



Letter to Shareholders
Q. 1 2020/21

1 October – 31 December 2020

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Key figures

		2020/21 Q.1	2019/20 Q.1	+/- %	2018/19 Q.1	2019/20
Sales volumes						
Electricity generation volumes	GWh	1,047	1,094	-4.3	1,549	3,785
thereof from renewable energy	GWh	543	544	-0.2	520	2,250
Electricity sales volumes to end customers	GWh	5,174	5,054	2.4	5,018	19,813
Natural gas sales volumes to end customers	GWh	1,826	1,719	6.2	1,750	4,957
Heat sales volumes to end customers	GWh	783	708	10.7	717	2,303
Consolidated statement of operations						
Revenue	EURm	604.1	576.2	4.8	596.0	2,107.5
EBITDA	EURm	333.8	190.6	75.1	163.2	590.4
EBITDA margin ¹⁾	%	55.2	33.1	22.2	27.4	28.0
Results from operating activities (EBIT)	EURm	135.9	118.8	14.4	97.4	273.1
EBIT margin ¹⁾	%	22.5	20.6	1.9	16.4	13.0
Result before income tax	EURm	128.0	108.1	18.4	81.9	257.3
Group net result	EURm	93.5	82.9	12.7	59.1	199.8
Earnings per share	EUR	0.52	0.47	12.6	0.33	1.12
Statement of financial position						
Balance sheet total	EURm	9,592.4	7,965.6	20.4	7,522.0	8,365.7
Equity	EURm	5,449.8	4,446.3	22.6	3,985.9	4,543.3
Equity ratio ¹⁾	%	56.8	55.8	1.0	53.0	54.3
Net debt ²⁾	EURm	1,052.4	1,127.4	-6.7	1,033.2	1,037.7
Gearing ¹⁾	%	19.3	25.4	-6.0	25.9	22.8
Cash flow and investments						
Gross cash flow	EURm	407.8	140.7	-	200.7	497.1
Net cash flow from operating activities	EURm	43.7	-28.9	-	-7.6	412.0
Investments ³⁾	EURm	86.8	76.2	13.9	79.5	367.9
Share performance						
Share price at 31 December	EUR	17.88	17.30	3.4	12.58	14.28
Value of shares traded ⁴⁾	EURm	56.8	49.0	15.9	48.1	190.1
Market capitalisation at 31 December	EURm	3,216	3,112	3.3	2,263	2,569
Employees	∅	7,152	7,015	2.0	6,885	7,007

1) Changes reported in percentage points

2) Incl. non-current personnel provisions

3) In intangible assets and property, plant and equipment

4) Vienna Stock Exchange, single counting of daily trading volume

Highlights

Positive business development in the first quarter of 2020/21

- Increase in revenue (+4.8%), EBIT (+14.4%) and Group net result (+12.7%)
- Non-recurring effect in EBITDA (see page 8f) and higher earnings contribution from equity accounted investees with operational nature
- Only limited influence on earnings from the Covid-19 pandemic; integrated business model and broad customer diversification as stabilising factors

Energy sector environment

- Temperature-related energy demand in Austria above both previous year and long-term average
- Temperatures in South East Europe lower than the unusually mild previous year, but higher than the long-term average
- Wind flows substantially below the previous year and long-term average; water flows above average
- Market price increases for natural gas, CO₂ emission certificates and base load and peak load electricity

New network tariffs for household customers as of 1 January 2021

- Average increase of 6.3% for electricity
- Average increase of 6.4% for natural gas

Extensive investment programme for the coming years

- Annual investments of up to EUR 450m, thereof roughly three-fourths in Lower Austria
- Wide-ranging network investments secure supply security, carbon-free energy future and growth in the Networks Segment
- Additional focal points: renewable generation (wind power, photovoltaics and biomass) and drinking water supplies

