0	30.9	2.8	–5.2	–99.3	–0.3
Change in the scope of consolidation	–15.3	–	–416.9	–	–0.6	–0.3	–433.1
Gross value 30.09.2021	**965.6**	**4,729.1**	**2,802.0**	**294.7**	**227.9**	**240.2**	**9,259.5**
Accumulated amortisation 30.09.2020	**–548.2**	**–2,522.3**	**–2,347.9**	**–163.6**	**–153.9**	**–12.1**	**–5,748.0**
Currency translation differences	–	–	–4.0	–	–	–	–4.0
Scheduled depreciation	–27.4	–118.7	–98.9	–19.1	–26.9	–	–290.9
Impairment losses	–22.4	–0.5	–88.1	–	–0.2	–0.4	–111.6
Revaluation	0.8	0.4	1.2	–	–	–	2.4
Disposals	20.3	8.7	46.9	49.6	26.1	0.2	151.8
Reclassifications	–0.2	–	0.1	–	–	–	–0.1
Change in the scope of consolidation	15.3	–	416.9	–	0.6	0.3	433.1
Accumulated amortisation 30.09.2021	**–561.8**	**–2,632.4**	**–2,073.8**	**–133.1**	**–154.2**	**–11.9**	**–5,567.3**
Net value 30.09.2020	**423.0**	**2,045.1**	**836.7**	**119.7**	**79.4**	**199.5**	**3,703.4**
Net value 30.09.2021	**403.7**	**2,096.7**	**728.2**	**161.6**	**73.6**	**228.3**	**3,692.1**

Land and buildings included land with a value of EUR 63.5m (previous year: EUR 59.4m). There was no maximum amount mortgage as of 30 September 2022.

As in the previous year, no property, plant and equipment or intangible assets were pledged as collateral as of 30 September 2022.

The impairment testing of assets in accordance with IAS 36 led to the recognition of the following impairment losses and write-ups in 2021/22:

Various heating plants attributable to EVN Wärme were tested for impairment due to a deterioration in the economic environment. The related calculations led to the recognition of impairment losses totalling EUR 6.8m to three plants in the Energy Segment. The recoverable amount was determined on the basis of the value in use and amounted to EUR 9.8m. A WACC after tax ranging from 5.64% to 5.66% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 6.67% to 11.03%.

A triggering event was identified in connection with the CGU "gas grid Lower Austria" due to an increase in the weighted average cost of capital (WACC) over the expected regulated WACC in the coming regulatory period. The impairment test led to the recognition of an impairment loss of EUR 32.9m in the Network Segment. The recoverable amount was determined on the basis of the value in use and amounted to EUR 541.2m. A WACC after tax of 4.53% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 5.88%. If the WACC had increased (decreased) by 0.5 percentage points, the net assets of the CGU would, ceteris paribus, have been EUR 84.8m lower (excess cover of EUR 30.5m).

In the South East Europe Segment, the cogeneration plants operated by TEZ Plovdiv in Bulgaria were tested for impairment following an increase in the WACC. This impairment test led to the recognition of an impairment loss of EUR 16.6m. The recoverable amount was determined on the basis of the value in use less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 38.2m. A WACC after tax of 7.78% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 8.67%. The underlying present value model includes a detailed planning period of four years, a general planning phase up to and including 2032, and a perpetual yield.

The Kavarna wind park was tested for impairment as of 31 December 2021 due to a change in the regulatory framework in Bulgaria. This test led to a write-up of EUR 6.4m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 18.4m (previous year: EUR 12.7m). The discount rates equalled a WACC after tax of 4.31% for the regulated period and 4.58% for the non-regulated period (previous year: 5.24% and 5.30%). Further indications of a change in the value of this CGU were identified as of 30 September 2022 as a result of the economic environment and an increase in the WACC. An impairment test on that date led to the recognition of a further revaluation of EUR 3.2m. Thus revaluations in the Generation Segment totalled EUR 9.6m in 2021/22. The recoverable amount was determined on the basis of the value in use and amounted to EUR 22.4m. The discount rates equalled a WACC after tax of 7.65% for the regulated period and 7.83% for the non-regulated period, which corresponds to an iteratively derived pre-tax WACC of 9.79%.

As a consequence of geopolitical developments and the increased country risk premium in Russia, the combined heat and power plants in Moscow were tested for impairment in the second quarter of 2021/22 and subsequently written off in full. The impairment loss recognised to the consolidated statement of operations equals EUR 5.5m. The recoverable amount was determined on the basis of the value in use and resulted in a negative amount. The discount rate equalled a WACC after tax of 16.38%, which corresponds to an iteratively derived pre-tax WACC of 18.25%.

EVN as the lessee

The most important application area for the EVN Group is formed by lease and easement agreements, as well as leased commercial and warehouse space which are assumed to be based on long-term leases. Rights of use totalling EUR 74.0m (previous year: EUR 68.6m) were contrasted by lease liabilities with a present value of EUR 61.8m (previous year: EUR 60.6m) as of 30 September 2022. The short-term portion of the lease liabilities equalled EUR 6.4m (previous year: EUR 5.5m).

In connection with subsequent measurement, the rights of use are amortised on a systematic basis over the shorter of the useful life and the remaining term of the lease. The conclusion of new agreements and the recognition of changes in estimates and modifications in 2021/22 led to an addition of EUR 12.0m (previous year: EUR 6.6m). Rights of use from lease agreements are reported as part of property, plant and equipment in accordance with IFRS 16; the development and amortisation of these rights of use are allocated to the following asset classes:

2021/22 financial year EURm	Land and buildings	Lines	Technical equipment	Other plants, tools and equipment	**Total**
Rights of use 30.09.2021	**55.8**	**11.4**	**1.0**	**0.4**	**68.6**
Additions	7.4	3.9	0.4	0.4	12.0
Scheduled depreciation	–4.9	–0.5	–1.0	–0.2	–6.6
Rights of use 30.09.2022	**58.4**	**14.8**	**0.3**	**0.5**	**74.0**

2020/21 financial year EURm	Land and buildings	Lines	Technical equipment	Other plants, tools and equipment	Total
Rights of use 30.09.2020	**66.8**	**6.5**	**0.4**	**6.6**	**80.3**
Additions	0.2	5.2	1.0	0.1	6.6
Scheduled depreciation	–5.2	–0.3	–0.4	–0.4	–6.3
Impairments	–12.0	–	–	–	–12.0
Other movements	6.0	–	–	–6.0	–
Rights of use 30.09.2021	**55.8**	**11.4**	**1.0**	**0.4**	**68.6**

The determination of the rights of use and corresponding lease liabilities includes all sufficiently probable cash outflows. The cash outflows from leases totalled EUR 14.0m (previous year: EUR 13.3m) in 2021/22. The consolidated statement of operations contains EUR 2.5m (previous year: EUR 2.3m) of expenses from unrecognised leases, which include expenses from low-value leases, expenses from short-term leases (less than twelve months) and expenses from variable lease payments that were not included in the lease liability. The interest expense for lease liabilities totalled EUR 0.6m (previous year: EUR 0.6m) in 2021/22. The difference between the cash outflows presented here and the payments for lease liabilities resulted primarily from advance rental payments made in 2021/22. These advance payments are not reported under cash flow from financing activities because they are not related to lease liabilities; they are instead included under cash flow from investing activities.

37. Investments in equity accounted investees

The companies included in the consolidated financial statements at equity are listed in the notes under **EVN's investments** starting on page 264. Note **64. Disclosures of interests in other entities** contains financial information on joint ventures and associates that are included at equity in EVN's consolidated financial statements.

All investments in equity accounted investees were recognised at their proportional share of IFRS income or loss based on an interim or annual report with a balance sheet date that does not precede the balance sheet date of EVN by more than three months. There were no listed market prices for the investments in equity accounted investees included in the consolidated financial statements.

Reconciliation of investments in equity accounted investees

2021/22 financial year EURm	
Gross value 30.09.2021	918.3
Additions	50.0
Gross value 30.09.2022	968.3
Accumulated amortisation 30.09.2021	659.2
Currency translation differences	3.8
Proportional share of results	98.9
Dividends	–152.6
Changes recognised in other comprehensive income	810.3
Accumulated amortisation 30.09.2022	1,419.7
Net value 30.09.2021	1,577.5
Net value 30.09.2022	2,388.0

2020/21 financial year EURm	
Gross value 30.09.2020	**919.9**
Change in the scope of consolidation	–1.5
Gross value 30.09.2021	**918.3**
Accumulated amortisation 30.09.2020	**82.3**
Currency translation differences	–1.2
Disposal from the scope of consolidation	1.4
Revaluation	49.0
Proportional share of results	190.6
Dividends	–129.4
Changes recognised in other comprehensive income	466.4
Accumulated amortisation 30.09.2021	**659.2**
Net value 30.09.2020	**1,002.1**
Net value 30.09.2021	**1,577.5**

The strong increase in energy prices led to a necessary equity injection for EVN KG to safeguard the company's liquidity and operational flexibility. The additions of EUR 50.0m in 2021/22 were related solely to the equity injection for EVN KG.

The carrying amount of equity accounted investees rose by EUR 810.5m in 2021/22 (previous year: increase of EUR 575.4m). These changes resulted chiefly (EUR 768.2m) from changes in the fair value of derivative financial instruments in the energy business which are designated as cash flow hedges and are related to the investments in EVN KG and EnergieAllianz.

Sludge2energy reported negative equity of EUR 7.4m as of 30 September 2022. The proportional share of unrecognised surplus losses in this equity accounted company totalled EUR 3.7m as of 30 September 2022 (previous year: EUR 0.0m).

38. Other investments

The item other investments includes holdings in affiliates and associates, which are not consolidated due to immateriality, as well as miscellaneous stakes of less than 20.0% that were not included at equity.

The shares in affiliates and associates which are not consolidated due to immateriality are measured at cost less any necessary impairment losses and totalled EUR 6.2m in 2021/22 (previous year: EUR 4.1m). The other investments classified as FVOCI consist primarily of shares in Verbund AG with a value of EUR 3,837.5m (previous year: EUR 3,848.4m) and miscellaneous other investments of EUR 190.9m (previous year: EUR 177.0m). The valuation adjustments were recorded under other comprehensive income, the dividends were recorded in the consolidated statement of operations (also see note **32. Financial results).**

EVN AG and Wiener Stadtwerke Holding AG entered into an agreement on 22 September 2010 for the syndication of their directly and indirectly held shareholdings in Verbund AG. This agreement gives the two companies joint control over approximately 26% of the voting shares in Verbund AG. In spite of the syndicate agreement, the scope of possible influence over the financial and business policies of Verbund AG is very limited. The requirements for classification as a controlling influence (IAS 28) are therefore not met and the shares in Verbund AG are therefore accounted by applying IFRS 9.

The valuation of the investment in Verbund Hydro Power AG in 2021/22 based on the discounted cash flow method resulted in a write-up of EUR 18.2m in the Generation Segment. The recoverable amount was determined on the basis of fair value less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 159.0m. A WACC after tax of 5.46% was used as the discount rate. The present value model underlying the valuation is based on publicly available information in the annual financial statements and, based on available data for electricity prices, forecasts the development of the coming years up to 2050 and a perpetual yield without a growth rate.

The valuation of the investment in AGGM Austrian Gas Grid Management AG in 2021/22 based on the discounted cash flow method resulted in the recognition of an impairment loss of EUR 2.3m in the Networks Segment. The recoverable amount was determined on the basis of fair value less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 4.4m. A WACC after tax of 4.53% was used as the discount rate. The present value model underlying the valuation is based on a perpetual yield without a growth rate which, in turn, was developed from the average trend of data from publicly available annual financial statements for 2018–2021 and a forecast for the 2022 financial year.

In the All Other Segments, the valuation of the investment in Wiener Börse AG based on the discounted cash flow method resulted in an impairment loss of EUR 2.1m in 2021/22. The recoverable amount was determined on the basis of fair value less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 26.0m. A WACC after tax of 6.18% was used as the discount rate. The present value model underlying the valuation includes forecasted distributions for the coming year as well as a perpetual yield without a growth rate.

39. Other non-current assets

Other non-current assets

EURm	30.09.2022	30.09.2021
Non-current financial assets		
Securities	68.8	74.4
Loans receivable	25.1	35.4
Lease receivables	12.7	14.0
Receivables arising from derivative transactions	–	4.9
Trade receivables	13.9	10.8
Non-current other assets		
Contract assets	1.9	1.2
Contract costs	36.1	56.7
Primary energy reserves	0.8	0.7
Remaining other non-current assets	3.9	1.8
Total	163.0	200.0

Securities reported under other non-current assets consist mainly of shares in investment funds and serve as coverage for the provisions for pensions and similar obligations as required by Austrian tax law. The carrying amounts correspond to the fair value as of the balance sheet date.

Lease receivables relate to project business in connection with PPP-projects. The decline in the fiscal year is mainly due to the contractually agreed redemption payments.

The reconciliation of the future minimum lease payments to their present value is as follows:

Terms to maturity of non-current lease receivables

EURm

	Remaining term to maturity as of 30.09.2022			Remaining term to maturity as of 30.09.2021		
	Principal components	Interest components	Total	Principal components	Interest components	Total
<5 years	7.6	0.5	8.2	7.8	0.9	8.7
>5 years	5.0	0.1	5.1	6.2	0.2	6.5
Total	**12.7**	**0.6**	**13.3**	**14.0**	**1.2**	**15.2**

The total of the principal components corresponds to the capitalised value of the lease receivables. The interest components correspond to the proportionate share of the interest component of the total lease payment and do not represent discounted amounts. The interest components of the lease payments in 2021/22 were reported as interest income on non-current assets.

Trade receivables include claims from North Macedonia which were reclassified as long-term based on instalment agreements with customers.

Contract costs represent the costs for obtaining contracts, as defined in IFRS 15.91, and are related to the international project business. Contract costs totalling EUR 86.7m were capitalised in fiscal year 2019/20 and will be amortised on a systematic basis in line with the expected timing of the contract on which the costs are based and depending on how the goods or services are transferred to the customer. Therefore, the original depreciation period is between 2.5 years and 4 years. As a result of the current depreciation of EUR 20.6m (previous year: EUR 25.5m) in the fiscal year 2021/22, the book value decreased to EUR 36.1m (see note **31. Depreciation and amortisation and effects from impairment tests).**

Current assets

40. Inventories

Inventories

EURm	30.09.2022	30.09.2021
Primary energy inventories	120.0	8.9
CO_2 emission certificates	16.9	49.0
Raw materials, supplies, consumables and other inventories	62.3	26.8
Customer orders not yet invoiced	7.6	11.0
Total	**206.8**	**95.7**

Primary energy inventories consist primarily of natural gas. Gas inventories totalled EUR 117.2m as of 30 September 2022 (previous year: EUR 6.8m). As a reaction to the threatening stop of gas deliveries, EVN continuously increased the volumes of non-Russian gas and its strategic gas supplies during the 2021/22 financial year. These measures are intended to protect supply security for the EVN Group's natural gas customers and to ensure that gas supplies are available for shortage management in the gas-fired power plant.

Part of the natural gas inventories have been measured according to the broker-trader exception since 2019/20 because they are held exclusively for trading. Consequently, these natural gas inventories are measured at fair value (Level 1) less costs to sell. The fair value of the inventories held for trading totalled EUR 0.1m (previous year: EUR 0.1m) as of 30 September 2022. Positive changes in the market value resulted in a revaluation through profit or loss of EUR 0.1m (previous year: EUR 0.1m) as of 30 September 2022.

The CO_2 emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act and which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note **57. Current provisions).** The decrease in emission certificates is mainly due to the sale of the Walsum 10 coal-fired power plant, which was included as a joint operation, in the previous year.

Valuation allowances of EUR 0.7m were recognised to inventories in 2021/22 (previous year: EUR 0.9m) and were contrasted by revaluations of EUR 0.1m (previous year: EUR 0.1m). The inventories are not subject to any restrictions on disposal or other encumbrances.

41. Trade and other receivables

Trade and other receivables EURm	30.09.2022	30.09.2021
Financial assets		
Trade accounts receivable	306.1	331.0
Receivables from investments in equity accounted investees	50.6	55.2
Receivables from non-consolidated subsidiaries	5.9	1.0
Receivables from employees	9.2	0.1
Receivables arising from derivative transactions	27.0	58.7
Lease receivables	1.5	1.4
Other receivables and assets	180.9	65.1
	581.2	**512.3**
Other receivables		
Taxes and levies receivable	48.1	27.2
Prepayments	142.8	152.4
Contract assets	221.4	58.0
	412.3	**237.6**
Total	**993.5**	**749.9**

Trade accounts receivable relate mainly to electricity, natural gas and heating customers and customers from the international project business. Notes to impairment losses and default risks for trade receivables can be found in note **61. Risk management.**

Receivables from investments in equity accounted investees and receivables from non-consolidated subsidiaries arise primarily from intragroup transactions related to energy supplies as well as Group financing and services provided to those companies.

The receivables arising from derivative transactions consist chiefly of the positive market values of derivatives in the energy business. Other receivables and assets include, among others, receivables from insurance and short-term loans receivable, as well as security retained in the international project business. The increase in contract assets resulted primarily from contract orders in the international project business. In 2021/22, as in the previous year, no impairments were recognised in connection with contract assets.

As of 30 September 2022, as in the previous year, no receivables were pledged as collateral for EVN's own liabilities.

42. Securities and other financial investments

Composition of securities and other financial investments EUm	30.09.2022	30.09.2021
Funds	193.3	383.0
thereof cash funds	193.1	382.8
thereof other fund products	0.2	0.2
Time deposits	14.4	16.1
Restricted cash	9.3	–
Total	**216.8**	**399.1**

A write-down of a small amount below EUR –0.1m was recorded through profit or loss in 2021/22 (previous year: EUR –3.5m). The time deposits reported under this item have a maturity of more than three months.

The item restricted cash includes bank balances that have been pledged and are therefore not available for general use by the Group.

43. Assets and liabilities held for sale

EVN, together with its two fully consolidated subsidiaries OOO EVN Umwelt Service and OOO EVN Umwelt, operates two sludge-fired combined heat and power plants in Moscow. These plants are allocated to the Environment Segment. The war in Ukraine has had a negative influence on relations between the majority of the international community of states and the Russian Federation, and the risk of the orderly continuation of business operations in Russia is more difficult to calculate. In view of these developments, EVN evaluated possible exit scenarios. A potential sale materialised as the most probable scenario in the fourth quarter of 2021/22, and the sale is actually expected to take place in the first quarter of 2022/23. Based on the concrete intention to sell and the advanced stage of negotiations with a potential buyer, the sale is considered highly probable. The assets and liabilities connected with this disposal group are therefore classified as current as of 30 September 2022 in accordance with IFRS 5.

Other operating expenses include impairment losses of EUR 1.8m. In addition, impairment losses to property, plant and equipment and intangible assets were combined into a minor sum of less than EUR 0.1m. These impairment losses resulted from the application of the lower of the carrying amount and fair value less costs to sell for the disposal group.