Increase in installed wind power capacity to 376 MW

- Commissioning of the Kettlasbrunn II wind park (8.4 MW) at the end of December 2020
- Share of renewable generation rises to 51.9% in the first quarter 2020/21 (previous year: 49.7%)

Construction of a biomass combined heat and power plant in Krems

- 5 MW of electrical and 15 MW of thermal generation
- Investment volume: approximately EUR 30m
- Green electricity for 15,000 households and natural heat for up to 30,000 households
- Start of construction in the first quarter of 2021, planned commissioning in the first quarter of 2023

New general contractor assignment in Poland for the international project business

- Modernisation of the wastewater treatment plant in Międzyzdroje
- Contract volume: EUR 11.4m

Outlook for the 2020/21 financial year confirmed

- Assuming average conditions in the energy business environment, EVN expects Group net result to range from approximately EUR 200m to EUR 230m in the 2020/21 financial year.
- However, the further course of the corona crisis and the resulting macroeconomic effects could have a negative influence on individual business areas at EVN and, in turn, on the development of earnings for the entire Group.

Confirmation of dividend policy

- EVN's dividend policy is directed to holding the absolute amount of the ordinary dividend at least constant at EUR 0.49 per share.

Interim management report

Energy sector environment

Energy sector environment		2020/21 Q.1	2019/20 Q.1	2018/19 Q.1
Temperature-related energy demand¹⁾				
Austria	%	102.5	92.8	89.3
Bulgaria	%	89.3	74.1	102.1
North Macedonia	%	92.1	66.4	97.4
Primary energy and CO₂ emission certificates				
Crude oil – Brent	EUR/bbl	35.6	58.2	62.4
Natural gas – GIMP ²⁾	EUR/MWh	14.3	12.9	24.8
Hard coal – API#2 ³⁾	EUR/t	49.2	50.9	83.5
CO ₂ emission certificates	EUR/t	27.0	25.4	19.1
Electricity – EEX forward market⁴⁾				
Base load	EUR/MWh	41.8	51.5	44.7
Peak load	EUR/MWh	52.8	64.2	56.7
Electricity – EPEX spot market⁵⁾				
Base load	EUR/MWh	42.3	39.9	59.4
Peak load	EUR/MWh	53.2	48.8	70.7

1) Calculated based on the heating 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) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period

5) EPEX spot – European Power Exchange

EVN's key energy business indicators	2020/21 Q.1	2019/20 Q.1	+/-		2018/19 Q.1
			Nominal	%	
GWh					
Electricity generation volumes	1,047	1,094	-47	-4.3	1,549
thereof renewable energy sources	543	544	-1	-0.2	520
thereof thermal energy sources	504	550	-45	-8.3	1,029
Network distribution volumes					
Electricity	5,965	5,767	198	3.4	5,942
Natural gas ¹⁾	5,234	4,960	274	5.5	5,388
Energy sales volumes to end customers					
Electricity	5,174	5,054	120	2.4	5,018
thereof Central and Western Europe ²⁾	2,259	2,114	144	6.8	1,914
thereof South Eastern Europe	2,915	2,940	-25	-0.8	3,103
Natural gas	1,826	1,719	107	6.2	1,750
Heat	783	708	76	10.7	717
thereof Central and Western Europe ²⁾	722	646	75	11.6	642
thereof South Eastern Europe	62	61	0	0.6	75

1) Incl. network distribution volumes to EVN power plants

2) Central and Western Europe covers Austria and Germany.

Business development

Statement of operations

Highlights

- Revenue: +4.8% to EUR 604.1m
 - EBITDA: +75.1% to EUR 333.8m
 - EBIT: +14.4% to EUR 135.9m
 - Group net result: +12.7% to EUR 93.5m
-

Revenue recorded by the EVN Group rose by 4.8% year-on-year to EUR 604.1m in the first quarter of 2020/21. This increase was supported, above all, by the international project business and, in this connection, the wastewater treatment plant project in Kuwait which started in summer 2020. Weather conditions were also reflected in slightly higher network sales in all three core markets. Contrary factors were lower effects from the valuation of hedges for electricity generation and a decline in revenue from natural gas trading.