Other comprehensive income includes cumulative expenses connected with the disposal group. The difference from currency translation equalled EUR –1.5m as of 30 September 2022.

The disposal group was measured at fair value less costs to sell as of 30 September 2022 and contains the following assets and liabilities:

Assets and liabilities held for sale EURm	30.09.2022
Current assets	9.3
Assets held for sale	**9.3**
Non-current liabilities	0.5
Current liabilites	0.8
Liabilities held for sale	**1.3**

Current assets include EUR 7.5m of bank deposits which are subject to disposal restrictions due to the sanctions imposed by the Russian Federation.

Liabilities

Equity

The development of equity in 2021/22 and 2020/21 is shown on page 181.

44. Share capital

The share capital of EVN AG totals EUR 330.0m (previous year: EUR 330.0m) and is divided into 179,878,402 (previous year: 179,878,402) zero par value bearer shares.

45. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 205.2m (previous year: EUR 204.4m) from capital increases and unappropriated capital reserves of EUR 58.3m (previous year: EUR 58.3m), both in accordance with Austrian stock corporation law.

46. Retained earnings

Retained earnings of EUR 2,979.9m (previous year: EUR 2,863.0m) comprise the proportional share of retained earnings attributable to EVN AG and all other consolidated companies from the date of initial consolidation as well as the proportional share of retained earnings from business combinations achieved in stages.

Dividends are based on the result of EVN AG as reported in the annual financial statements and developed as follows:

Reconciliation of EVN AG's result for the period

EURm	2021/22
Reported result for the period 2021/22	354.0
Plus retained earnings from the 2020/21 financial year	0.1
Less additions to voluntary reserves	–261.0
Distributable result for the period	93.1
Proposed dividend	–92.7
Retained earnings for the 2022/23 financial year	0.4

Liabilities do not include the dividend of EUR 0.52 per share for the 2021/22 financial year which will be proposed to the Annual General Meeting.

The 93rd Annual General Meeting on 3 February 2022 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 0.52 per share for the 2020/21 financial year. This resulted in a total dividend payment of EUR 92.6m. Ex-dividend day was 9 February 2022, dividend payment day was 11 February 2022.

47. Valuation reserves

The valuation reserve contains changes in the market value of cash flow hedges and financial assets classified at fair value through other comprehensive income (FVOCI), the IAS 19 remeasurements and the proportional share of changes in the equity of investments in equity accounted investees.

In addition, the statement of comprehensive income includes EUR 9.4m (previous year: EUR 0.9m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see **Consolidated statement of comprehensive income,** page 179).

The part of the valuation reserve attributable to equity accounted investees consists primarily of components from cash flow hedges that were recorded under equity as well as remeasurements in accordance with IAS 19 and the valuation of FVOCI instruments.

Valuation reserves EURm	30.09.2022 Before tax	 Tax	 After tax	30.09.2021 Before tax	 Tax	 After tax
Items recognised under other comprehensive income from						
Financial assets classified at fair value through other comprehensive income	3,566.3	–820.2	2,746.1	3,563.8	–890.9	2,672.9
Cash flow hedges	–206.5	55.1	–151.4	–22.4	6.3	–16.1
Remeasurements IAS 19	–73.0	16.3	–56.7	–151.0	37.1	–113.9
Investments in equity accounted investees	1,229.9	–289.7	940.2	428.8	–111.1	317.7
Total	**4,516.7**	**–1,038.4**	**3,478.3**	**3,819.2**	**–958.6**	**2,860.6**

In 2021/22, cash flow hedges totalling EUR –43.0m (previous year: EUR 13.7m) were transferred from other comprehensive income to the consolidated statement of operations. The year-on-year change resulted, above all, from the portfolio hedge as well as from the hedging of net cash flows from the international project business (see note **63. Reporting on financial instruments).** Due to the ineffectiveness of the hedges an amount of EUR 0.0m (previous year: EUR 0.0m) was recognised in profit or loss.

48. Treasury shares

A total of 37,888 treasury shares were sold during the reporting year to permit their issue as a special payment in accordance with a company agreement (previous year: 43,464 shares). EVN AG is not entitled to any rights arising from treasury shares. In particular, these shares are not entitled to dividends.

The number of shares outstanding developed as follows:

Reconciliation of the number of outstanding shares	Zero par value shares	Treasury shares	Outstanding shares
30.09.2020	**179,878,402**	**–1,740,709**	**178,137,693**
Purchase of treasury shares	–	–	–
Disposal of treasury shares	–	43,464	43,464
30.09.2021	**179,878,402**	**–1,697,245**	**178,181,157**
Purchase of treasury shares	–	–	–
Disposal of treasury shares	–	37,888	37,888
30.09.2022	**179,878,402**	**–1,659,357**	**178,219,045**

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 178,187,472 shares (previous year: 178,144,937 shares).

49. Non-controlling interests

The item non-controlling interests comprises the non-controlling interests in the equity of fully consolidated subsidiaries.

The following table provides information on each fully consolidated subsidiary of EVN with material non-controlling interests before intragroup eliminations:

Financial information of subsidiaries with material non-controlling interests

EURm

	30.09.2022			30.09.2021		
Subsidiaries	**RBG**	**BUHO**	**EVN Macedonia**	**RBG**	**BUHO**	**EVN Macedonia**
Non-controlling interests (%)	49.97	26.37	10.0	49.97	26.37	10.0
Carrying amount of non-controlling interests	202.0	41.7	34.0	191.2	40.4	31.3
Result attributable to non-controlling interests	25.8	3.8	2.5	20.2	3.4	2.8
Dividends attributable to non-controlling interests	24.0	2.7	–	22.6	2.7	–
Statement of financial position						
Non-current assets	403.8	195.5	391.6	382.2	190.6	375.0
Current assets	0.1	9.4	140.3	0.1	9.4	62.8
Non-current liabilities	–	0.8	108.1	–	1.0	97.8
Current liabilities	–	0.1	77.1	–	–	23.7
	2021/22			**2020/21**		
Statement of operations						
Revenue	–	–	0.1	–	–	–
Result after income tax	51.7	14.4	29.3	40.5	12.7	27.8
Net cash flows						
Net cash flow from operating activities	47.9	10.4	12.2	45.1	10.3	29.7
Net cash flow from investing activities	–	–	–34.4	–	–	–26.4
Net cash flow from financing activities	–48.0	–10.4	9.8	–45.2	–10.4	–0.2

Non-current liabilities

50. Non-current loans and borrowings

Breakdown of non-current loans and borrowings

	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2022 EURm	Carrying amount 30.09.2021 EURm	Fair value 30.09.2022 EURm
Bonds				556.7	319.6	480.1
JPY bond	3.130	2009–2024	JPY 12.0bn	87.4	95.4	88.0
EUR bond	4.125	2012–2032	EUR 100.0m	98.6	98.5	99.1
EUR bond	4.125	2012–2032	EUR 25.0m	24.7	24.7	24.8
EUR bond	0.850	2020–2035	EUR 101.0m	101.0	101.0	64.8
Registered bond	2.005	2022–2034	EUR 5.0m	5.0	–	3.9
Registered bond	2.440	2022–2037	EUR 150.0m	150.0	–	116.3
Registered bond	3.900	2022–2038	EUR 90.0m	90.0	–	83.2
Bank loans (incl. promissory note loans)[1]	0.00–4.99	until 2068	–	594.0	399.3	552.7
Total				**1,150.8**	**718.9**	**1,032.9**

1) In the 2021/22 financial year, a reclassification was made to current financial liabilities in the amount of EUR 150.1m.

The maturity structure of the non-current loans and borrowings is as follows:

Maturity of non-current loans and borrowings

EURm	Remaining term to maturity as of 30.09.2022			Remaining term to maturity as of 30.09.2021		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Bonds	87.4	469.3	556.7	95.4	224.2	319.6
thereof fixed interest	–	469.3	469.3	–	224.2	224.2
thereof variable interest	87.4	–	87.4	95.4	–	95.4
Bank loans	235.6	358.5	594.0	79.5	319.7	399.3
thereof fixed interest	229.6	358.5	588.1	70.3	319.7	390.1
thereof variable interest	6.0	–	6.0	9.2	–	9.2
Total	**323.0**	**827.8**	**1.150.8**	**175.0**	**543.9**	**718.9**

Bonds

All bonds involve bullet repayment on maturity. The foreign currency bond is hedged against interest and foreign exchange risk by means of cross-currency swaps.

The change results from the issuance of two registered bonds in April 2022 (nominal values of EUR 5m and EUR 150m respectively) and the issue of a registered bond in July 2022 (nominal value EUR 90m). The other changes result from changes in the value of the hedged foreign currency risk from the JPY bond.

The bonds are carried at amortised cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. In accordance with IFRS 9, hedged liabilities are adjusted to reflect the corresponding change in the fair value of the hedged risk in cases where hedge accounting is applied (see note **63. Reporting on financial instruments).**

Bank loans

The loans consist of immaterial general borrowings from banks and loans, which are subsidised in part by interest and redemption grants from the Austrian Environment and Water Industry Fund. This position also includes EUR 247.0m (previous year: EUR 187.5m) of promissory note loans that were issued in October 2012, April 2020 and in July 2022.

Accrued interest is reported under other current liabilities.

51. Deferred taxes

Deferred taxes

EURm	30.09.2022	30.09.2021
Deferred tax assets		
Employee-related provisions	–22.9	–48.0
Tax loss carryforwards	–13.9	–59.2
Investment depreciation	–23.8	–27.4
Property, plant and equipment	–6.8	–4.1
Provisions	–11.4	–3.2
Financial instruments	–72.6	–21.5
Other assets	–3.8	–32.0
Other liabilities	–12.7	–10.9
Deferred tax liabilities		
Property, plant and equipment	78.4	72.3
Intangible assets	2.1	2.3
Investments	1,130.0	1,023.9
Provisions	8.5	–
Financial instruments	8.2	15.9
Other assets	4.7	40.3
Other liabilities	7.2	17.8
Total	**1,071.1**	**978.5**
thereof deferred tax assets	–55.6	–57.0
thereof deferred tax liabilities	1,126.7	1,035.4

Deferred taxes developed as follows:

Changes in deferred taxes

EURm	2021/22	2020/21
Deferred taxes on 01.10.	**978.5**	**414.6**
– Changes recognised directly in equity resulting from currency translation differences and other changes	–0.3	4.1
– Changes in deferred taxes recognised through profit and loss	13.1	–23.1
– Changes in deferred taxes recognised directly in equity from the valuation reserve	79.8	582.8
Deferred taxes on 30.09.	**1,071.1**	**978.5**

Projected tax results will permit the utilisation over the coming years of losses for which deferred tax assets were previously recorded. Deferred tax assets of EUR 73.9m (previous year: EUR 86.9m) related to loss carryforwards were not recognised because they are not expected to be used within the foreseeable future. Of this total, EUR 8.6m will expire during the next five years (previous year: EUR 1.9m). The remaining loss carryforwards that were not capitalised can be carried forward for an indefinite period of time.

Deferred tax liabilities of EUR 85.7m (previous year: EUR 111.3m) on temporary differences of EUR 325.5m (previous year: EUR 413.7m) were not recognised because these differences will remain tax-free in the foreseeable future. These temporary differences arise from differences between the tax base of the participation interest and the proportional share of equity owned less retained earnings, respectively between the tax base of the participation interest and the carrying amount of the equity accounted investees (outside basis differences).

The changes recorded under other comprehensive income are primarily attributable to financial instruments (EUR –119.6m; previous year: EUR 485.3m), associates (EUR 178.6m; previous year: EUR 109.6m) and employee-related provisions (EUR 20.9m; previous year: EUR 3.3m).

52. Non-current provisions

Non-current provisions EURm	30.09.2022	30.09.2021
Provisions for pensions	172.0	239.2
Provisions for pension-related obligations	20.2	28.1
Provisions for severance payments	69.7	84.6
Other non-current provisions	74.3	93.4
Total	**336.2**	**445.3**

The calculation of provisions for pensions and similar obligations and provisions for severance payments is mainly based on the following calculation principles:

The discount rate used to measure the provision for pensions and pension-related obligations was set at 3.7% as of 30 September 2022 (previous year: 1.1%). The provisions for severance payments were measured with a discount rate of 3.6% (previous year 0.9%). The different discount rates reflect the different duration of the provisions for severance payments.

The following parameters are applied:

- → Remuneration increases 3.50% p. a.; in subsequent years 2.25% p. a. (previous year: remuneration increases 2.00% p. a., in subsequent years 2.00% p. a.)
- → Pension increases 3.50% p. a.; in subsequent years 2.25% p. a. (previous year: pension increases 2.00% p. a., in subsequent years 2.00% p. a.)
- → Austrian mortality tables AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung

Reconciliation of provisions for pensions EURm	2021/22	2020/21
Present value of pension obligations (DBO) as of 01.10.	**239.2**	**260.5**
+ Service costs	2.0	–0.1
+ Interest costs	2.6	2.6
– Pension payments	–12.5	–13.2
+/– Actuarial loss/gain	–59.4	–10.6
thereof		
Financial assumptions	–53.1	–2.8
Assumptions based on experience	–6.3	–7.8
Present value of pension obligations (DBO) as of 30.09.	**172.0**	**239.2**

As of 30 September 2022, the weighted average remaining term equalled 11.1 years for the pension obligations (previous year: 14.1 years). Pension payments are expected to total EUR 12.6m in 2022/23 (previous year: EUR 13.2m).

Reconciliation of the provisions for pension-related obligations

EURm	2021/22	2020/21
Present value of the provisions for pension-related obligations (DBO) as of 01.10.	**28.1**	**28.6**
+ Service costs	0.4	0.5
+ Interest costs	0.3	0.3
– Payments	–1.2	–1.0
+/– Actuarial loss/gain	–7.4	–0.4
thereof		
Financial assumptions	–9.2	–0.5
Assumptions based on experience	1.7	0.2
Present value of the provisions for pension-related obligations (DBO) as of 30.09.	**20.2**	**28.1**

As of 30 September 2022, the weighted average remaining term equalled 14.4 years for the pension-related obligations (previous year: 17.8 years). The payments for pension-related obligations are expected to total EUR 1.3m in 2022/23 (previous year: EUR 1.0m).

Reconciliation of the provision for severance payments

EURm	2021/22	2020/21
Present value of severance payment obligations (DBO) as of 01.10.	**84.6**	**92.4**
+ Service costs	3.1	3.4
+ Interest costs	0.8	0.7
– Severance payments	–7.5	–10.4
+/– Actuarial loss/gain	–11.3	–1.5
thereof		
Demographic assumptions	–0.1	–
Financial assumptions	–13.2	–1.0
Assumptions based on experience	2.0	–0.4
Present value of severance payment obligations (DBO) as of 30.09.	**69.7**	**84.6**

As of 30 September 2022, the weighted average remaining term of the severance payment obligations equalled 7.9 years (previous year: 9.0 years). Severance payments are expected to total EUR 9.8m in 2022/23 (previous year: EUR 8.8m).

A change in the actuarial parameters (ceteris paribus) would have the following effect on the provisions for pensions, pension-related obligations and severance payments:

Sensitivity analysis for provision for pensions

%		30.09.2022		30.09.2021	
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	**5.77**	**–5.22**	7.60	–6.73
Remuneration increases	1.00	**–1.74**	**1.88**	–2.68	2.91
Pension increases	1.00	**–8.94**	**10.67**	–11.00	13.53
Remaining life expectancy	1 year	**–4.44**	**4.48**	–5.00	5.12

Sensitivity analysis for provision for pension-related obligations

%

		30.09.2022		30.09.2021	
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	7.56	–6.73	9.69	–8.44
Remuneration increases	1.00	–	–	–	–
Pension increases	1.00	–5.83	6.46	–13.49	17.08
Remaining life expectancy	1 year	–3.42	3.41	–4.18	4.24

Sensitivity analysis for provision for severance payments

%

		30.09.2022		30.09.2021	
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	3.91	–3.68	4.55	–4.26
Remuneration increases	1.00	–7.45	8.31	–8.41	9.41

The sensitivity analysis was carried out separately for each key actuarial parameter. Only one parameter was changed at a time during the examination, while the other variables remained constant (ceteris paribus). The method used to calculate the changed obligation reflected the calculation of the actual obligation. The analytical capacity of this method is limited because the interdependencies between the individual actuarial parameters are not taken into account. With respect to the severance compensation obligations, a sensitivity analysis was not carried out for the remaining life expectancy because this parameter has only an immaterial effect on the liability.

Reconciliation of other non-current provisions

EURm

	Service anniversary bonuses	Rents for network access	Process costs and risks	Environmental and disposal risks	Other non-current provisions	Total
Carrying amount 01.10.2021	25.1	6.3	4.6	53.5	4.0	93.4
Interest expense	0.3	–	0.3	–	–	0.7
Use	–2.1	–	–	–	–1.0	–3.1
Release	–2.9	–0.1	–3.4	–11.1	–0.3	–17.8
Additions	0.1	0.4	0.7	1.2	0.4	2.7
Reclassification	–	–0.1	0.9	–1.3	–1.3	–1.7
Carrying amount 30.09.2022	20.5	6.5	3.1	42.3	1.9	74.3

Rents for network access involve provisions for rents to gain access to third-party facilities in Bulgaria. Various legal proceedings and lawsuits, which for the most part arise from operating activities and are currently pending, are reported under process costs and risks. Environmental and disposal risks primarily encompass the estimated costs for demolition or disposal as well as provisions for environmental risks and risks related to contaminated sites. At the present time, the use of the provisions for environmental and disposal risks is expected within a timeframe of one to 16 years.

53. Deferred income from network subsidies

The investment subsidies are related primarily to heating plants, facilities operated by EVN Wasser, small hydropower plants and wind power plants operated by EVN Naturkraft and facilities operated by network companies.

Deferred income from network subsidies
EURm

	Network subsidies (IFRS 15)	Network subsidies (IAS 20)	Investment subsidies	Total
Carrying amount 01.10.2021	**55.1**	**503.3**	**63.8**	**622.2**
Currency translation differences	–	0.2	–	0.2
Additions	6.7	62.8	1.6	71.0
Reclassification	–5.6	–51.5	–5.1	–62.3
Carrying amount 30.09.2022	**56.1**	**514.9**	**60.2**	**631.2**

54. Other non-current liabilities

Other non-current liabilities
EURm

	30.09.2022	30.09.2021
Liabilities from derivative transactions	63.2	27.6
Leasing liabilities	55.4	55.1
Remaining other non-current liabilities	19.2	33.3
Total	**137.8**	**116.0**

The liabilities from derivative transactions include the negative fair values from contracts in the energy sector and from forward exchange transactions in connection with the international project business.

The remaining other non-current liabilities include accrued long-term electricity delivery obligations, accrued liabilities for contract costs incurred and long-term compensation payments received.