The increase in other operating income to EUR 137.8m (previous year: EUR 20.3m) is primarily attributable to the effects from the takeover of an additional electricity procurement right from the Walsum 10 power plant (also see page 8f).

The cost of electricity purchases from third parties and primary energy expenses fell by 7.9% to EUR 242.2m in line with the decline in revenue from natural gas trading.

Developments in the international project business were responsible for an increase of 74.8% in the cost of materials and services to EUR 115.1m.

Personnel expenses were 2.8% higher year-on-year at EUR 87.7m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the wastewater treatment plant project in Kuwait. The average number of employees equalled 7,152 in the first quarter of 2020/21 (previous year: 7,015 employees).

Other operating expenses increased by 12.9% to EUR 23.4m.

The share of results from equity accounted investees with operational nature amounted to EUR 60.2m in the first quarter of 2020/21 (previous year: EUR 29.1m). This year-on-year increase was based primarily on an improvement in operating earnings and valuation effects from hedges held by EVN KG.

EBITDA recorded by the EVN Group totalled EUR 333.8m in the first quarter of 2020/21, which represents an increase of 75.1% over the previous year.

Scheduled depreciation and amortisation rose by 18.3% to EUR 84.8m due to the high level of investment and the amortisation of capitalised start-up costs for the project in Kuwait. In connection with the takeover of an additional electricity procurement right, an impairment loss of EUR 113.1m was recognised to the Walsum 10 power plant (also see page 8f). In total, EBIT increased by 14.4% to EUR 135.9m.

An improvement was also recorded in financial results, which rose by 25.9% to EUR –8.0m.

The result before income tax rose by 18.4% year-on-year to EUR 128.0m in the first quarter of 2020/21. After the deduction of EUR 26.4m (previous year: EUR 17.4m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period equalled EUR 93.5m. This represents an increase of 12.7% over the previous year.

Statement of cash flows

Gross cash flow for the first quarter of 2020/21 – which totalled EUR 407.8m (previous year: EUR 140.7m) – includes an adjustment for the non-cash valuation measures related to the takeover of an additional electricity procurement right from the Walsum 10 power plant. Specifically, this involves an impairment loss to the power plant, the premature release of a related network subsidy and the creation of a provision for onerous contracts (also see page 8f). The substantial year-on-year increase is therefore based primarily on the compensation payment for the takeover of the electricity procurement right. A further contributing factor was the higher balance of dividends from equity accounted investees.

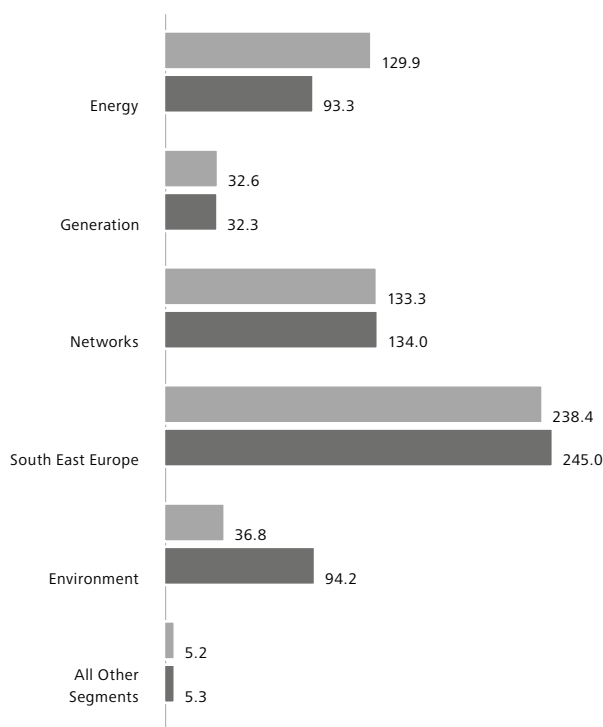
The increase in cash flow from operating activities was lower in comparison. This was a result of higher income tax payments and, in particular, the fact that one instalment of the compensation payment for the additional electricity procurement right was still carried as a receivable as of 31 December 2020.