Term to maturity of other non-current liabilities
EURm

	Remaining term to maturity as of 30.09.2022			Remaining term to maturity as of 30.09.2021		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Liabilities from derivative transactions	63.2	–	63.2	27.6	–	27.6
Leasing liabilities	18.4	36.9	55.4	19.9	35.2	55.1
Remaining other non-current liabilities	16.5	2.7	19.2	30.7	2.6	33.3
Total	**98.1**	**39.7**	**137.8**	**78.2**	**37.9**	**116.0**

Current liabilities

55. Current loans and borrowings

Bank overdrafts are included under cash and cash equivalents in the consolidated statement of cash flows.

Current loans and borrowings

EURm

	30.09.2022	30.09.2021
Bonds	–	292.2
Bank loans	122.4	25.6
Bank overdrafts and other current loans	255.1	0.2
Total	**377.4**	**318.0**

Loans in the amount of EUR 122.4m (previous year: EUR 25.6m) were reclassified to current financial liabilities because they are now due within one year.

56. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 128.8m (previous year: EUR 116.6m).

57. Current provisions

Reconciliation of current provisions

EURm

	Personnel entitlements	Rents for network access	Process risks	Other current provisions	Total
Carrying amount 01.10.2021	**81.2**	**2.6**	**3.7**	**37.3**	**124.8**
Use	–12.4	–	–0.6	–15.3	–28.3
Release	–	–	–	–1.0	–1.0
Additions	14.3	–	–	24.1	38.4
Reclassification	–0.1	0.1	–0.9	2.5	1.7
Carrying amount 30.09.2022	**83.1**	**2.7**	**2.2**	**47.5**	**135.5**

The provisions for personnel entitlements comprise special payments not yet due, outstanding leave and liabilities resulting from a voluntary early retirement programme for employees. The provisions for legally binding agreements totalled EUR 7.7m as of the balance sheet date (previous year: EUR 8.1m).

Provisions for contingent losses of EUR 31.4m (previous year: EUR 22.0m) were formed in connection with business activities in the context of the planning and construction of environmental infrastructure projects. The provisions result from contractual obligations.

58. Other current liabilities

Other current liabilities EURm	30.09.2022	30.09.2021
Financial liabilities		
Liabilities to investments in equity accounted investees	129.7	342.5
Liabilities to non-consolidated subsidiaries	7.3	6.3
Deferred interest expenses	12.1	15.1
Liabilities arising from derivative transactions	231.3	151.7
Leasing liabilities	6.4	5.5
Other financial liabilities	122.5	47.7
	509.3	**568.9**
Other liabilities		
Contract liabilities	39.5	81.8
Prepayments received	62.6	47.2
Deferred income from network subsidies	63.0	54.3
Liabilities relating to social security	16.5	18.4
Energy taxes	4.0	32.2
Value added tax	8.0	21.1
Other taxes and duties	17.7	14.3
	211.3	**269.4**
Total	**720.7**	**838.2**

The liabilities to investments in equity accounted investees consist primarily of cash pooling balances between EVN AG and these companies as well as amounts due to EnergieAllianz for the distribution and procurement of electricity.

Liabilities from derivative transactions include negative market values of derivatives in the energy sector amounting to EUR 210.8m. In addition, negative market values from forward exchange transactions for environmental infrastructure projects are included.

Other financial liabilities include, in particular, liabilities related to capitalised contract costs, liabilities to employees and deposits received.

Contractual liabilities mainly relate to advance payments received from customers in the international project business for which revenue was recognised over a certain period of time. The contract liabilities of EUR 81.8m reported in the previous year were recognised as revenue in the 2021/22 financial year.

Segment reporting

Segment reporting

EURm

	Energy		Generation		Networks		South East Europe	
	2021/22	2020/21	**2021/22**	2020/21	**2021/22**	2020/21	**2021/22**	2020/21
External revenue	750.6	300.9	159.5	127.1	517.3	495.1	2,002.4	1,047.4
Internal revenue (between segments)	13.4	10.6	264.5	202.2	63.4	58.6	1.6	0.7
Total revenue	**764.1**	**311.4**	**424.0**	**329.3**	**580.7**	**553.8**	**2,003.9**	**1,048.1**
Operating expenses	–797.1	–243.8	–141.9	–119.0	–344.2	–316.5	–1,861.7	–909.0
Share of results from equity accounted investees operational	6.4	120.9	10.8	52.1	–	–	–	–
EBITDA	**–26.7**	**188.6**	**292.9**	**262.5**	**236.5**	**237.3**	**142.2**	**139.0**
Depreciation and amortisation	–28.0	–22.0	–32.6	–80.3	–177.7	–142.5	–94.3	–74.0
thereof impairment losses	–6.8	–1.5	–	–0.3	–32.9	–	–16.7	–
thereof revaluation	–	0.3	9.6	2.1	–	–	–	–
Results from operating activities (EBIT)	**–54.7**	**166.6**	**260.3**	**184.0**	**58.8**	**94.8**	**48.0**	**65.0**
EBIT margin (%)	–7.2	53.5	61.4	55.3	10.1	17.1	2.4	6.2
Interest income	–	–	0.4	0.5	0.2	0.2	–	–
Interest expense	–2.7	–2.2	–3.0	–20.9	–14.8	–14.2	–12.1	–15.8
Financial results	–2.7	–2.1	–2.4	–20.2	–14.5	–13.9	–12.5	–15.7
Result before income tax	**–57.3**	**164.5**	**257.9**	**162.0**	**44.4**	**81.0**	**35.4**	**49.4**
Goodwill	–	–	1.2	1.2	1.8	1.8	–	–
Carrying value of investments in equity accounted investees	1,404.3	656.2	208.6	200.5	–	–	–	–
Total assets	1,914.1	1,142.4	990.9	828.4	2,313.3	2,246.6	1,388.6	1,242.6
Total liabilities	993.3	604.3	398.0	411.2	1,601.4	1,448.0	1,013.4	869.0
Investments[1)]	43.0	21.1	56.6	27.2	334.3	249.0	110.0	100.4

1) In intangible assets and property, plant and equipment

Segment reporting

EURm

	Environment		All Other Segments		Consolidation[1]		Total	
	2021/22	2020/21	**2021/22**	2020/21	**2021/22**	2020/21	**2021/22**	2020/21
External revenue	611.8	405.0	20.6	19.4	–	–	4,062.2	2,394.9
Internal revenue (between segments)	0.5	0.5	75.7	75.2	–419.0	–347.8	–	–
Total revenue	**612.3**	**405.5**	**96.3**	**94.6**	**–419.0**	**–347.8**	**4,062.2**	**2,394.9**
Operating expenses	–571.3	–355.1	–106.0	–101.5	415.9	246.8	–3,406.3	–1,798.1
Share of results from equity accounted investees operational	15.6	13.6	66.2	53.0	–	–	98.9	239.6
EBITDA	**56.5**	**64.0**	**56.5**	**46.1**	**–3.2**	**–101.0**	**754.8**	**836.5**
Depreciation and amortisation	–91.4	–37.5	–2.4	–2.3	3.2	–91.5	–423.2	–450.1
thereof impairment losses	–58.4	–	–	–	–	–113.1	–114.8	–114.8
thereof revaluation	–	–	–	–	–	–	9.6	2.5
Results from operating activities (EBIT)	**–34.9**	**26.5**	**54.0**	**43.8**	**–**	**–192.5**	**331.6**	**386.4**
EBIT margin (%)	–5.7	6.5	56.1	46.3	–	–	8.2	16.1
Interest income	1.3	1.0	24.8	26.0	–21.3	–21.7	5.4	6.1
Interest expense	–8.1	–8.2	–18.3	–19.7	21.2	21.7	–37.9	–59.4
Financial results	–45.5	–10.1	62.6	56.9	–15.5	–15.0	–30.5	–20.0
Result before income tax	**–80.3**	**16.4**	**116.6**	**100.7**	**–15.5**	**–207.5**	**301.2**	**366.4**
Goodwill	–	52.9	–	–	–	–	3.0	55.8
Carrying value of investments in equity accounted investees	172.8	145.3	602.4	575.5	–	–	2,388.0	1,577.5
Total assets	1,150.9	979.3	6,575.2	6,528.8	–1,902.4	–1,828.4	12,430.5	11,139.8
Total liabilities	934.6	771.9	2,001.4	2,249.5	–1,832.6	–1,758.6	5,109.3	4,595.4
Investments[2]	21.4	20.7	2.1	0.1	–3.5	–3.5	564.0	415.0

1) Explained below in the notes to segment reporting
2) In intangible assets and property, plant and equipment

Segment information by product – revenue

EURm	2021/22	2020/21
Electricity	2,878.4	1,495.2
Natural gas	170.9	154.6
Heat	198.9	154.5
Environmental services	604.3	398.7
Others	209.7	192.0
Total	**4,062.2**	**2,394.9**

Segment information by country – revenue[1)]

EURm	2021/22	2020/21
Austria	1,483.6	982.1
Germany	534.5	333.3
Bulgaria	1,320.6	651.0
North Macedonia	684.3	395.2
Others	39.2	33.3
Total	**4,062.2**	**2,394.9**

1) The allocation of segment information by countries is based on the location of the companies.

Segment information by country – non-current assets[1)]

EURm	30.09.2022		30.09.2021	
	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	163.9	2,941.7	136.7	2,773.8
Germany	0.8	11.5	41.3	12.0
Bulgaria	11.9	539.4	21.9	530.0
North Macedonia	14.3	353.9	16.6	337.6
Others	–	34.0	–	38.7
Total	**190.9**	**3,880.4**	**216.5**	**3,692.1**

1) The allocation of segment information by countries is based on the location of the companies.

59. Notes to segment reporting

The segments of business cover the following activities:

Business areas	Segments	Major activities
Energy business	Energy	→ Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in EnergieAllianz[1)] → Investment as sole limited partner in EVN KG[1)]
	Generation	→ Generation of electricity from renewable energy and thermal production capacities for network stabilisation at Austrian and international locations → Operation of a thermal waste utilisation plant in Lower Austria → 13.0% investment in Verbund Innkraftwerke (Germany)[1)] → 49.99% investment in Ashta run-of-river power plant (Albania)[1)]
	Networks	→ Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	→ Operation of distribution networks and network infrastructure for electricity in Bulgaria and North Macedonia → Sale of electricity to end customers in Bulgaria and North Macedonia → Generation of electricity from hydropower and photovoltaics in North Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	→ Water supply and wastewater disposal in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation
Other business activities	All Other Segments	→ 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG[1)] → 73.63% investment in Burgenland Holding, which holds a stake of 49.0% in Burgenland Energie[1)] → 12.63% investment in Verbund AG[2)] → Corporate services

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.

2) Dividends are included under financial results.

Principle of segment allocation and transfer pricing
Subsidiaries are allocated directly to their respective segments. EVN AG is allocated to the segments on the basis of data from the cost accounting system.

The transfer prices for energy between the individual segments are based on comparable prices for special contract customers, and thus represent applicable market prices. For the remaining items, pricing is based on cost plus an appropriate mark-up.

Reconciliation of segment results at the Group level
Services performed between segments are eliminated in the consolidation column. The results in the total column reflect the amounts shown in the consolidated statement of operations. The comparative figures for previous periods include the 49% stake in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was deconsolidated as of 30 September 2021 following its sale and the simultaneous termination of the power purchase agreement from the Walsum 10 power plant. In this respect, there were reconciliation amounts before deconsolidation resulting from the difference between the separate consideration of the Energy and Generation segments and the Group level with regard to the inclusion of STEAG-EVN Walsum Kraftwerksgesellschaft mbH as a joint operation.

Group disclosures
IFRS 8 requires additional segment information classified by products (external revenues broken down by products and services) and countries (external revenues and non-current assets broken down by countries) if this information is not already provided as part of the segment reporting.

Information on transactions with major external customers is required only if these transactions amount to 10.0% or more of a company's external revenues. EVN has no transactions with customers that meet this criterion because of its large number of customers and diverse business activities.

Other information

60. Consolidated statement of cash flows

The consolidated statement of cash flows shows the changes in cash and cash equivalents during the reporting year as a result of cash inflows and outflows. The consolidated statement of cash flows is presented in accordance with the indirect method. Non-cash expenses were added to and non-cash income was subtracted from profit before income tax.

Cash and cash equivalents

EURm	30.09.2022	30.09.2021
Cash	292.0	122.5
thereof cash on hand	0.1	0.7
thereof cash at banks	291.9	121.8
Bank overdrafts	–255.1	–0.2
Total	**36.9**	**122.3**

As of 30 September 2022, EUR 16.8m (previous year: EUR 0.0m) were subject to disposal restrictions and were reclassified from cash and cash equivalents (also see notes **42. Securities and other financial investments** and **43. Assets and liabilities held for sale).**

Network subsidies from the regulated business are released to other operating income (see also note **26. Other operating income)**, and those from the non-regulated business to revenue.

Reversal of network and investment subsidies

EURm	2021/22	2020/21
Income from the reversal of network and investment subsidies (regulated business)	53.3	64.8
Revenue from the reversal of network subsidies (non-regulated business)	5.5	5.6
Total	**58.8**	**70.4**

The change in financial liabilities, which is primarily attributable to cash flow from financing activities, is shown in the following table:

Cash flow from financing activities

2021/22 financial year

EURm	Current financial liabilities	Non-current financial liabilities	Leasing liabilities	Total
Balance on 01.10.2021	**318.0**	**718.9**	**60.6**	**1,097.5**
Payments received	–	562.0	–	562.0
Payments made	–317.8	–2.0	–6.9	–327.6
Reclassification of liquid funds	254.9	–	–	254.9
Currency translation	–	1.8	–	1.8
Change in fair value	–	–8.3	–	–8.3
Change in costs for the procurement of funds	–	1.6	–	1.6
Other changes	–	–	8.1	8.1
Reclassifications	122.4	–122.4	–	–
Balance on 30.09.2022	**377.4**	**1,150.8**	**61.8**	**1,590.0**

Cash flow from financing activities

2020/21 financial year EURm	Current financial liabilities	Non-current financial liabilities	Leasing liabilities	Total
Balance on 01.10.2020	**110.0**	**1,045.3**	**78.0**	**1,233.3**
Payments received	–	101.0	–	101.0
Payments made	–34.5	–	–7.8	–42.3
Changes in the scope of consolidation	–17.9	–88.2	–	–106.1
Reclassification of liquid funds	–74.4	–	–	–74.4
Currency translation	–	–0.9	–	–0.9
Change in fair value	–	–5.7	–	–5.7
Change in costs for the procurement of funds	–	2.2	–	2.2
Other changes	–	–	–9.6	–9.6
Reclassifications	334.9	–334.9	–	–
Balance on 30.09.2021	**318.0**	**718.9**	**60.6**	**1,097.5**

61. Risk management

Market risk represents the risk that the fair value or future cash flows of a financial instrument fluctuate as the result of market risk factors. Market risk is classified in the following three components: interest rate, foreign exchange and other market risks. The goal of risk management in the EVN Group is to reduce the market-based volatility of earnings on the consolidated statement of operations. To manage market risks, the Group acquires and sells derivatives and also enters into financial liabilities. Wherever possible, hedging transactions should be recognised in order to manage earnings volatility. Other relevant risks include credit or default risk and liquidity risk.

Interest rate risk

EVN defines interest rate risk as the risk that fluctuations in the fair value or future cash flows of a financial instrument due to changes in the market interest rate could adversely affect interest income and expense as well as equity. This risk is minimised through the regular monitoring of interest rate risk and compliance with limits as well as hedging strategies that include the use of derivative financial instruments (also see notes **9. Financial instruments** and **63. Reporting on financial instruments).**

EVN monitors interest rate risk through sensitivity analyses and, among others, with a daily value-at-risk (VaR) calculation. This procedure calculates the VaR with a confidence level of 99.0% for one day according to the variance-covariance method (delta-gamma approach). The interest VaR, including the hedging instruments used by EVN, equalled EUR 10.7m as of 30 September 2022 (previous year: EUR 2.8m). The strong increase noted here is essentially due to the higher loans and bonds outstanding and the increased volatility on the interest markets.

Foreign exchange risk

For EVN, the risk to profit or loss arising from fluctuations in foreign exchange rates arises from transactions carried out in currencies other than the euro. EVN is exposed to foreign exchange risk on receivables, liabilities, and cash and cash equivalents that are not held in the Group's functional currency (i. e. BGN, BHD, CZK, HRK, JPY, KWD, MKD, PLN, RUB). The major driver of foreign exchange risk for EVN is a bond issued in Japanese yen (JPY). Foreign exchange risk is managed by way of the central compilation, analysis and management of risk positions, and by hedging the bonds denominated in foreign currency (JPY 12bn) through cross-currency swaps (for a nominal value of JPY 10bn). Cross-currency swaps for a nominal value of JPY 2bn were terminated on 15 January 2019 based on the related settlement agreement concluded with a bank. This agreement gave both parties the right to early termination of the cross-currency swap in January 2019. Deposits totalling JPY 2bn were held with financial institutions as at the balance sheet date to hedge foreign exchange risk (see notes **9. Financial instruments** and **50. Non-current loans and borrowings).**

Another material driver for foreign exchange risk is the Umm Al Hayman wastewater treatment project in Kuwait. The EVN Group serves as the general contractor and, as such, is responsible for the planning and construction, above all, of a wastewater treatment plant (contract value: approximately EUR 600m, converted) and – together with partners – of a sewage network with pumping stations (contract value: approximately EUR 950m, converted). The Group is exposed to transactional foreign exchange risks to the extent that the exchange rates of the currencies for settlement of the project transactions differ from the Group's functional currency. These transactions are carried out chiefly in euro (EUR), US dollar (USD) and Kuwaiti dinar (KWD). In accordance with the relevant Group guideline, foreign exchange risks from expected project transactions are hedged over the next twelve months. This practice can vary for large-scale projects, where hedging can also extend beyond the twelve-month period. Forward exchange transactions are used to hedge currency risk and formally designated in macro-cash flow accounting. These contracts are principally designated as cash flow hedges.

The foreign exchange VaR, based on the major foreign currency risk drivers in the financial area amounted to EUR 1.6m as of 30 September 2022 (previous year: EUR 0.9m) after the inclusion of hedging instruments. The increase is mainly due to the above-mentioned project and the higher volatility on the foreign exchange markets.

Other market risks

EVN defines other market risks as the risk of price changes resulting from market fluctuations in primary energy, CO_2 emission certificates, electricity and securities.

In EVN's energy trading activities, energy trading contracts are entered into for the purpose of managing price risk. Price risks result from the procurement and sale of electricity, natural gas, hard coal, and CO_2 emission certificates.

EVN uses futures, forwards and swaps to hedge the prices of the primary energy carriers electricity, natural gas, coal and CO_2 emission certificates in the energy business. These swaps are generally fulfilled. The contracts which cover expected procurement, sale or usage requirements are evaluated as own-use transactions (also see note **63. Reporting on financial instruments).** An increase or decrease of 5% in the price would have resulted in an aggregated commodity price risk of EUR 3.0m for EVN as of 30 September 2022 (previous year: EUR 4.1m).

The price risk for securities results from fluctuations on the capital markets. The most significant securities position held by EVN is its investment in Verbund AG. The price risk VaR for the Verbund AG shares held by EVN as of the balance sheet date was EUR 272.0m (previous year: EUR 188.8m), whereby the price would be influenced by the sale of a large block of Verbund shares by EVN. The increase in VaR compared to the last balance sheet date is essentially due to the increased volatility of the stock market price of the shares of Verbund AG in the past financial year.

Liquidity risk

Liquidity risk represents the risk of not being able to raise the required financial resources to settle liabilities on their due date as well as the inability to raise the necessary liquidity at the expected terms and conditions. EVN minimises this risk by means of short-term and medium-term financial and liquidity planning. In concluding financing agreements, special attention is paid to managing the terms to maturity in order to achieve a balanced maturity profile and thus avoid the bundling of repayment dates. The EVN Group uses cash pooling to equalise liquidity balances.

The liquidity reserve as of 30 September 2022 comprised cash and cash equivalents of EUR 292.0m (previous year: EUR 122.5m), short-term time deposits of EUR 14.4m (previous year: EUR 16.1m) and current securities of EUR 193.3m (previous year: EUR 383.0m) which can be sold at any time. Moreover, EVN had EUR 400.0m in a contractually agreed and unused syndicated line of credit (previous year: EUR 400.0m) and EUR 227.0m (previous year: EUR 152.0m) of contractually agreed and unused bilateral lines of credit as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 17.0% as of the balance sheet date (previous year: 12.4%) and underscores EVN's sound capital structure.

Expected occurrence of cash flows of loans and borrowings and other liabilities

30.09.2022 EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows <1 year	1–5 years	>5 years
Bonds	556.7	736.6	15.9	141.9	578.7
Bank loans	716.4	812.0	136.0	279.3	396.8
Lease liabilities	61.8	69.7	7.0	20.8	41.9
Liabilities arising from derivative transactions[1)]	294.4	326.6	268.9	57.7	–
Liabilities from contract costs	20.6	20.6	14.1	6.5	–
Total	**1,650.0**	**1,965.4**	**441.8**	**506.2**	**1,017.4**

30.09.2021 EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows <1 year	1–5 years	>5 years
Bonds	611.8	701.4	313.9	123.8	263.7
Bank loans	424.9	517.4	36.6	118.3	362.5
Lease liabilities	60.6	67.7	6.8	21.0	39.9
Liabilities arising from derivative transactions[1)]	179.3	186.3	166.5	19.8	–
Liabilities from contract costs	28.6	28.6	8.7	19.9	–
Total	**1,305.2**	**1,501.4**	**532.5**	**302.8**	**666.1**

1) Forward exchange transactions (USD/KWD) are included in the carrying amount. Cash flows from forward exchange transactions, however, are shown in the tables on page 255 in the respective foreign currency.

All financial liabilities not shown in the table are current and the associated cash flows are therefore due within one year.

Credit and default risk

Credit and default risk represents the risk of a loss when business partners fail to meet their contractual obligations. This risk is inherent to all agreements with delayed payment terms or fulfilment at a later date. Default risk generally arises in connection with trade receivables and the debt instruments held as financial assets by the Group. The carrying amount of the financial assets and contractual assets represents the maximum default risk.

To limit default risk, the company evaluates the credit standing of its business partners. Internal and external ratings (including Standard & Poor's, Moody's, Fitch and KSV 1870) are used for this purpose, and the business volume is limited in accordance with the rating and the probability of default. Sufficient collateral is required before a transaction is entered into if the partner's credit rating is inadequate.

EVN monitors credit risk and limits default risk for financial receivables and for derivatives and forward transactions which are concluded to hedge the risks connected with EVN's energy business or are related to end customers and other debtors.

In order to reduce credit risk, hedging transactions are entered into only with well-known banks that have good credit ratings. EVN also ensures that funds are deposited at banks with the best possible credit standing based on international ratings.

The default risk for customers is monitored separately at EVN and supported primarily by ratings and experience-based values. Default risk is also minimised with efficient receivables management and the continuous monitoring of customer payment behaviour.

The recognition of impairment losses to financial assets carried at amortised cost and to contractual assets in accordance with IFRS 15 has been based on the ECL model for expected credit losses since 1 October 2018. EVN measures the impairment losses for trade receivables without a significant financing component and for contractual assets at an amount equal to the expected lifetime credit losses. In contrast, the impairment losses

- for financial assets with a low default risk as of the balance sheet date and
- for bank deposits without a significant increase in the default risk since initial recognition are based on the expected twelve-month credit loss.

From the viewpoint of the EVN Group, a financial asset has a low default risk when its credit rating meets the "investment grade" definition. The Group sees this condition as met with an internal rating of 5a or higher or with an equivalent rating of BB– or higher from Standard and Poor's (S&P).

EVN uses appropriate and reliable information which is relevant and available without undue expenditure of time and expense to determine whether the default risk of a financial asset has increased significantly since initial recognition and to estimate the expected credit losses. The default risk of a financial asset is assumed to have increased significantly when the related credit rating has declined to 5b on EVN's internal rating scale, which represents the S&P equivalent of B+.

The EVN Group considers a financial asset to be in default when:

- the debtor is unlikely to meet his/her credit obligations in full without measures by the Group to realise collateral (if available), or
- the financial asset declines to 5c on EVN's internal rating scale, which represents the S&P equivalent of CCC+, or
- payment on trade receivables has not been received after a second reminder or insolvency proceedings are opened over a company or private person.

Default probabilities and collection rates based on the applicable rating category are used to calculate the required impairment loss. The amount of the impairment loss equals the present value of the expected credit loss.

The following table includes information on the default risk and expected credit losses for financial instruments carried at amortised cost. It does not cover trade receivables, receivables from equity accounted investees, receivables from unconsolidated investments or amounts due from employees. The risk allowance for all financial instruments represents the expected twelve-month credit loss because the default risk is low. The amounts shown in the table include both current and non-current components.

Major financial instruments covered by the ECL model

2021/22 financial year

EURm	Equivalent S&P	Default probability (%)[1]	Loans receivable	Lease receivables	Bank deposits[2]	Calculated impairment[3]
EVN rating class 1	AAA	–	–	3.3	292.0	–
EVN rating class 2	Up to AA–	0.03	–	10.8	–	–
EVN rating class 3	Up to A–	0.06	17.2	–	–	–
EVN rating class 4	Up to BBB–	0.30	11.0	–	–	–
EVN rating class 5a	Up to BB–	1.45	–	–	–	–
EVN rating class 5b	Up to B–	7.47	–	–	–	–
EVN rating class 5c	Up to D	9.87	–	–	–	–
No rating	–	–	1.2	–	–	–
Total		–	29.4	14.1	292.0	–

1) Assumed loss rate (for banks 60%, for corporates 80%)
2) Due to the daily maturity, a one-day probability of default is applied for account balances; for money market deposits, the PoD of the average volume-weighted residual maturity is taken into account.
3) The impairment losses were not recorded because the related amounts are immaterial.

Major financial instruments covered by the ECL model

2020/21 financial year

EURm	Equivalent S&P	Default probability (%)[1]	Loans receivable	Lease receivables	Bank deposits[2]	Calculated impairment[3]
EVN rating class 1	AAA	–	–	–	122.5	–
EVN rating class 2	Up to AA–	0.03	18.8	6.4	–	–
EVN rating class 3	Up to A–	0.06	12.8	5.7	–	–
EVN rating class 4	Up to BBB–	0.24	7.0	–	–	–
EVN rating class 5a	Up to BB–	0.96	–	3.3	–	–
EVN rating class 5b	Up to B–	6.52	–	–	–	–
EVN rating class 5c	Up to D	28.30	–	–	–	–
No rating	–	–	–	–	–	–
Total		–	38.6	15.4	122.5	–

1) Assumed loss rate (for banks 60%, for corporates 80%)
2) Due to the daily maturity, a one-day probability of default is applied for account balances; for money market deposits, the PoD of the average volume-weighted residual maturity is taken into account.
3) The impairment losses were not recorded because the related amounts are immaterial.

EVN uses the practical expedient provided by IFRS 9.B5.5.35 for trade receivables and calculates the expected credit losses with a provision matrix. The input factors include analyses of default incidents in previous financial years based on different regional characteristics for the core markets. These factors form the basis for the development of a provision matrix with different time ranges.

As a result of the Covid-19 pandemic and the developments in connection with the Ukraine war, EVN did not experience a sharp rise in customer defaults. This is due in particular to the numerous government support measures. However, we expect an increase in bankruptcies after the end of these government measures in view of the current energy price situation as a consequence of the war in Ukraine. As a result, we expect higher receivables defaults in the future. For this reason, the EVN Group has recognised a EUR 6.1m (previous year: EUR 4.1m) higher impairment of trade receivables for the financial year 2021/22 via a forward-looking component.

The following tables include information on the default risk and expected credit losses for trade receivables, which were determined on the basis of a provision matrix for EVN's core markets:

Expected credit losses in Austria 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–1.2	0.0	44.2	44.2	–
Up to 89 days overdue	0.1–1.2	1.5	6.0	5.9	0.1
Up to 179 days overdue	5.5–56.0	29.4	2.2	1.5	0.6
Up to 359 days overdue	7.9–55.2	34.3	2.4	1.5	0.8
>360 days overdue	17.6–100	38.1	8.8	5.5	3.4
Total			**63.5**	**58.6**	**4.9**

Expected credit losses in Austria 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.1–1.1	0.1	87.2	87.2	0.1
Up to 89 days overdue	0.1–2.2	1.0	4.4	4.4	–
Up to 179 days overdue	7.8–54.5	12.8	1.2	1.0	0.2
Up to 359 days overdue	6.6–54.0	18.6	1.5	1.2	0.3
>360 days overdue	14.4–100.0	30.4	7.1	4.9	2.2
Total			**101.4**	**98.7**	**2.7**

Expected credit losses in Bulgaria 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.1–1.0	0.22	51.6	51.5	0.1
Up to 89 days overdue	1.0–57.6	4.01	8.5	8.1	0.3
Up to 179 days overdue	59.3–77.7	65.14	0.8	0.3	0.5
Up to 359 days overdue	75.4–98.5	86.71	1.1	0.1	0.9
>360 days overdue	100.0	100.00	13.3	–	13.3
Total			**75.2**	**60.1**	**15.1**

Expected credit losses in Bulgaria 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–0.7	0.1	61.4	61.3	0.1
Up to 89 days overdue	3.2–51.8	6.9	6.7	6.3	0.5
Up to 179 days overdue	6.3–64.4	50.3	1.0	0.5	0.5
Up to 359 days overdue	38.6–93.4	87.3	0.9	0.1	0.8
>360 days overdue	100.0	100.0	13.1	–	13.1
Total			**83.1**	**68.1**	**14.9**

Expected credit losses in North Macedonia 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.4–100	39.98	123.9	74.4	49.6
thereof instalment agreements	17.5–100.0	7.60	65.6	60.6	5.0
thereof without instalment agreements	0.4–36.6	76.43	58.3	13.7	44.6
Up to 89 days overdue	2.4–100.0	9.11	59.9	54.5	5.5
Up to 179 days overdue	42.3–100.0	88.93	10.9	1.2	9.7
Up to 359 days overdue	52.6–100.0	97.04	16.1	0.5	15.7
>360 days overdue	100.0		168.5	–	168.5
Total			**379.4**	**130.5**	**248.9**

Expected credit losses in North Macedonia 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.3–100	38.0	109.7	68.1	41.7
thereof instalment agreements	15.1–100.0	72.8	54.2	14.7	39.5
thereof without instalment agreements	0.3 –17.5	3.9	55.5	53.3	2.2
Up to 89 days overdue	0.3–100.0	8.4	17.7	16.2	1.5
Up to 179 days overdue	33.8–100.0	81.0	5.1	1.0	4.2
Up to 359 days overdue	42.1–100.0	96.5	9.0	0.3	8.7
>360 days overdue	100.0	100.0	168.1	–	168.1
Total			**309.6**	**85.5**	**224.1**

The overview of expected credit losses in North Macedonia includes both current and non-current trade receivables. Following the conclusion of instalment agreements with customers in North Macedonia, existing trade receivables were reclassified as non-current. These receivables are not considered part of overdue receivables and, consequently, this category carries a higher average probability of default than the category "up to 89 days overdue".

The remaining gross trade receivables of EUR 84.4m (previous year: EUR 102.7m) are related primarily to the international project business. Since the customers are government-related entities, the probability of default was calculated on the basis of external ratings. Impairments totalling EUR 18.1m (previous year: EUR 13.3m) were recognised for receivables with a gross carrying amount of EUR 59.6m that fall into Level 3.

In financial year 2021/22, impairments of EUR 38.0m (previous year: EUR 7.0m) were recognised for trade receivables. The impairments mainly resulted from expected credit losses under consideration of a provision matrix. As in the previous year, no impairment of contract assets was necessary.

The following table shows the development of impairment losses to trade receivables in 2021/22:

Impairment losses – trade receivables EURm	2021/22	2020/21
Balance on 01.10.	255.0	264.6
Additions	38.0	7.0
Disposal	–6.0	–16.6
Balance on 30.09.	287.1	255.0

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2022 and 30 September 2021 reflect the carrying amounts shown in notes **39. Other non-current assets, 41. Trade and other receivables** and **42. Securities and other financial investments,** excluding financial guarantees.

The maximum default risk for derivative financial instruments equals the positive fair value (see note **63. Reporting on financial instruments).**

The maximum risk from financial guarantees is described in note **65. Other obligations and risks.**

62. Capital management

EVN's goal in the area of capital management is to maintain a solid capital structure in order to use the resulting financial strength for value-creating investments and an attractive dividend policy. EVN has defined an equity ratio of more than 40% and net debt coverage of more than 30% as its targets. As of 30 September 2022, the equity ratio equalled 58.9% (previous year: 58.7%). Net debt coverage, which represents the ratio of funds from operations to net debt, equalled 55.8% (previous year: 92.9%). Net debt is calculated as the total of current and non-current financial liabilities minus cash and cash equivalents, current and non-current securities and loans receivable, plus non-current personnel provisions.

Capital management EURm	30.09.2022	30.09.2021
Non-current loans and borrowings and leasing liabilities	1,206.1	773.9
Current loans and borrowings[1)]	128.8	323.4
Cash and cash equivalents	–36.9	–122.3
Non-current and current securities	–285.6	–473.5
Non-current and current loans receivable	–29.4	–39.6
Net financial debt	983.1	461.9
Non-current personnel provisions[2)]	262.0	351.9
Net debt	1,245.1	813.8
Funds from operations	694.1	756.2
Equity	7,321.1	6,544.3
Gearing (%)	17.0	12.4
Net debt coverage (%)	55.8	92.9

1) Excluding bank overdrafts contained in cash and cash equivalents
2) Excluding provisions for service anniversary bonuses

The EVN Group uses cash pooling to manage liquidity and optimise interest rates. EVN AG and each of the participating Group subsidiaries have concluded a corresponding contract that defines the modalities for cash pooling.

63. Reporting on financial instruments

Fair value generally reflects the listed price on the balance sheet date. If this price is not available, fair value is calculated in accordance with financial methods, e. g. by discounting the expected cash flows at the prevailing market interest rate. The input factors required for the calculations are explained below.

The fair value of shares in unlisted subsidiaries and other investments is based on discounted expected cash flows or comparable transactions. For financial instruments listed on an active market, the trading price as of the balance sheet date represents fair value. Most of the receivables, cash and cash equivalents, and current financial liabilities have short terms to maturity. Therefore, the carrying value of these instruments as of the balance sheet date approximately corresponds to fair value. The fair value of bonds is calculated as the present value of the discounted future cash flows based on prevailing market interest rates.

The following table shows the financial instruments carried at fair value and their classification in the fair value hierarchy according to IFRS 13.

Level 1 input factors are observable parameters such as quoted prices for identical assets or liabilities. These prices are used for valuation purposes without modification. Level 2 input factors represent other observable parameters which must be adjusted to reflect the specific characteristics of the valuation object. Examples of the parameters used to measure the financial instruments classified under Level 2 are forward price curves derived from market prices, exchange rates, interest structure curves and the counterparty credit risk. Level 3 input factors are non-observable factors which reflect the assumptions that would be used by a market participant to determine an appropriate price. There were no reclassifications between the various levels during the reporting period.

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 13)	30.09.2022 Carrying amount	30.09.2022 Fair value	30.09.2021 Carrying amount	30.09.2021 Fair value
Non-current assets						
Other investments[1]						
Investments	FVOCI	Level 3	190.3	190.3	177.0	177.0
Miscellaneous investments	FVOCI	Level 1	3,837.5	3,837.5	3,848.4	3,848.4
Other non-current assets						
Securities	FVTPL	Level 1	68.8	68.8	74.4	74.4
Loans reveivable	AC	Level 2	25.1	24.4	35.4	38.5
Lease receivables	AC	Level 2	12.7	12.1	14.0	15.2
Receivables arising from derivative transactions	FVTPL	Level 2	–	–	4.9	4.9
Trade and other receivables	AC		13.9	13.9	10.8	10.8
Current assets						
Current receivables and other current assets						
Trade and other receivables	AC		549.5	549.5	453.6	453.6
Receivables arising from derivative transactions	FVTPL	Level 3	16.2	16.2	58.7	58.7
Receivables arising from derivative transactions	FVTPL	Level 2	10.8	10.8		
Securities	FVTPL	Level 1	**216.8**	**216.8**	**399.1**	**399.1**
Cash and cash equivalents						
Cash on hand and cash at banks	AC		292.0	292.0	122.5	122.5
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	556.7	480.1	319.6	367.1
Bank loans	AC	Level 2	594.0	552.7	399.3	467.3
Other non-current liabilities						
Other liabilities	AC		19.2	19.2	33.3	33.3
Liabilities arising from derivative transactions	FVTPL	Level 2	24.1	24.1	11.6	11.6
Liabilities arising from derivative transactions	Hedging	Level 2	39.1	39.1	16.0	16.0
Current liabilities						
Current loans and borrowings	AC		**377.4**	**377.4**	**318.0**	**318.0**
Trade payables	AC		**436.7**	**436.7**	**331.7**	**331.7**
Other current liabilities						
Other financial liabilities	AC		278.1	278.1	417.2	417.2
Liabilities arising from derivative transactions	FVTPL	Level 2	97.9	97.9	141.9	141.9
Liabilities arising from derivative transactions	Hedging	Level 2	133.3	133.3	9.8	9.8
thereof aggregated to measurement categories						
Fair value through other comprehensive income	FVOCI		4,027.7	–	4,025.5	–
Financial assets designated at fair value through profit or loss	FVTPL		312.6	–	537.1	–
Financial assets and liabilities at amortised cost	AC		3,155.4	–	2,455.4	–
Financial liabilities designated at fair value through profit or loss	FVTPL		122.1	–	153.5	–

1) See note 10. Other investments

Net results by measurement category[1)]

EURm

Classes	2021/22 Net result	2021/22 Of which impairment losses	2020/21 Net result	2020/21 Of which impairment losses
Fair value through other comprehensive income (FVOCI)	–	–	–	–
Financial assets at amortised cost (AC)	–79.7	–52.7	–15.6	–7.0
Financial assets and liabilities at fair value through profit or loss (FVTPL)	–7.4	–	–92.2	–
Financial assets and liabilities (hedging)	–6.8	–	5.1	–
Financial liabilities at amortised cost (AC)	8.1	–	5.5	–
Total	**–85.8**	**–52.7**	**–97.2**	**–7.0**

1) The net results only involve changes to the consolidated statement of operations; interest expense/income and dividends are not included.