Cash flow from investing activities amounted to EUR –174.7m (previous year: EUR –10.7m) and was influenced chiefly by a year-on-year increase in investments in property, plant and equipment and higher investments in cash funds.

Cash flow from financing activities totalled EUR 87.2m (previous year: EUR –50.8m). This amount includes the scheduled repayment of financial liabilities and the issue of a green bond through a private placement (nominal value: EUR 101m).

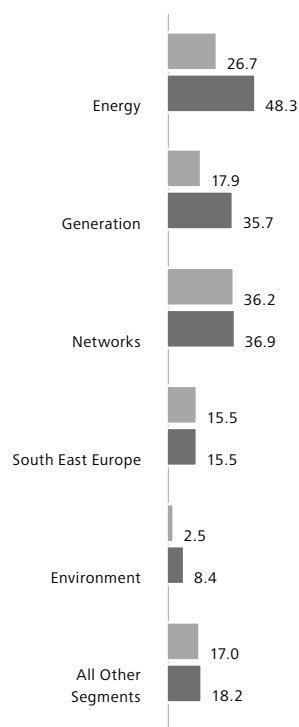
External revenue by segments Q. 1

EURm
2019/20
2020/21



EBIT by segments Q. 1

EURm
2019/20
2020/21



In total, cash flow amounted to EUR –43.8m in the first quarter of 2020/21 and cash and cash equivalents equalled EUR 96.1m as of 31 December 2020. The EVN Group also had contractually committed, undrawn credit lines of EUR 571.0m at its disposal to service potential short-term financing requirements.

Statement of financial position

EVN's balance sheet total equalled EUR 9,592.4m as of 31 December 2020 and was 14.7% higher than on 30 September 2020. This growth was supported, among others, by the development of the Verbund share price, which led to an increase in non-current assets (quoted per share at EUR 69.85 on 31 December 2020 versus EUR 46.68 on 30 September 2020). Another factor was the increase in the carrying amount of equity accounted investees which resulted primarily from a higher earnings contribution from EVN KG. In contrast, the impairment loss recognised to the Walsum 10

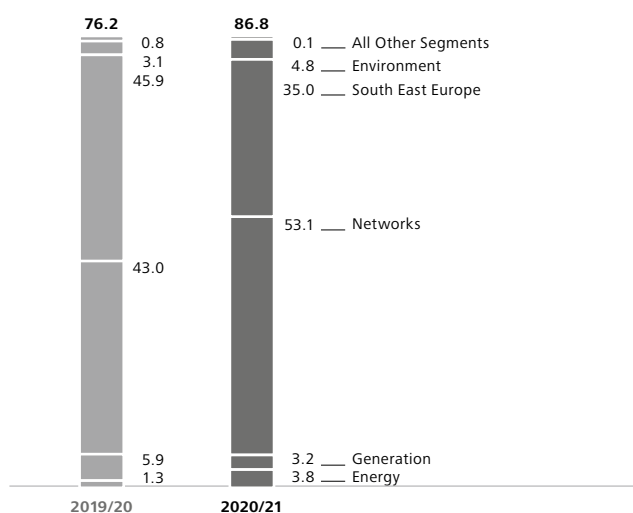
power plant led to a reduction in property, plant and equipment. Non-current assets rose by a total of 12.5% to EUR 8,357.3m.

Current assets rose by 31.7% to EUR 1,235.1m during the reporting period. The underlying reasons included a seasonal rise in receivables from the energy and international project businesses as well as the increase in inventories caused by the higher valuation of emission certificates as of 31 December 2020. The development of current assets was also influenced by the increase in receivables which followed the takeover of an additional electricity procurement right from the Walsum 10 power plant and higher investments in cash funds after the issuance of a green bond.