Derivative financial instruments and hedging transactions

Derivative financial instruments are used primarily to hedge the company's liquidity, exchange rate, price and interest rate risks. The operative goal is to ensure the long-term continuity of the Group's earnings. All derivative financial instruments are integrated in a risk management system as soon as the respective contracts are concluded. This allows for the preparation of a daily overview of all main risk indicators.

The nominal values represent the separate totals of the items classified as financial derivatives on the balance sheet date. These are reference values which do not provide a measure of the risk incurred by the company through the use of these financial instruments. In particular, potential risk factors include fluctuations in the underlying market parameters and the credit risk of the contracting parties. Derivative financial instruments are recognised at their fair value.

Derivative financial instruments comprise the following:

Derivative financial instruments	30.09.2022					30.09.2021				
	Nominal value[1]		Fair values[2]			Nominal value[1]		Fair values[2]		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
Forward exchange transactions										
KWD[3]	–	81.2	–	–25.6	–25.6	–	89.5	–	–11.2	–11.2
USD[3]	–	174.7	–	–19.5	–19.5	–	174.7	–	–4.8	–4.8
USD	–	40.0		–0.1	–0.1	–	–	–	–	–
BHD	–	33.4	–	–1.5	–1.5	–	–	–	–	–
KWD	–	3.5		–0.2	–0.2	–	–	–	–	–
PLN	–	4.9	–	–	–	–	–	–	–	–
Currency swaps										
JPYm (>5 years)[3]	10,000.0	–	–	–11.1	–11.1	10,000.0	–	–	–4.4	–4.4
Interest rate swaps										
EURm (<5 years)[3]	–	–	–	–	–	10.6	–	–	–0.1	–0.1
Derivatives energy										
Swaps	2.7	–4.3	10.0	–8.4	1.6	24.5	47.9	30.6	–7.2	23.5
Futures	25.4	32.3	3.1	–0.5	2.6	–	–	–	–	–
Forwards	32.5	–151.1	37.6	–92.6	–54.9	152.4	126.0	32.5	–141.6	–109.1
Forwards[3] [4]	107.6	–198.7	24.3	–183.0	–158.7	3.5	31.9	0.7	–10.3	–9.7

1) In m nominal currency
2) In EURm
3) Designated as a hedge in accordance with IFRS 9
4) EUR 31.8m negative market value recognised in the consolidated statement of operations at the beginning of the hedging relationship

Positive fair values are recognised as receivables from derivative transactions under other non-current assets or other current assets, depending on their remaining term to maturity. Negative fair values are recognised as liabilities from derivative transactions under other non-current liabilities or other current liabilities, depending on their remaining term to maturity. A maturity analysis of the derivative financial liabilities is provided in the table on liquidity risk (see note **61. Risk management).**

EVN uses hedges to manage earnings volatility. The underlying transaction and the hedge are designed to ensure a match between the parameters relevant for measurement (critical terms match). In order to gauge the effectiveness, the underlying transactions are recorded in the treasury management system as hypothetical derivates and evaluated to determine whether the relationship with the respective hedges was or will be effective. Possible sources of ineffectiveness are, for example, timing shifts or a change in the volume of an existing underlying transaction as well as adjustments for the credit risk of hedges and underlying transactions. All measures are based on internal guidelines.

The EVN Group applied the hedge accounting rules under IFRS 9 to hedge a bond issued in JPY (see note **50. Non-current loans and borrowings)** as well as for the hedging of the currency risk from the Umm Al Hayman wastewater treatment project. In addition, derivative financial instruments were used as part of cash flow hedge accounting to hedge the price risk from the planned future income from electricity sales at variable prices.

JPY bond
The hedge of the JPY bond primarily involves EUR/JPY cross-currency swaps. These cross-currency swaps (for a nominal value of JPY 12bn up to 15 January 2019 and for a nominal value of JPY 10bn since that date) represent a fair value hedge and are recorded and measured in the treasury management system, designated as a hedge and documented. The corresponding change in the bond liability from the hedge represents a contrary movement to the market value of the swaps. The results from the hedge of the JPY bond with cross-currency swaps totalled EUR 1.0m in 2021/22 (measurement of the bond EUR 7.8m and measurement of the swaps EUR –6.8m; previous year: earnings effect EUR 0.5m, including measurement of the bond EUR –5.6m and measurement of the swaps EUR 5.1m) and were recorded under other financial results. The market value was derived from the information available on the balance sheet date and based on the applicable bond price and exchange rate. A cross-currency swap for a nominal value of JPY 2bn was concluded to hedge the JPY bond through a settlement agreement with a bank. The related agreement entitled both parties to early termination in January 2019, and the cross-currency swap was terminated by the bank as of 15 January 2019. In connection with this termination, EVN dissolved the fair value hedge relationship and collected a settlement payment of EUR 0.6m. The interest rate-based fair value adjustment of the JPY bond related to the terminated EUR –1.2m swap will be released to profit or loss until the bond matures on 9 January 2024 (as of 30 September 2022: EUR –0.3m and as of 30 September 2021: EUR –0.5m).

EVN Naturkraft
EVN's objective is to achieve a balanced mix of fixed and variable interest financial liabilities which is based on operating circumstances. Both fixed-interest and variable rate financing is used because of the different payment characteristics of investments. In order to hedge the above-mentioned risks, interest rate swaps are used to exchange variable for fixed interest. The interest rate swap for EVN Naturkraft expired in the financial year 2021/22.

Umm Al Hayman
EVN concluded forward exchange contracts to hedge the planned net foreign currency cash flows from the Umm Al Hayman project. These contracts were concluded in the year the contract was accepted and hedge the full amount of the expected payments. A Group guideline requires the critical terms of these forward exchange contracts to reflect the hedged transaction as best as possible. The hedging does not result in any ineffectiveness if the expectations for the timing and amount remain unchanged.

EVN establishes the existence of an economic relationship between the hedging instrument and the hedged transaction based on the currency, amount and timing of the respective cash flows. The dollar-offset derivative method is used to evaluate whether the derivative designated in each hedge will presumably be, and was, effective in offsetting changes in the cash flows from the hedged transaction.

Portfolio hedge
EVN implemented a portfolio hedge for the first time in 2020/21 to hedge the risk from the marketing of the Group's own electricity production. Under cash flow hedge accounting as defined by IFRS 9, derivative financial instruments used to hedge the price risk from planned future income from electricity sales are carried at variable prices. The underlying transaction represents the portfolio of future highly probable sales of electricity produced by the EVN Group in Austria.

Evaluating the effectiveness of the hedge involves demonstrating an economic relationship between the underlying transaction and the hedging instrument. In addition, the default risk may not have a dominant influence on the changes in value. The prospective effectiveness assessment principally takes place on a qualitative basis in accordance with the critical terms match method, which compares the key conditions of the hedging instrument with the underlying transaction. In order to minimise the risk of ineffectiveness from over-hedging, the hedges are not concluded for the total planned sales volumes. The major conditions between the hedging instruments and planned cash flows agree, and it is therefore assumed that the changes in the value of the hedging instruments will be offset in full by the changes in future cash flows. The hedged risks to which both the underlying transaction and hedging instrument are exposed therefore have an opposite influence on the value of the underlying transaction and hedging instrument.

Fair value hedging instruments – 30.09.2022 EURm	Carrying amount		Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	–11.1	–	Other non-current assets	10.0[1]	–6.8

1) JPYbn

Fair value hedging instruments – 30.09.2021 EURm	Carrying amount		Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	–4.4	–	Other non-current assets	10.0[1]	5.1

1) JPYbn

Fair value hedge – underlying transaction 30.09.2022 EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	–70.9	–2.3	Non-current financial liabilities	10.0[1]	7.8

1) JPYbn

Fair value hedge – underlying transaction 30.09.2021 EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	–79.0	–3.0	Non-current financial liabilities	10.0[1]	–5.6

1) JPYbn

Cash flow hedging instruments – 30.09.2022 EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
FX-forwards (KWD/EUR)	–25.6	Other current/non-current liabilities	81.2[1]	–14.4
FX-forwards (USD/EUR)	–19.5	Other current/non-current liabilities	174.7[2]	–14.8
Purchase of electricity forwards	–19.9	Other current/non-current liabilities	107.6	–20.6
Sale of electricity forwards	–138.7[3]	Other current/non-current liabilities	–198.7	–96.6

1) Nominal amount in KWDm
2) Nominal amount in USDm
3) EUR 31.8m negative market value recognised in the consolidated statement of operations at the beginning of the hedging relationship

Cash flow hedging instruments – 30.09.2021

EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Interest rate swaps ENK (French lease)	–0.1	Other current/non-current liabilities	13.2	0.5
FX-forwards (KWD/EUR)	–11.2	Other current/non-current liabilities	89.5[1)]	–9.1
FX-forwards (USD/EUR)	–4.8	Other current/non-current liabilities	174.7[2)]	–2.9
Bank balance/Contract assets (KWD)	102.4	Bank balance/Contract assets	35.8[1)]	1.5
Bank balance (USD)	–43.0	Bank balance	–49.8[2)]	–1.0
Purchase of electricity forwards	0.7	Other current/non-current liabilities	3.5	0.7
Sale of electricity forwards	–10.3	Other current/non-current liabilities	31.9	–10.3

1) Nominal amount in KWDm
2) Nominal amount in USDm

Cash flow hedges – underlying transactions 30.09.2022

EURm	Change in fair value	Reserve for measurement of cash flow hedges
Proceeds from sales (Firm commitment)	–43.1	–43.8
Disbursements for procurements (Planning and firm commitment)	–	–
Proceeds from sales (Firm commitment)	–35.6	–35.8
Disbursements for procurements (Planning and firm commitment)	–	–
Purchase of electricity forwards	–9.8	–19.9
Sale of electricity forwards	–137.1	–106.9

Cash flow hedges – underlying transactions 30.09.2021

EURm	Change in fair value	Reserve for measurement of cash flow hedges
ENK (French lease)	0.5	0.1
Proceeds from sales (Firm commitment)	9.1	–10.0
Disbursements for procurements (Planning and firm commitment)	–1.5	3.4
Proceeds from sales (Firm commitment)	2.9	–4.3
Disbursements for procurements (Planning and firm commitment)	1.0	–1.8
Purchase of electricity forwards	0.7	0.7
Sale of electricity forwards	–10.3	–10.3

Effects on the statement of comprehensive income, statement of financial position and statement of operations 30.09.2022

EURm	Hedge gains/ losses recognised in other comprehensive income	Ineffectiveness recognised to profit or loss	Positions for which ineffectiveness was recognised	Reclassification from OCI to statement of operations	Positions for which reclassification was recognised	Basis adjustement
DBO project (KWD)	–43.1			–9.3	Revenue	
BOT project (USD)	–35.6			–4.1	Revenue	
Disbursements for procurements (Planning and firm commitment)	–	–	–	–	–	3.4
Disbursements for procurements (Planning and firm commitment)	–	–	–	–	–	–1.8
Purchase of electricity forwards	–9.8			10.8	Revenue	
Sale of electricity forwards	–137.1			–40.5	Revenue	

Effects on the statement of comprehensive income, statement of financial position and statement of operations 30.09.2021 EURm	Hedge gains/ losses recognised in other comprehensive income	Ineffectiveness recognised to profit or loss	Positions for which ineffectiveness was recognised	Reclassification from OCI to statement of operations	Positions for which reclassification was recognised	Basis adjustement
Debt financing STEAG-EVN Walsum 10 Kraftwerksgesellschaft	1.6	–	Other financial results	12.3	Interest expense	–
ENK (French lease)	0.5	–	–	–	–	
DBO Project (KWD)	9.5	–	–	–1.4	Revenue	–
BOT Project (USD)	2.9	–	–	–	Revenue	–0.3
Purchase of electricity forwards	0.7	–	–	–	Revenue	–
Sale of electricity forwards	–10.3	–	–	–	Revenue	–

Expected occurrence of cash flows from forward exchange transactions 30.09.2022 Million foreign currency or exchange rate	< 1 year	> 1 year
USD		
Nominal amount in USD	93.7	81.0
Average USD/EUR forward rate	1.1703	1.0742
KWD		
Nominal amount in KWD	26.5	54.6
Average KWD/EUR forward rate	0.3363	0.3489

Expected occurrence of cash flows from forward exchange transactions 30.09.2021 Million foreign currency or exchange rate	< 1 year	> 1 year
USD		
Nominal amount in USD	106.0	68.7
Average USD/EUR forward rate	1.2058	1.2058
KWD		
Nominal amount in KWD	63.7	25.8
Average KWD/EUR forward rate	0.3713	0.3772

64. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 264 under **EVN's investments.**

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2021/22 is provided below.

The share of results from equity accounted investees with operational nature is reported as part of the results from operating activities (EBIT).

The following table shows the equity accounted investees with operational nature:

Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2022 in accordance with IFRS 11
Company
Bioenergie Steyr GmbH
Biowärme Amstetten-West GmbH
Degremont WTE Wassertechnik Praha v.o.s.
EnergieAllianz
EVN KG
EVN-WE Wind KG
Fernwärme St. Pölten GmbH
Fernwärme Steyr GmbH
RAG
Ashta
sludge2energy
Umm Al Hayman Wastewater Treatment Company KSPC
ZOV

Associates that were included at equity in the consolidated financial statements as of 30.09.2022 in accordance with IAS 28
Company
Burgenland Energie
Verbund Innkraftwerke
ZOV UIP

The following table provides summarised financial information on each individually material joint venture included in the consolidated financial statements:

Financial information of material joint ventures

EURm

	30.09.2022				30.09.2021			
Joint venture	**EVN KG**	**RAG**	**ZOV**	**Energie Allianz**	EVN KG	RAG	ZOV	Energie Allianz
Statement of financial position								
Non-current assets	160.8	527.7	160.5	77.9	39.4	600.4	179.6	13.5
Current assets	1,134.3	507.8	46.8	2,313.5	766.3	63.1	80.8	941.2
Non-current liabilities	2.1	261.1	–	432.6	0.3	324.0	–	220.8
Current liabilities	462.9	501.7	15.5	757.6	365.2	88.8	46.3	325.2
Reconciliation of the carrying amount of the share of EVN in the joint venture								
Net assets	830.2	272.7	191.8	1,201.3	440.2	250.7	214.1	408.7
Share of EVN in net assets (%)	100.0	100.0	48.50	45.00	100.00	100.00	48.50	45.00
Share of EVN in net assets	830.2	272.7	93.0	540.6	440.2	250.7	103.8	183.9
+/– Revaluations	–	138.8	5.9	–	–	139.1	–	–
Carrying amount of the share of EVN in the joint venture	830.2	411.4	99.0	540.6	440.2	389.8	103.8	183.9

	2021/22				2020/21			
Statement of operations								
Revenue	703.2	650.1	26.7	2,934.0	432.4	339.5	17.6	1,338.9
Scheduled depreciation and amortisation	–0.6	–40.1	–	–0.6	–0.5	–40.5	–	–0.7
Interest income	0.1	0.7	–	–	–	2.2	28.0	–
Interest expense	–0.1	–1.9	–	–2.0	–	–1.6	–1.1	–0.8
Income tax	–	–17.4	–4.6	0.2	–	–14.9	–5.0	–0.3
Result for the period	7.2	51.9	21.1	–5.5	117.2	47.7	22.6	5.0
Other comprehensive income	409.0	17.9	–0.3	1,165.0	289.2	1.1	2.1	366.2
Comprehensive income	416.2	69.8	20.8	1,159.5	406.4	48.8	24.7	371.2
Dividends received by EVN	76.2	48.0	14.6	–	56.4	45.0	13.0	–

The following table provides summarised financial information on the individually immaterial joint ventures included in the consolidated financial statements:

Financial information of individually immaterial joint ventures (EVN share)

EURm

	2021/22	2020/21
Carrying value of the joint ventures as of the balance sheet date	138.7	103.5
Result for the period	7.8	3.9
Other comprehensive income	23.9	9.4
Comprehensive income	31.7	13.3

The following table provides summarised financial information on each individually material associate included in the consolidated financial statements:

Financial information of material associates

EURm

Associate	30.09.2022 Verbund IKW	30.09.2022 ZOV UIP	30.09.2022 Burgenland Energie	30.09.2021 Verbund IKW	30.09.2021 ZOV UIP	30.09.2021 Burgenland Energie
Statement of financial position						
Non-current assets	1,250.9	0.5	842.5	1,190.2	0.3	767.3
Current assets	25.9	5.3	289.8	3.8	8.2	189.8
Non-current liabilities	76.3	–	178.2	63.5	–	182.9
Current liabilities	27.9	1.7	605.9	25.9	5.2	427.3
Reconciliation of the carrying amount of the share of EVN in the associate						
Net assets	1,172.6	4.1	348.4	1,104.7	3.3	346.9
Share of EVN in net assets (%)	13.00	31.00	49.00	13.00	31.00	49.00
Share of EVN in net assets	152.4	1.3	170.7	143.6	1.0	170.0
+/– Revaluations	23.4	0.1	20.3	26.2	–	15.7
Carrying amount of the share of EVN in the associate	175.9	1.4	191.0	169.8	1.0	185.6
	2021/22			**2020/21**		
Statement of operations						
Revenue	152.9	23.7	528.2	96.2	14.9	336.3
Result for the period	72.3	5.1	23.9	27.3	4.2	20.5
Other comprehensive income	–6.2	–	2.4	–	–	0.1
Comprehensive income	66.1	5.1	26.3	27.3	4.2	20.6
Dividends received by EVN	1.3	1.2	10.3	1.3	1.3	10.3

The consolidated financial statements include no associates that are individually immaterial.

65. Other obligations and risks

The commitments entered into by EVN and the related risks are as follows:

Other obligations and risks

EURm

	30.09.2022	30.09.2021
Guarantees in connection with energy transactions	82.5	95.2
Guarantees in connection with projects in the Environment Segment	684.1	579.0
Guarantees related to the construction and operation of		
Energy networks	2.0	3.7
Power plants	87.6	98.4
Order obligations for investments in intangible assets and property, plant and equipment	218.5	191.0
Further obligations arising from guarantees or other contractual contingent liabilities	0.1	0.1
Total	**1,074.8**	**967.4**
thereof in connection with equity accounted investees	82.0	89.9

Neither provisions nor liabilities were recognised for the above-mentioned items because claims to the fulfilment of obligations or the actual occurrence of specific risks were not expected at the time these consolidated financial statements were prepared. The above-mentioned obligations were contrasted by corresponding recourse claims of EUR 21.2m (previous year: EUR 10.7m).

Other obligations and risks increased by EUR 107.4m to EUR 1,074.9m compared to 30 September 2021. This change mainly resulted from an increase in guarantees for environmental projects as well as from an increase in scheduled orders for investments in intangible assets and property, plant and equipment. This was offset by a reduction in guarantees in connection with energy transactions and in connection with the construction and operation of power plants.

Contingent liabilities relating to guarantees in connection with energy transactions are recognised in the amount of the actual risk for EVN for those guarantees issued for the procurement or marketing of energy. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase.

Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 19.8m as of 30 September 2022. The nominal volume of the guarantees underlying this assessment was EUR 527.5m. As of 31 October 2022, the market price risk was EUR 75.2m based on an underlying nominal volume of EUR 522.1m.

Various legal proceedings and lawsuits related to operating activities are pending or claims may be filed against EVN in the future. The attendant risks were analysed in relation to their probability of occurrence. The evaluation of possible claims showed that the legal proceedings and lawsuits, individually and as a whole, would not have a material negative effect on EVN's business, liquidity, profit or loss or financial position.

Additional obligations arising from guarantees and other contractual contingent liabilities consisted chiefly of outstanding capital contributions to affiliates as well as liabilities for affiliates' loans.

66. Information on transactions with related parties

In accordance with IAS 24, transactions with related parties arise through direct or indirect control, significant influence or joint management. Related parties further include close family members of the respective natural persons. Key management personnel and their close family members are also considered to be related parties.

EVN's related parties include all companies in the scope of consolidation, other subsidiaries, joint ventures and associates that are not included in the consolidated financial statements, as well as people who are responsible for the planning, management and supervision of the Group's activities. In particular, related parties also include the members of the Executive Board and the Supervisory Board as well as their family members. A list of the Group companies can be found starting on page 264 under **EVN's investments.**

The province of Lower Austria holds 51.0% of the shares of EVN AG through NÖ Landes-Beteiligungsholding GmbH, St. Pölten. Therefore, the province of Lower Austria and companies under its control or significant influence are classified as related parties of the EVN Group. Since the province of Lower Austria is a government-related entity which has control over EVN AG due to its majority shareholding, EVN has elected to apply the exemption provided by IAS 24.25. This exemption releases EVN from the requirement to disclose business transactions and outstanding balances with related parties when the related party is a government-related entity. The business transactions with companies under the control or significant influence of NÖ Landes-Beteiligungsholding GmbH are related mainly to the provision of electricity, natural gas, network and telecommunications services.

NÖ Holding GmbH holds 100% of the shares in NÖ Landes-Beteiligungsholding GmbH, which prepares and publishes consolidated financial statements.

Wiener Stadtwerke GmbH acquired 51,000,000 EVN shares on 5 August 2020. The closing of this transaction made the company, which is wholly owned by the city of Vienna, the second largest shareholder of EVN AG with an investment of 28.4%. Since the city of Vienna is a government-related entity which, based on the majority shareholding, can exercise significant influence over EVN AG, the exemption provided by IAS 24.25 was applied. This exemption permits the non-disclosure of business transactions and outstanding balances with related parties when the related pary is a government-related entity.

Transactions with related parties

Main shareholder

EVN AG is part of a joint venture with NÖ Landes-Beteiligungsholding GmbH as the main shareholder and WIENER STADTWERKE GmbH as the minority shareholder. A group and tax equalisation agreement was concluded to regulate the modalities. On the basis of this agreement, EVN AG has included further subsidiaries in this group of companies. This resulted in a current liability of EUR 28.9m to NÖ Landes-Beteiligungsholding GmbH as of 30 September 2022 (previous year: EUR 32.6m). All other business relationships with the main shareholder or companies attributable to the main shareholder are carried out at arm's length.

Wiener Stadtwerke GmbH

Based on a syndicate agreement, EVN AG and Wiener Stadtwerke GmbH together hold roughly 26% of the voting shares in Verbund AG through their direct and indirect investments (also see note **38. Other investments).**

Based on the group and tax equalisation agreement, there is a current liability to Wiener Stadtwerke GmbH of EUR 8.8m as of 30 September 2022 (previous year: EUR 8.9m).

EnergieAllianz is a joint energy distribution company comprising Burgenland Energie, EVN and Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH. EVN holds 45% of the shares in EnergieAllianz, which is responsible for the trading and sale of electricity, natural gas and energy-related services for industrial, large-scale and business customers.

EVN and Wiener Stadtwerke GmbH jointly operate the project company EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH & Co KG through their respective subsidiaries, EVN Naturkraft and Wien Energie GmbH, each of which holds an investment of 50% as a limited partner. This company is responsible for the development, construction and operation of wind parks.

Further joint investments, which are immaterial in scope, exist between the EVN Group and/or subsidiaries controlled by Wiener Stadtwerke GmbH.

Investments in equity accounted investees

Within the context of its ordinary business operations, EVN has concluded supply and service contracts with numerous companies included at equity in its consolidated financial statements. Long-term agreements were concluded with EnergieAllianz for the sale and procurement of electricity and natural gas, and long-term procurement contracts were concluded with Verbund Innkraftwerke for electricity.

The value of services provided to the investments in equity accounted investees listed above is as follows:

Transactions with joint ventures included at equity EURm	2021/22	2020/21
Revenue	449.1	252.4
Cost of services received	–144.5	–28.4
Trade accounts receivable	50.6	55.2
Other receivables	–	–
Trade accounts payable	120.1	18.7
Other liabilities	–	–
Loans	11.5	20.0
Liabilities from cash pooling	8.2	323.1
Interest income from loans	0.4	0.5

Transactions with associates included at equity EURm	2021/22	2020/21
Revenue	–	–
Cost of services received	–16.2	–10.2
Trade accounts receivable	–	–
Trade accounts payable	1.4	0.7

Transactions with related individuals

Executive Board and Supervisory Board

The payments to members of the Executive Board and the Supervisory Board consist primarily of salaries, severance payments, pensions and Supervisory Board remuneration.

The remuneration paid to the active members of the Executive Board in 2021/22 totalled TEUR 1,253.5 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,225.4).

Remuneration of the active Executive Board TEUR	2021/22			2020/21		
	Fixed remuneration	Variable remuneration[1)]	Compensation in kind	Fixed remuneration	Variable remuneration[1)]	Compensation in kind
Stefan Szyszkowitz	446.9	127.4	3.4	434.8	129.3	3.3
Franz Mittermayer	417.1	114.4	14.1	405.8	111.7	14.0

1) Corresponds to the amounts paid in the 2021/22 financial year; the variable remuneration depends on the achievement of targets. Details can be found in the remuneration report.

In addition, pension fund contributions made in 2021/22 equalled TEUR 67.6 for Stefan Szyszkowitz (previous year: TEUR 65.8) and TEUR 62.5 for Franz Mittermayer (previous year: TEUR 60.8).

The provision for pension obligations for Stefan Szyszkowitz was reversed in the amount of TEUR –2,313.9 in 2021/22 (thereof TEUR 71.4 interest expense and TEUR –2,609.3 of actuarial gains/losses). In the previous year, the change was TEUR 49.3 (thereof TEUR 64.5 interest expense and TEUR –245.6 of actuarial gains/losses). For Franz Mittermayer, there was a reversal of the provision for pension obligations in the amount of TEUR –1,707.4 (thereof TEUR 90.3 interest expense and TEUR –2,071.3 of actuarial gains/losses). In the previous year, the change was TEUR 164.9 (thereof TEUR 80.5 interest expense and TEUR –193.1 of actuarial gains/losses).

In 2021/22 contributions of TEUR 8.8 (previous year: TEUR 8.7) were made to an external employee fund on behalf of Stefan Szyszkowitz and TEUR 8.3 (previous year: TEUR 8.1) on behalf of Franz Mittermayer.

The year-on-year change in the remuneration of the active members of the Executive Board is attributable primarily to the change in performance-based components and the annual wage and salary increases mandated by collective bargaining agreements.

The members of the Executive Board are also entitled to a contractually agreed pension at retirement, whereby pension payments under the Austrian social security scheme and any payments from the VBV-Pensionskasse are credited against this amount.

The payments to former members of the Executive Board or their surviving dependents amounted to TEUR 1,008.4 in 2021/22 (previous year: TEUR 1,159.3).

For severance payments and pensions for active members of senior management, there was income of TEUR –575.0 in total, consisting of the utilisation of provisions as well as pension fund contributions and contributions to the employee pension fund (thereof TEUR 35.0 interest expense and TEUR –1,155.4 of actuarial gains/losses) and in the previous year an expense of TEUR 445.5 (thereof TEUR 28.7 interest expense and TEUR 65.0 of actuarial gains/losses).

The above amounts include expenses recognised in accordance with national law, as required by the Austrian Corporate Governance Code. In accordance with IAS 19, actuarial gains and losses are recorded under other comprehensive income.

The Supervisory Board remuneration totalled TEUR 156.7 in 2021/22 (previous year: TEUR 154.7). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of TEUR 98.4 during the reporting year (previous year: TEUR 104.9).

The basic principles underlying the remuneration system are presented in the remuneration report, which is part of the corporate governance report.

Transactions with other related companies
The disclosure requirements for the notes do not cover information on intragroup transactions. Therefore, business transactions between EVN and its subsidiaries are not reported. Business transactions with non-consolidated subsidiaries and companies not included at equity are generally not reported because they are immaterial.

Related parties can also be direct customers of a company within the EVN Group, whereby these business relationships reflect prevailing market rates and conditions and are immaterial in relation to the total income recorded by the EVN Group in 2021/22. The resulting items outstanding as of 30 September 2022 are reported under trade accounts receivable.

67. Significant events after the balance sheet date

The following significant events occurred between the balance sheet date of 30 September 2022 and the release for publication of the consolidated financial statements on 23 November 2022:

On 18 November 2022, the Austrian federal government announced the implementation of EU Regulation 2022/1854 on emergency measures in response to high energy prices, which in particular provides for a temporary revenue cap for inframarginal electricity generation and an energy crisis contribution for fossil fuels. EVN is evaluating the effects of the new provisions.

68. Information on management and staff

The corporate bodies of EVN AG are:

Executive Board
Stefan Szyszkowitz – Spokesman of the Executive Board
Franz Mittermayer – Member of the Executive Board

Supervisory Board

Chairwoman
Bettina Glatz-Kremsner

Vice-Chairmen
Norbert Griesmayr
Willi Stiowicek

Members
Georg Bartmann
Gustav Dressler
Philipp Gruber
Maria Patek
Angela Stransky
Peter Weinelt
Friedrich Zibuschka

Employee representatives
Friedrich Bußlehner
Monika Fraißl
Paul Hofer
Uwe Mitter
Irene Pugl

69. Approval of the 2021/22 consolidated financial statements for publication

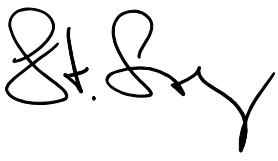
These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 14 December 2022 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

70. Auditing fees

EVN's consolidated financial statements and annual financial statements for the 2021/22 financial year were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The costs for BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, totalled EUR 0.5m (previous year: EUR 0.3m) and were distributed as follows: 52.1% for auditing services (previous year: 76.6%), 15.6% for audit-related services (previous year: 6.8%) and 32.3% for other consulting services (previos year: 16.7%). Auditing and consulting fees for the Group amounted to EUR 0.8m for the reporting year (previous year: EUR 0.5m), whereby 67.0% (previous year: 86.2%) are attributable to auditing, 14.0% (previous year: 4.0%) to audit-related services and 19.0% (previous year: 9.8%) to other consulting services.

Maria Enzersdorf, 23 November 2022

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

EVN's investments according to § 245a (1) in connection with § 265 (2) UGB

The following table lists EVN's investments classified by segment of business. The list of companies not included in the consolidated financial statements of EVN AG for materiality reasons is based on the companies' last available local annual financial statements as of the respective balance sheet date. The data from companies that report in a foreign currency is translated into euros at the exchange rate on the balance sheet date of EVN AG.

1. EVN's investments in the energy business ≥ 20.0% as of 30 September 2022

1.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Ashta Beteiligungsverwaltung GmbH ("Ashta"), Vienna	EVN Naturkraft	49.99	31.12.2021	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2022	E
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	31.12.2021	E
Elektrorazpredelenie Yug EAD ("EP Yug"), Plovdiv, Bulgaria	BG SN Holding	100.00	31.12.2021	V
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2022	E
EVN Bulgaria Elektrosnabdiavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	BG SV Holding	100.00	31.12.2021	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2021	V
EVN Bulgaria Fernwärme Holding GmbH ("BG FW Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria RES Holding GmbH ("EVN Bulgaria RES"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2022	V
EVN Bulgaria Stromerzeugung Holding GmbH ("BG SE Holding"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2022	V
EVN Bulgaria Stromnetz Holding GmbH ("BG SN Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria Stromvertrieb Holding GmbH ("BG SV Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	BG FW Holding	100.00	31.12.2021	V
EVN Croatia Plin d.o.o ("EVN Croatia"), Zagreb, Croatia	Kroatien Holding	100.00	31.12.2021	V
ELEKTRODISTRIBUCIJA DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Energievertrieb GmbH & Co KG ("EVN KG"), Maria Enzersdorf	EVN	100.00	30.09.2022	E
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
EVN Home DOO, Skopje, North Macedonia	EVN Macedonia/ EVN Supply	100.00	31.12.2021	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Bulgaria RES	100.00	31.12.2021	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Kroatien Holding GmbH ("Kroatien Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, North Macedonia	EVN Mazedonien	90.00	31.12.2021	V
EVN Macedonia Elektrani DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Macedonia Elektrosnabduvanje DOOEL ("EVN Supply"), Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Mazedonien GmbH ("EVN Mazedonien"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
evn naturkraft Erzeugungsgesellschaft m.b.H. ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2021	V
EVN Trading DOOEL, Skopje, North Macedonia	EVN Trading SEE	100.00	31.12.2021	V
EVN Trading South East Europe EAD ("EVN Trading SEE"), Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2021	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Wärmekraftwerke GmbH ("EVN Wärmekraftwerke"), Maria Enzersdorf	EVN/EVN Bet. 52	100.00	30.09.2022	V

Method of consolidation:

V: Fully consolidated company (subsidiary)
NV: Non-consolidated subsidiary
JO: Company included as joint operation
NJO: Company not included as a joint operation
E: Company included at equity
NE: Company not included at equity

1.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2022	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2021	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2022	E
Hydro Power Company Gorna Arda AD, Sofia, Bulgaria	BG SE Holding	76.00	31.12.2021	V
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
Netz Niederösterreich GmbH ("Netz Niederösterreich"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
Verbund Innkraftwerke GmbH ("Verbund Innkraftwerke"), Töging, Germany[1)]	EVN Naturkraft	13.00	31.12.2021	E
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2022	V

1) This company is included in the consolidated financial statements at equity and presented in the above table despite a participation interest ≤20.0% because of special contractual arrangements that allow for the exercise of significant influence.

1.2. Not included in the consolidated financial statements of EVN due to immateriality

Company. registered office	Shareholder	Interest %	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2021/22
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	807 (765)	135 (93)	31.12.2021 (31.12.2020)	NV
cyberGRID Verwaltungs GmbH, Vienna	EVN	100.00	5 (–)	– (–)	31.03.2022 (–)	NV
cyberGRID GmbH & Co KG, Vienna	EVN	100.00	565 (–)	–137 (–)	31.03.2022 (–)	NV
Energie Zukunft Niederösterreich GmbH ("EZN"), Heiligenkreuz	EVN	50.00	1,122 (–)	–428 (–)	31.12.2021 (–)	NE
EVN Macedonia Holding DOOEL, Skopje, North Macedonia	EVN	100.00	413 (424)	–11 (–13)	31.12.2021 (31.12.2020)	NV
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf	EVN Naturkraft	50.00	881 (389)	–28 (–46)	30.09.2022 (30.09.2021)	NE
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH ("EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	37 (36)	1 (1)	30.09.2021 (30.09.2020)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	286 (134)	152 (109)	31.12.2021 (31.12.2020)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	39 (47)	3 (3)	31.12.2021 (31.12.2020)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	9,235 (8,837)	397 (351)	31.12.2021 (31.12.2020)	NE
Netz Niederösterreich Beteiligung 31 GmbH ("Netz Bet. 31"), Maria Enzersdorf	Netz Niederösterreich	100.00	14,923 (14,925)	–2 (–3)	30.09.2022 (30.09.2021)	NV
Netz Niederösterreich Liegenschaftsbesitz 31 GmbH, Maria Enzersdorf	Netz Bet. 31	100.00	15,427 (15,344)	187 (418)	30.09.2022 (30.09.2021)	NV

2. EVN's investments in the environmental services business ≥ 20.0% as of 30 September 2022

2.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2022	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic	WTE	35.00	31.12.2021	E
EVN Beteiligung 52 GmbH ("EVN Bet. 52"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2022	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Wasser GmbH ("EVN Wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2022	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2021	V
OOO EVN Umwelt, Moscow, Russia	EVN UBS	100.00	31.12.2021	V
sludge2energy GmbH ("sludge2energy"), Berching, Germany	WTE	50.00	31.12.2021	E
Storitveno podjetje Laško d.o.o., Laško, Slovenia	WTE	100.00	30.09.2022	V
Umm Al Hayman Holding Company WLL, Kuwait City, Kuwait	WTE	50.00	31.12.2021	E
WTE Abwicklungsgesellschaft Kuwait mbH, Essen, Germany[1)]	International	100.00	30.09.2022	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany[1)]	WTE	100.00	30.09.2022	V
WTE International GmbH ("International"), Essen, Germany	WTE	100.00	30.09.2022	V
WTE O&M Kuwait Sewerage Treatment O.P.C., Kuwait City, Kuwait	International	100.00	30.09.2022	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE	100.00	31.12.2021	V
WTE Projektna družba Bled d.o.o., Bled, Slovenia	WTE	100.00	30.09.2022	V
WTE Wassertechnik GmbH ("WTE"), Essen, Germany	EVN Bet. 52	100.00	30.09.2022	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warshaw, Poland	WTE	100.00	30.09.2022	V
Zagrebačke otpadne vode d.o.o. ("ZOV"), Zagreb, Croatia	WTE	48.50	31.12.2021	E
Zagrebačke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Croatia	WTE	29.00	31.12.2021	E

1) The relief options of § 264 (3) of the German Commercial Code (dHGB) are used.