Equity totalled EUR 5,449.8m at the end of the first quarter of 2020/21 and was 20.0% higher than on 30 September 2020. The main reasons for this increase include the higher valuation of the equity accounted investment in Verbund to reflect the

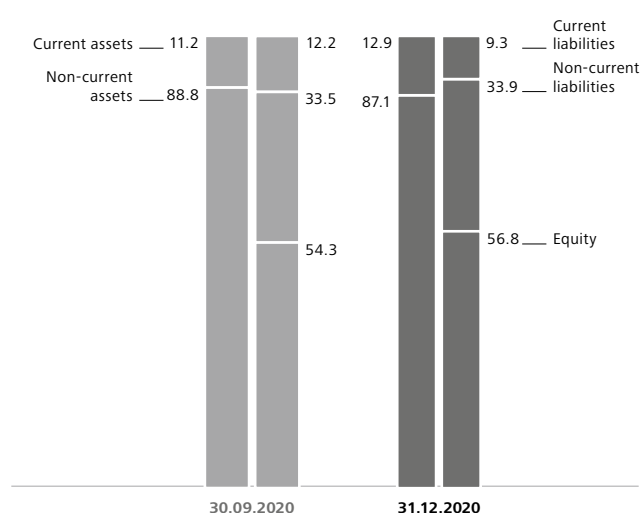
Structure of investments Q. 1

%, total in EURm



Balance sheet structure as of the balance sheet date

%



positive trend in the share price and the Group net result recorded for the reporting period. The statement of financial position for the first quarter of 2020/21 does not include the dividend of EUR 0.49 per share for the 2019/20 financial year which was approved by the 92nd Annual General Meeting on 21 January 2021 and paid on 29 January 2021. The equity ratio equalled 56.8% as of 31 December 2020 (30 September 2020: 54.3%).

Non-current liabilities were 16.3% higher at EUR 3,253.4m. The main factors underlying this development included the increase in non-current tax liabilities which resulted from the higher price of the Verbund share at the end of the reporting period and the creation of a provision for onerous contracts in connection with the takeover of an additional electricity procurement right from the Walsum 10 power plant. Non-current financial liabilities were increased by the issuance of a 15-year, bullet repayment green bond with a nominal value of EUR 101m through a private placement, which was contrasted by the reclassification of loans from non-current to current.

Current liabilities declined 13.2% below the level on 30 September 2020 to EUR 889.3m, chiefly owing to a lower balance of trade payables as of 31 December 2020, a decrease in financial and tax liabilities, and a reduction in other current liabilities.

Takeover of an electricity procurement right

EVN took over an additional 150 MW electricity procurement right from the Walsum 10 power plant in December 2020. This transaction will simplify the current contractual relationships with the Walsum 10 power plant against the backdrop of the German law which requires the termination of coal-fired generation. The following section describes the accounting effects from the takeover of the electricity procurement right as of 31 December 2020:

- The takeover of the electricity procurement right and the related marketing risks were offset by a compensation payment to EVN. Part of the compensation payment corresponds to a provision for onerous contracts, which was recognised without effect on profit and loss, and is based on the risk from the marketing of the electricity procurement right which exceeds EVN's investment in the power plant. The remainder of the compensation payment is recorded under other operating income with recognition through profit or loss.
- The compensation payment is transferred in two instalments, whereby only the first was received during the first quarter of 2020/21. Consequently, current receivables were increased by the second instalment as of 31 December 2020.
- A construction subsidy collected in the past and reported under non-current liabilities was prematurely released to profit or loss.