2.2. Not included in the consolidated financial statements of EVN due to immateriality Company. registered office	Shareholder	Interest %	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2021/22
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	EVN Umwelt	26.00	260 (234)	190 (164)	31.12.2021 (31.12.2020)	NE
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE	100.00	0 (–)	–1.006 (–)	30.09.2022 (30.09.2021)	NV
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH in Liqu. ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/ Utilitas	100.00	94 (–)	–5 (–)	30.09.2022 (30.09.2021)	NV
JV WTE Tecton Azmeel W.L.L, Al Seef (Manama), Bahrain	WTE	50.00	87 (20)	41 (0)	30.09.2021 (30.09.2020)	NE
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Croatia	WTE	50.00	493 (505)	–12 (–16)	31.12.2021 (31.12.2020)	NE
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbh, Buckow, Germany	WTE	49.00	563 (560)	3 (3)	31.12.2021 (31.12.2020)	NE
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	EVN Wasser	50.00	866 (866)	0 (0)	31.12.2021 (31.12.2020)	NE
WTE Abwicklungsgesellschaft Russland mbH, Essen, Germany	International	100.00	25 (25)	0 (0)	30.09.2022 (30.09.2021)	NV
WTE Baltic UAB, Kaunas, Lithuania	WTE	100.00	256 (203)	16 (16)	30.09.2022 (30.09.2021)	NV
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Betrieb	100.00	–646 (–632)	–13 (–16)	31.12.2021 (31.12.2020)	NV
WTE Projektentwicklung GmbH, Maria Enzersdorf	WTE	100.00	40 (–)	0 (–)	30.09.2022 (30.09.2021)	NV
WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany	International	100.00	24 (25)	–1 (0)	30.09.2022 (30.09.2021)	NV

3. EVN's investments in other business activities ≥20.0% as of 30 September 2022

3.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Burgenland Holding Aktiengesellschaft ("Burgenland Holding" or "BUHO"), Eisenstadt	EVN	73.63	30.09.2022	V
Burgenland Energie AG ("Burgenland Energie"), Eisenstadt	BUHO	49.00	30.09.2022	E
EVN Business Service GmbH ("EVN Business"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
R138-Fonds, Vienna	EVN/Netz Niederösterreich/ EVN Wasser	100.00	30.09.2022	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2022	V
RAG Austria AG ("RAG"), Vienna	RBG	100.00	31.12.2021	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H ("Utilitas"), Maria Enzersdorf	EVN	100.00	30.09.2022	V

3.2. Not included in the consolidated financial statements of EVN due to immateriality

Company. registered office	Shareholder	Interest %	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2021/22
EVN Beteiligung 60 GmbH ("EVN Bet. 60"), Maria Enzersdorf	Utilitas	100.00	33 (2,295)	–2 (464)	30.09.2022 (30.09.2020)	NV
EVN Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf	EVN Bet. 60	100.00	27 (2,257)	–8 (468)	30.09.2022 (30.09.2021)	NV
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	276 (298)	62 (68)	30.09.2022 (30.09.2021)	NE
EVN Energieservices GmbH, Maria Enzersdorf	EVN	50.00	32 (–)	–4 (–)	30.09.2022 (–)	NV

Auditors' report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the **consolidated financial statements** of

EVN AG,
Maria Enzersdorf,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of September 30, 2022, the consolidated statement of operations, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of September 30, 2022 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- → Accounting of the large-scale project Umm Al Hayman in the international project business
- → Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees
- → Accounting of derivative financial instruments in connection with energy transactions

Accounting of the large-scale project Umm Al Hayman in the international project business

Facts and references to further information

With a contract volume of more than 1,2 billion EUR attributable to the group, the Umm Al Hayman project is currently the largest construction project in EVN's international project division. The subject of this project is the design and construction of a sewage treatment plant or respectively a sewer network with pumping stations in Kuwait. Contract costs have been capitalized and will be amortized based on the project progress.

Revenue is recognized over the period in which the term of the service was rendered, with the stage of completion being measured based on the cost incurred in relation to the expected total cost. As payments are denominated mainly in Kuwaiti Dinar and US Dollar, derivative financial instruments are used to hedge against exchange rate risks. IFRS 9 hedge accounting is applied, therefore, the cumulative gain or loss on the hedging instruments are recognized in other comprehensive income. The COVID 19 pandemic resulted in delays, which need to be assessed and accounted for. Overall, the project is classified as significant in terms of value for the consolidated financial statements and requires the application of complex accounting methods.

The risk for the consolidated financial statements lies in the uncertainty of the assumptions and estimates needed to account for this large-scale project. These may result in misstatements in the consolidated statement of financial position or the consolidated statement of operations.

Auditing procedure

During our audit, we have obtained an understanding of the relevant processes and have tested the effectiveness of selected internal controls. Additionally, we have analyzed the accounting instructions and files (accounting template) and have assessed them based on the underlying contracts. We have examined the application of the relevant accounting standards (in particular IFRS 15 – Revenue from contracts with customers and IFRS 9 – Financial instruments regarding hedge accounting). The recorded costs (third party and own work) have been critically reviewed and a detailed document examination on a sample basis was performed. We have inspected the cost and project reports and questioned the commercial and technical project managers on the current construction process. In addition, we have inspected the construction site. Finally, we also reconciled the cost element reports with the general ledger and the bookings were matched to the accounting templates.

Reference to further information

The principles of revenue recognition for construction projects are disclosed in the notes to the consolidated financial statements in section 20 (Revenue recognition) of the Accounting and valuation policies. Further information to this project can be found in section 23 Discretionary decisions and forward-looking statements, in section 39 Other non-current assets regarding costs for obtaining contracts and in section 61 Risk management regarding foreign exchange risk.

Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees

Facts and reference to further information

Intangible assets, property, plant and equipment (PPE) and investments in equity accounted investees with a total carrying amount of EUR 6,459.3 million account for 52 % of total assets of the group as of September 30, 2022.

Accounting standards require an assessment to be made at each reporting date, whether there is any indication that the recoverable amount has decreased significantly and that therefore, intangible assets, property, plant and equipment and equity accounted investees are impaired. For those items of intangible assets, PPE and equity accounted investees, for which impairment losses were recognized in prior periods, the Group assesses whether the impairment loss no longer exists and therefore needs to be reversed.

Intangible assets and property, plant and equipment for which no separate future cash flows can be identified are tested for impairment at the level of the cash-generating units. By determining the value in use or, if necessary, the value less costs to sell, estimates must be made regarding the development of revenues and expenses and the resulting cash surpluses, as well as assumptions for determining the discount rate used.

The result of the valuation is therefore subject to estimation uncertainties. A change in the macroeconomic, industry or corporate situation in the future may lead to a reduction in cash-flows and thus to impairment losses. For the consolidated financial statements, there is a risk of incorrect valuation of intangible assets, property, plant and equipment, and investments in equity accounted investees.

Auditing procedure

During our audit, we have obtained an understanding of how the group monitors impairment triggers. In doing so, we critically assessed the processes implemented to determine whether they are suitable for the valuation of intangible assets, property, plant and equipment,

and investments in equity accounted investees. We also assessed the related key internal controls and evaluated their form, implementation and effectiveness. We critically assessed the triggers for impairments and reversals and have compared them with our own estimates.

We have critically discussed and evaluated the underlying forecasts and assumptions for the valuation and assessed their appropriateness based on current and expected developments and other evidence. In consultation with our valuation specialists, we assessed the measurement technique model, planning assumptions and measurement parameter for selected issues. We assessed the appropriateness of planning estimates by comparing actual cash flows with prior period estimated cash flows on a sample basis and discussing deviations with staff responsible for planning. We agreed that the respective results of the valuations were properly accounted for.

Reference to further information

The procedures and effects of impairment tests are described in section 22 of the notes to the consolidated financial statements. Further information can be found in section 23 Accounting estimates and forward-looking statements. The effects of impairment tests are presented in section 31 (Depreciation and amortization and effects from impairment tests) and in sections 35 (Intangible assets), 36 (Property, plant and equipment) and 37 (Investments in equity accounted investees) of the notes to the consolidated statement of financial position.

Accounting of dericative financial instruments in connection with energy transactions

Facts and reference to further information

The Group uses derivative financial instruments in the energy business to reduce risks related to price changes. The forward and future contracts and swaps concluded for the purchase or sale of electricity, natural gas and CO_2 emission allowances are used to hedge purchase prices for expected electricity and gas supplies or CO_2 emission allowances and to hedge sales prices for planned electricity production. Significant parts of the derivatives existing as of September 30, 2022 were designated as part of hedging relationships (hedge accounting). For hedge accounting, various formal and material criteria must be met. The applicable accounting provisions are to be classified as complex and require extensive descriptions.

The risk for the consolidated financial statements lies in the following: If the criteria for hedge accounting are not met, changes in the fair value of the derivative financial instruments concerned may have to be recognized in profit or loss, which in view of the high volatility of the fair values could have a significant impact on profit or loss for the annual result.

Auditing procedure

As part of our audit procedures, we analyzed the organization of energy trading at EVN AG and assessed the internal control system across the trading and valuation processes. In doing so, we assessed the organizational structure and workflows as well as the risk management and risk monitoring processes, including the trading software used. In this context, we have also assessed whether the conditions for the application of hedge accounting rules are met. In addition, we obtained third-party confirmations from trading partners and traced the valuation of the derivatives and their recognition in the consolidated financial statements. We agreed that the required disclosures are included in the notes to the consolidated financial statements.

Reference to further information

The principles for accounting for derivative financial instruments in connection with energy transactions are presented in the notes to the consolidated financial statements in section 9 (Derivative financial instruments) under accounting policies. Further details can be found in section 63 (Reporting on financial instruments) in the subsection "Derivative financial instruments and hedging transactions" to the extent that they relate to the energy sector. Changes in the fair value of derivative financial instruments to which the rules of cash flow hedges are applied and which are recognized directly in equity are covered in note section 47 (Valuation reserves).

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

We received the non-financial report and the consolidated corporate governance report before the date of the auditor's report, and we expect to receive the remaining parts of the annual report after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consoli-dated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 intends 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 for the audit of the consolidated financial statements

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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise 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 the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained 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.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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 with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Comments on the management report for the group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Additional information in accordance with Article 10 of the EU Regulation

We were elected as auditor by the ordinary general meeting on February 3, 2022. We were appointed by the Supervisory Board on February 4, 2022. We have been appointed to audit the consolidated financial statements without interruption since the 2020/21 financial year.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible austrian certified public accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Gerhard Posautz, Certified Public Accountant.

Vienna, November 23, 2022

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerhard Posautz
Auditor

Peter Bartos
Auditor

This report is a translation of the original report in German, which is solely valid.

GRI content index

The GRI content index forms the underlying structure for EVN's Full Report 2021/22. It shows – according to the requirements of the Global Reporting Initiative (option "core") – where in this report general disclosures and topic-specific disclosures are reported based on **materiality criteria.** The GRI content index also includes additional company-specific indicators which were labelled accordingly.

For the GRI content index, also see www.evn.at/GRI-content-index

GRI indicator: GRI 102-55

GRI standard	Disclosure	Reference to report page and online information or omission
General disclosures		
GRI 102: General disclosures 2016		
Organisational profile		
102-1	Name of the organisation	EVN AG as the parent company of the EVN Group (EVN)
102-2	Activities, brands, products, and services	6f No products are offered that would be prohibited in EVN's main markets.
102-3	Location of headquarters	2344 Maria Enzersdorf, Austria
102-4	Location of operations	7 The company's main operating locations are Austria, Bulgaria and North Macedonia.
102-5	Ownership and legal form	36 Legal form: listed stock corporation
102-6	Markets served	7
102-7	Scale of the organisation	Cover, 8f As of 30 September 2022, EVN as the parent company, and 52 subsidiaries were included through full consolidation in the consolidated financial statements.
102-8	Information on employees and other workers	82, 88 d. Not applicable: The number of leased personnel represents 1.9% of the total workforce, whereby their representation in our overall business activities is immaterial in relation to EVN's employees. e. No significant seasonal changes in the number of employees. f. Employee-related data represent actual amounts (no underlying assumptions) and are taken from the human resources department's IT system.
102-9	Supply chain	34f
102-10	Significant changes to the organisation and its supply chain	34f No material changes in the organisation or supply chain
102-11	Precautionary principle or approach	25, 98f
102-12	External initiatives	www.evn.at/ESG-Ratings
102-13	Membership of associations	118

GRI standard	Disclosure	Reference to report page and online information or omission
Strategy		
102-14	Statement from senior decision-maker	Editorial, interview with the Executive Board, 16ff
102-15[1)]	Key impacts, risks, and opportunities	21ff, 99ff
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	29ff
102-17[1)]	Mechanisms for advice and concerns about ethics	31
Governance		
102-18	Governance structure	20
102-19[1)]	Delegating authority	20
102-20[1)]	Executive-level responsibility for economic, environmental, and social topics	20
102-21[1)]	Consulting stakeholders on economic, environmental, and social topics	16f, 20, 116ff
102-22[1)]	Composition of the highest governance body and its committees	135ff (Corporate governance report)
102-23[1)]	Chair of the highest governance body	135ff (Corporate governance report)
102-24[1)]	Nominating and selecting the highest governance body	135ff (Corporate governance report)
102-25[1)]	Conflicts of interest	135ff (Corporate governance report)
102-26[1)]	Role of highest governance body in setting purpose, values, and strategy	20
102-27[1)]	Collective knowledge of highest governance body	20
102-29[1)]	Identifying and managing economic, environmental, and social impacts	16f
102-30[1)]	Effectiveness of risk management processes	158ff (Risk management report)
102-31[1)]	Review of economic, environmental, and social topics	16f, 20, 97ff, 133f
102-32[1)]	Highest governance body's role in sustainability reporting	Members of the Executive Board
102-33[1)]	Communicating critical concerns	158ff (Risk management report)
102-34[1)]	Nature and total number of critical concerns	No critical concerns
102-35[1)]	Remuneration policies	www.evn.at/remuneration-policy
102-36[1)]	Process for determining remuneration	www.evn.at/remuneration-policy
102-37[1)]	Stakeholders' involvement in remuneration	www.evn.at/remuneration-policy www.evn.at/Annual-General-Meeting
102-38[1)]	Annual total compensation ratio	82
102-39[1)]	Percentage increase in annual total compensation ratio	Ratio between the highest salary and the average salary at EVN in Austria: 2020/21: 7.9:1 2021/22: 8.0:1
Stakeholder engagement		
102-40	List of stakeholder groups	16
102-41	Collective bargaining agreements	91f
102-42	Identifying and selecting stakeholders	16f
102-43	Approach to stakeholder engagement	16f, 117ff
102-44	Key topics and concerns raised	16ff

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
Reporting practice		
102-45	Entities included in the consolidated financial statements	185f (Notes) The non-financial report covers the fully consolidated companies included in EVN's scope of consolidation, which required reporting as of 30 September 2022 based on the consolidation principles. Any deviations from this presentation for materiality reasons are documented at the respective indicator.
102-46	Defining report content and topic boundaries	4f
102-47	List of material topics	16f
102-48	Restatements of information	No major changes in reporting compared with the Full Report 2020/21
102-49	Changes in reporting	4 No major changes
102-50	Reporting period	The reporting period covers the financial year from 01 October 2021 to 30 September 2022.
102-51	Date of most recent report	EVN Full Report 2020/21, published on 16 December 2021
102-52	Reporting cycle	Annual reporting
102-53	Contact point for questions regarding the report	Imprint Investor Relations: investor.relations@evn.at Sustainability: nachhaltigkeit@evn.at
102-54	Claims of reporting in accordance with the GRI standards	4 This report was prepared in agreement with the GRI standards, "core option".
102-55	GRI content index	275ff
102-56	External assurance	129ff Independent review of the non-financial report by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Material topics
Sustainable increase in corporate value

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	16ff
103-2	The management approach and its components	16ff
103-3	Evaluation of the management approach	16ff
GRI 201: Economic performance 2016		
201-1[1)]	Direct economic value generated and distributed	38
201-3[1)]	Defined benefit plan obligations and other retirement plans	92, 228 (Notes) b. i., ii., iii. Not applicable: As a supplement to entitlements arising from statutory pension insurance, EVN employees can participate in an umbrella pension fund which is independent of the EVN Group.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 202: Market presence 2016		
202-1[1)]	Ratios of standard entry level wage by gender compared to local minimum wage	82f, 91f Not applicable: The salary scheme for more than 90% of our employees is based on the collective agreements applicable to the main operating locations (Austria, Bulgaria and North Macedonia).
202-2[1)]	Proportion of senior management hired from the local community	82 Austria, Bulgaria and North Macedonia are the main locations of the EVN Group. Employees from these countries are designated as "local". Management: All members of the management of fully consolidated companies (Executive Board and managing directors).
GRI 204: Procurement practices 2016		
204-1[1)]	Proportion of spending on local suppliers	34f
GRI 205: Anti-corruption 2016		
205-1[1)]	Operations assessed for risks related to corruption	29f 100% of the operating locations were evaluated as part of the Group-wide risk inventory.
205-2[1)]	Communication and training about anti-corruption policies and procedures	31f There is no further breakdown of salaried employees by category because this information is not relevant for EVN's management and human resources development policies.
205-3[1)]	Confirmed incidents of corruption and actions taken	31
GRI 206: Anti-competitive behaviour 2016		
206-1[1)]	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	In 2021/22 two lawsuits concerning alleged anti-competitive behaviour in Bulgaria were pending. The Bulgarian Administrative Court issued a legally binding decision on 12 April 2022 in favour of the Bulgarian Commission for the Protection of Competition (CPC) in the proceedings over the alleged abuse of a dominant market position. This decision is based on allegations from 2013 that EP Yug and EVN Bulgaria EC provided insufficient support for or hindered the registration process on the free market and the change of suppliers by customers. The fines paid by the involved companies totalled EUR 1.9m. In the second proceedings, CPC issued a decision on 12 December 2021 indicating that no violations of competition law were identified in connection with the alleged refusal of network access by EP Yug. This decision was not appealed by the complaining producers.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 207: Tax 2019		
207-1[1)]	Approach to tax	33
207-2[1)]	Tax governance, control, and risk management	33
207-3[1)]	Stakeholder engagement and management of concerns related to tax	33
207-4[1)]	Country-by-country reporting	198ff (Notes)
GRI 308: Supplier environmental assessment 2016		
308-1[1)]	New suppliers that were screened using environmental criteria	34f 99.3% of the new suppliers were evaluated on the basis of environmental criteria.
308-2[1)]	Negative environmental impacts in the supply chain and actions taken	a. 3,430 b. 3 c. 0 d. 0%. Improvement measures were developed and prepared in 2021/22 and will be implemented in the coming financial year. e. 0%
GRI 410: Security practices 2016		
410-1[1)]	Security personnel trained in human rights policies and procedures	Not applicable: Security personnel are generally employed by third-party firms. These firms are required by contract to comply with the EVN integrity clause and to attend compliance training, in particular, on human rights. Reporting on the training conducted is provided in written form. Internal security personnel receive training (including the observance of human rights) as part of their introduction to compliance issues.
GRI 412: Human rights assessment 2016		
412-3[1)]	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	EVN defines significant investment agreements as individual new projects with a total investment amount > EUR 50m which are realised in countries with a less developed understanding of human rights issues. There were no such cases during the reporting period.
GRI 414: Supplier social assessment 2016		
414-1[1)]	New suppliers that were screened using social criteria	34f 99.3% of the new suppliers were evaluated on the basis of social criteria.
414-2[1)]	Negative social impacts in the supply chain and actions taken	a. 3,430 b. 1 c. 0 d. 0%. Improvement measures were developed and prepared in 2021/22 and will be implemented in the coming financial year. e. 0%
GRI 415: Public policy 2016		
415-1[1)]	Political contributions	Internal guidelines prohibit contributions to political parties and related organisations.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 419: Socioeconomic compliance 2016		
419-1[1)]	Non-compliance with laws and regulations in the social and economic area	No relevant incidents

Supply security

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	50ff
103-2	The management approach and its components	50ff
103-3	Evaluation of the management approach	50ff

Customer satisfaction

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	64ff
103-2	The management approach and its components	64ff
103-3	Evaluation of the management approach	64ff
GRI 416: Customer health and safety 2016		
416-1[1)]	Assessment of the health and safety impacts of product and service categories	71 100% of all locations are locked, coded and equipped with access controls.
416-2[1)]	Incidents of non-compliance concerning the health and safety impacts of products and services	No relevant incidents
GRI 417: Marketing and labelling 2016		
417-1[1)]	Requirements for product and service information and labelling	70f
417-2[1)]	Incidents of non-compliance concerning product and service information and labelling	No relevant incidents
417-3[1)]	Incidents of non-compliance concerning marketing communications	No relevant incidents
GRI 418: Customer privacy 2016		
418-1[1)]	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71

Innovation and digitalisation

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	73ff
103-2	The management approach and its components	73ff
103-3	Evaluation of the management approach	73ff

1) Performance indicator reported in addition to the “core” option

Attractive employer

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	78ff
103-2	The management approach and its components	78ff
103-3	Evaluation of the management approach	78ff
GRI 401: Employment 2016		
401-1[1)]	New employee hires and employee turnover	89, 90
401-2[1)]	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89ff a. In many of our Group companies, employees are offered additional voluntary benefits independent of their age, gender and scope of employment. b. The company's main operating locations are Austria, Bulgaria and North Macedonia.
401-3[1)]	Parental leave	83ff
GRI 402: Labour/Management relations 2016		
402-1[1)]	Minimum notice periods regarding operational changes	91f There are no minimum notice periods under Austrian law or company agreements.
GRI 403: Occupational health and safety 2018		
403-1[1)]	Occupational health and safety management system	85ff
403-2[1)]	Hazard identification, risk assessment, and incident investigation	85ff
403-3[1)]	Occupational health services	85ff
403-4[1)]	Worker participation, consultation, and communication on occupational health and safety	85ff
403-5[1)]	Worker training on occupational health and safety	85ff
403-6[1)]	Promotion of worker health	89ff
403-7[1)]	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable: No safety or health risks are directly linked to business relationships with EVN.
403-9[1)]	Work-related injuries	87 b. Not applicable: Leased personnel are included in the statistics on occupational safety and health protection, but they do not represent a significant part of the total workforce (1.7%); a separate analysis is therefore not provided. See GRI 102-8.
GRI 404: Training and education 2016		
404-2[1)]	Programmes for upgrading employee skills and transition assistance programmes	85 b. EVN does not have an established programme for transition assistance at the present time.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 405: Diversity and equal opportunity 2016		
405-1[1)]	Diversity of governance bodies and employees	88, 91, 135 (Corporate governance report) a., ii. Age distribution of the Executive and Supervisory Boards: < 30 years: 0.0% 30–50 years: 17.6% > 50 years: 82.4% a. and b., iii. Not applicable: No further diversity characteristics b. Not applicable: There is no further breakdown of salaried employees by category because this information is not relevant for EVN's management and human resources development policies.
GRI 406: Non-discrimination 2016		
406-1[1)]	Incidents of discrimination and corrective actions taken	31. No discrimination incidents (definition as per International Labour Organization (ILO) involving discrimination based on ethnic origin, skin colour, gender, religion, political opinion or other national or social origin as well as other relevant forms of discrimination)
GRI 407: Freedom of association and collective bargaining 2016		
407-1[1)]	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	For EVN and its subsidiaries at all locations, the right to the freedom of association and collective bargaining represents a central aspect in the implementation of the Universal Declaration of Human Rights and the core labour standards of the International Labour Organization (ILO).

Climate protection

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	96ff
103-2	The management approach and its components	96ff
103-3	Evaluation of the management approach	96ff
GRI 302: Energy 2016		
302-1[1)]	Energy consumption within the organisation	102 c. iv. Not applicable: No steam purchases g. Not applicable: Basis data from meters in MWh
302-2[1)]	Energy consumption outside of the organisation	103 b. Data obtained from meters c. Conversion of gas purchases to lower heating value based on GSNE-VO
302-3[1)]	Energy intensity	102
302-4[1)]	Reduction of energy consumption	103
302-5[1)]	Reductions in energy requirements of products and services	102 The extension of the Austrian Energy Efficiency Act that was scheduled to expire in 2020 and the related definition of goals is still outstanding.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 305: Emissions 2016		
305-1[1)]	Direct (Scope 1) GHG emissions	104f e. Natural gas and heating oil – current national greenhouse gas inventory by the respective country with primary energy consumption (Austria, Bulgaria) and oxidation factor based on EU-ETS; fuel (diesel, gasoline, natural gas) – Federal Environmental Agency GWP = Global Warming Potential: IPCC AR5 g. GHG Protocol
305-2[1)]	Energy indirect (Scope 2) GHG emissions	104f e. ecoinvent factors, esp. Association of Issuing Bodies/European Residual Mixes g. GHG Protocol
305-3[1)]	Other indirect (Scope 3) GHG emissions	104f f. Natural gas – current national greenhouse gas inventory by the respective country with primary energy consumption (Austria, Bulgaria) and oxidation factor based on EU-ETS; fuel (diesel, gasoline, natural gas) – Federal Environmental Agency GWP = Global Warming Potential: IPCC AR5
305-4[1)]	GHG emissions intensity	105
305-5[1)]	Reduction of GHG emissions	105 e. Calculation method: CO_2 savings [t CO_2e p. a.] = assumed annual generation volume [GWh] x CO_2 emission factor per GWh of fossil primary energy carrier (country-specific)
305-6[1)]	Emissions of ozone-depleting substances (ODS)	Not applicable: All EVN plants are closed units.
305-7[1)]	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	108 a. No relevant emissions of persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP); no other relevant categories b. Use of national emission factors c. Emission volumes as recorded in EVN's plant measurement systems; continuous measurement of freight in accordance with emission measurement directive and regular individual measurements based on applicable laws and directives, freight calculations via flue gas volumes

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission

Environmental protection

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	96ff
103-2	The management approach and its components	96ff
103-3	Evaluation of the management approach	96ff

GRI 301: Materials 2016

301-1[1)]	Materials used by weight or volume	103
301-2[1)]	Recycled input materials used	a. Not applicable: EVN does not use any recycled source materials but, for example, supports the use of recycled building materials.
301-3[1)]	Reclaimed products and their packaging materials	Not applicable: Not relevant due to the company's business activities

GRI 303: Water and effluents 2018

303-1[1)]	Interactions with water as a shared resource	110f No plants in "areas of water stress" as defined by GRI
303-2[1)]	Management of water discharge-related impacts	110f a. i. Not applicable: All locations are covered by wastewater regulations. ii. All requirements for water discharge are based on indirect discharge contracts with the respective sewage network operators or on legal regulations as well as notifications by municipal authorities.
303-3[1)]	Water withdrawal	112
303-4[1)]	Water discharge	112. b. ii. Not applicable c. Not applicable. "Areas of water stress" as defined by GRI d. i. and ii. National and EU norms iii. No water discharge limits were exceeded. Limits, analysis requirements and the type of priority substances as defined in the Emission Register Directive for Surface Water, the Wastewater Emission Directive and the Contaminant Release and Transfer Register
303-5[1)]	Water consumption	112

GRI 304: Biodiversity

304-4[1)]	IUCN Red List species and national conservation list species with habitats in areas affected by operations	113

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 306: Effluents and waste 2016		
306-1[1)]	Water discharge by quality and destination	This indicator is covered by GRI 303-4 (GRI 303: Water 2018).
306-2[1)]	Waste by type and disposal method	111
306-3[1)]	Significant spills	No relevant incidents
306-4[1)]	Transport of hazardous waste	111
306-5[1)]	Water bodies affected by water discharges and/or runoff	112
GRI 307: Environmental compliance 2016		
307-1[1)]	Non-compliance with environmental laws and regulations	No relevant incidents

Stakeholder involvement

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	117
103-2	The management approach and its components	117
103-3	Evaluation of the management approach	117
GRI 203: Indirect economic impacts 2016		
203-1[1)]	Infrastructure investments and services supported	50ff 118f (Investments in social facilities and healthcare centres) 156ff (Management report; all infrastructure investments are commercial in nature)
203-2[1)]	Significant indirect economic impacts	68f, 118f
GRI 413: Local communities 2016		
413-1[1)]	Operations with local community engagement, impact assessments and development programmes	16f, 93, 96f, 118f a. i. There are no formal social impact assessments. Social aspects are regularly included in project development as part of our project-related stakeholder dialogue. a. iv. There is no formal programme to support community development. a. vi. 100% of projects with relevance for the general public or neighbouring residents are covered by a project-related stakeholder dialogue. a. viii. There is no formal grievance process for local communities. Direct contact with the responsible project manager (dialog@evn.at) or over the EVN service telephone or via email (info@evn.at) is possible for all projects.

1) Performance indicator reported in addition to the "core" option

Glossary

To improve readability in this report, Group companies are partly referred to using abbreviated names. The full company names are given in EVN's investments starting on page 264.

AIB
The Association of Issuing Bodies develops, uses and supports a European, harmonised and standardised system for the energy certification of all energy carriers: the European Energy Certificate System – "EECS".

Austrian Sustainability and Diversity Improvement Act
An Austrian law which implements EU Directive 2014/95/EU to create European minimum standards for greater transparency and better comparability in non-financial reporting.

Biogas
A mixture comprised largely of methane and carbon dioxide which is created during the oxygen-free digestion of organic renewable raw materials, slurry or organic residues from the foodstuffs industry.

Biomass
Organic material (dead organisms, organic metabolic products and residual materials); certain parts can be used as fuel in combined heat and power plants to generate electricity and heat or cooling.

Capital employed
Equity plus interest-bearing loans or assets minus non-interest-bearing liabilities.

Cash-generating Unit (CGU)
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The present value of future cash flows can be used to value a CGU.

CO_2 (carbon dioxide)
Chemical name for carbon dioxide, which is largely created by the combustion of fossil fuels.

CO_2e
The unit CO_2e or CO_2-equivalent indicates the relative greenhouse gas potential. 1 t CO_2e equals the quantity of a material with the same mean heating effect on the atmosphere as one tonne of CO_2.

CO_2 emission certificate trading/EU emission trading
The EU emission trading system is an instrument in the EU climate policy that is designed to reduce greenhouse gas emissions. The operators of registered equipment must present a valid certificate for each tonne of emitted CO_2. Part of the certificates are allocated to the equipment operators (e. g. industry, heat producers) free of charge based on a benchmark, the remainder is auctioned. Any additional certificates that are required must be purchased on the market.

Combined cycle heat and power/co-generation
Simultaneous generation of electricity and heat in a single facility. Combined production allows the plant to reach a high level of efficiency and, in this way, optimally use the primary energy.

Control area
A control area represents a geographically distinct group of high voltage and extra-high voltage networks, whose stability is guaranteed by a responsible transmission network operator.

Corporate governance code
Behavioural code for companies which defines the principles of good management and control; this is not a set of legal regulations, but a guideline that invites voluntary compliance.

Coverage ratio
Ratio of the volume of electricity produced in EVN's own power generating facilities and the Group's total sales volume of electricity.

Degree of efficiency
The efficiency of a plant represents the ratio of input to output (i. e. the quantity of electrical energy generated in relation to the primary energy employed).

Dividend yield
Ratio of the distributed dividend to the share price.

Due diligence audit
This type of audit is designed to analyse the strengths and weaknesses as well as the related risks of a project, property or company, and thereby plays an important role in its valuation.

Earnings per share
Group net result divided by the average number of shares outstanding for the period.

EBIT (Earnings before Interest and Taxes)
Also referred to as results from operating activities.

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation)
Earnings before interest, taxes, depreciation and amortisation of property, plant and equipment and intangible assets, or operating results before depreciation and amortisation of property, plant and equipment and intangible assets; is also used as a simple cash flow parameter.

ecoinvent
International and worldwide recognised source of environmental performance data. ecoinvent data are used, for example, for carbon footprints or environmental certifications.

Economic Value Added (EVA®)
Difference between the yield spread (ROCE less WACC) multiplied by average capital employed; benchmark for the shareholder value created in a company.

E-Control
Energie-Control Austria is the regulatory authority responsible for the electricity and gas industry in Austria.

EEX (European Energy Exchange)
The largest energy marketplace in continental Europe, headquartered in Leipzig.

EMAS
European Union directive for environmental management systems.

Energy units
Energy (Wh) = output × time
Kilowatt hour kWh: 1 Watt hour (Wh) × 10^3
Megawatt hour MWh: 1 Wh × 10^6
Gigawatt hour GWh: 1 Wh × 10^9
Natural gas energy content: 1 Nm^3
1 m^3 natural gas = 11.07 kWh

Equity ratio
Equity as a per cent of total capital.

Ex-dividend day
The day on which shares are traded without an entitlement to dividends. On this day the dividend is deducted from the price of the respective share.

Fair value
The price based on all relevant factors in an efficient market; it forms the basis for transactions between willing and independent partners.

Forward market
In contrast to the spot market, the forward or futures market is characterised by a contractually stipulated time lag between the conclusion of a transaction and actual delivery. At the time a contract is concluded, the buyer is not required to have the necessary liquid funds, nor is the seller required to have the purchased goods. The price of the goods is determined at the time the contract is concluded.

Funds from Operations (FFO)
Net cash flow from operating activities minus interest expense.

Gearing
Ratio of net debt to equity.

Global Reporting Initiative (GRI)
Initiative aimed at developing globally applicable guidelines for sustainability reporting to ensure the standardised presentation of companies from an economic, ecological and social point of view.

Greenhouse Gas Protocol
Frequently used standard for the preparation of greenhouse gas analyses and the related reporting.

Heating degree total
Parameter showing the temperature-related energy requirements for heating purposes.

Hedge
An instrument used to manage or limit financial risk or to avoid or limit losses resulting from negative changes in the market value of interest-, currency- or share-related transactions. A company aiming to "hedge" a particular transaction concludes another transaction linked to the underlying business.

Interest cover
Ratio of FFO (funds from operations) to interest expense.

International Financial Reporting Interpretation Committee/Standard Interpretation Committee (IFRIC, formerly SIC)
This committee is responsible for interpreting and providing more precise information on the IFRS issued by the International Accounting Standards Board (IASB).

International Financial Reporting Standards/ International Accounting Standards (IFRS, formerly IAS)
The designation IAS was changed to IFRS in 2001; the IASs issued prior to that year are still published under the earlier designation. IFRSs/IASs are issued by the International Accounting Standards Board (IASB).

ISO norms
Internationally recognised quality and form requirements for various management systems (e. g. the environment or occupational safety).

Management approach
Presentation of the management and controlling aspects of a company.

Net debt
Net total of interest-bearing assets and liabilities (issued bonds, liabilities to credit institutions and non-current employee-related provisions less loans, securities and cash and cash equivalents).

Net debt coverage
Ratio of FFO (funds from operations) to interest-bearing net debt.

Net Operating Profit after Tax (NOPAT)
Taxable profit before the deduction of financing costs.

Network loss
The difference between the electrical current fed into an electricity network and the electrical energy that is actually delivered. Network losses generally arise due to the physical characteristics of the transmission lines.

Other comprehensive income
The total of all income not recognised through profit or loss minus expenses for the reporting period that are not recognised through profit or loss.

PAS 2060
Internationally recognised specification to demonstrate carbon neutrality.

PPP project
Public private partnership projects involve the construction and financing of plants for public customers; after a predefined period of time, the plant becomes the property of the customer.

Primary energy
Energy obtained from natural sources. In addition to fossil fuels such as natural gas, petroleum, hard and brown coal, primary energy sources also include nuclear fuels like uranium and renewable energy sources like water, sun and wind.

Regulatory Asset Base
The interest-bearing capital base equals intangible assets plus property, plant and equipment minus recognised fees for network access and operational readiness (network subsidies) and any goodwill arising from balance sheet items. Adjustments are made to account for the standardisation of depreciation periods and the release of network subsidies.

Renewable electricity
Electricity that is generated solely from renewable sources like water, wind, biogas, biomass, photovoltaic, geothermal, landfill gas and sewage gas.

Results from operating activities
See EBIT.

ROCE (Return on Capital Employed)
This ratio shows the return on the capital used in a company. For the calculation, net profit for the period and interest expense less tax effects are compared with average capital employed. In order to consistently show the development of the value contribution, operating ROCE (OpROCE) is adjusted for impairment losses, one-off effects and the market value of the investment in Verbund AG.

ROE (Return on Equity)
Return on equity is used to evaluate the creation of value by a company on the basis of equity. For calculation purposes, net profit for the period is compared with average equity.

Science Based Targets initiative (SBTi)
International initiative which enables the participating companies to define scientifically based goals to reduce their greenhouse gas emissions based on the Greenhouse Gas Protocol and in accordance with the Paris Climate Agreement.

Smart meter/metering
An electricity meter with an additional function that allows the utility company to read the meter offsite with an online system.

Spot market/spot trading
General designation for markets in which delivery, acceptance of the goods and payment (clearing) are carried out immediately after the conclusion of the business transaction.

Thermal waste utilisation
The controlled industrial burning of waste at temperatures exceeding 1,000 ° Celsius, which leads to the destruction or reduction of harmful substances. At the same time, the energy contained in the waste materials is released and used for electricity generation or district heating.

Total shareholder return
Benchmark for measuring the value development of a stock over a certain period of time; includes dividends and the increase in the share price.

UN Global Compact
An initiative launched by the United Nations to support ecological and economic interests in the areas of human rights, work, the environment and corruption.

Value at Risk (VaR)
Process to calculate the potential loss arising from changes in the price of a specific trading position based on a certain assumed level of probability.

WACC (Weighted Average Cost of Capital)
This indicator has two components – the cost of debt and the cost of equity – which are weighted according to their share in total capital. The cost of debt equals the actual, average credit interest adjusted for tax effects, while the cost of equity equals the return on a risk-free investment plus a risk mark-up that is calculated individually for every company.

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Information on the internet

www.evn.at
www.investor.evn.at
www.sustainability.evn.at

Financial calendar 2022/23[1]			
Record date Annual General Meeting[2]	23.01.2023	Results Q. 1 2022/23	21.02.2023
94th Annual General Meeting[2]	02.02.2023	Results HY. 1 2022/23	25.05.2023
Ex-dividend day[2]	08.02.2023	Results Q. 1–3 2022/23	24.08.2023
Record date dividend[2]	09.02.2023	Annual results 2022/23	14.12.2023
Dividend payment day[2]	10.02.2023		

1) Subject to change
2) Subject to the appropriate legal framework

Basic information	
Share capital	EUR 330,000,000.00
Denomination	179,878,402 shares
Identification Number (ISIN)	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); AT; EVN (Dow Jones); EVNVY (ADR)
Stock exchange listing	Vienna
Ratings	A1, stable (Moody's); A+, stable (Scope Ratings)

Imprint
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