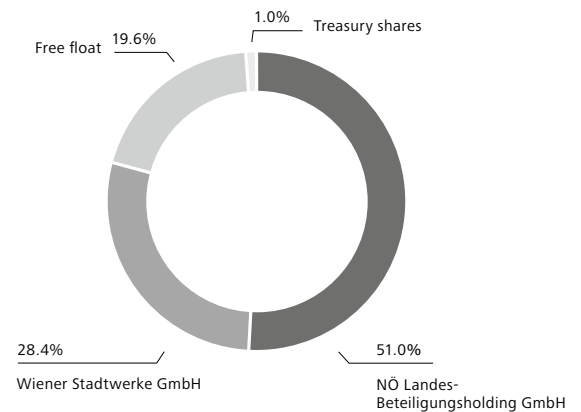
- The takeover of the additional electricity procurement right and the related marketing risks led to the recognition of an impairment loss of EUR 113.1m to the Walsum 10 power plant, which is carried under property, plant and equipment at the proportional share of EVN's investment.
- In total, the transaction had a negative effect of EUR 2.0m on the Group's result in the first quarter of 2020/21.

Shareholder structure

In accordance with Austrian federal and provincial constitutional law, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51.0%. These constitutional requirements limit the transfer of the investment, which is held directly by NÖ Landes-Beteiligungsholding GmbH, St. Pölten.

The second largest shareholder of EVN AG is Wiener Stadtwerke GmbH, Vienna, with an investment of 28.4%. This company is wholly owned by the City of Vienna. As of 31 December 2020, EVN AG held treasury shares representing 1.0% of share capital and free float equalled 19.6%.

Shareholder structure¹⁾



1) As of 31 December 2020

Segment reporting

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	<ul style="list-style-type: none"> → 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 Austria GmbH¹⁾ → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)¹⁾
	Generation	<ul style="list-style-type: none"> → Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations → Operation of a thermal waste utilisation plant in Lower Austria → 13.0% investment in Verbund Innkraftwerke GmbH (Germany)¹⁾ → 49.0% investment in Walsum 10 hard coal-fired power plant (Germany)²⁾ → 49.99% investment in Ashta run-of-river power plant (Albania)¹⁾
	Networks	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → 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 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	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG Austria AG (RAG)¹⁾ → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG¹⁾ → 12.63% investment in Verbund AG³⁾ → Corporate services

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.

2) The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft is accounted for as a joint operation.

3) Dividends are included under financial results.

Energy

Increase in electricity, natural gas and heat sales volumes

- Development of electricity business supported by new industrial customers
- Weather-related increase in the demand for natural gas and heat
- No material negative effects from the Covid-19 pandemic

EBITDA, EBIT and result before income tax above previous year

- Decline in revenue attributable, above all, to a lower volume of generation at the Walsum 10 power plant and a year-on-year decline in valuation effects from hedges; slight positive development at EVN Wärme was unable to offset these effects
- Operating expenses declined by 27.4%, chiefly due to other operating income from the takeover of an additional electricity procurement right from the Walsum 10 power plant (also see page 8f)

- Increase in share of results from equity accounted investees with operational nature to EUR 37.7m (previous year: EUR 8.2m), supported mainly by an improvement in operating earnings at EVN KG and a year-on-year increase in effects from the valuation of hedges held by EVN KG

Construction of a biomass combined heat and power plant in Krems

- 5 MW of electrical and 15 MW of thermal generation
- Investment volume: approximately EUR 30m
- Green electricity for 15,000 households and natural heat for up to 30,000 households
- Start of construction in the first quarter 2021, planned commissioning in the first quarter 2023

Key indicators – Energy		2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
Key energy business indicators		GWh				
Energy sales volumes to end customers						
Electricity		2,259	2,114	144	6.8	1,914
Natural gas		1,790	1,691	100	5.6	1,723
Heat		722	646	75	10.4	642
Key financial indicators		EURm				
External revenue		93.3	129.9	-36.5	-28.1	168.3
Internal revenue		0.6	1.2	-0.6	-50.2	1.3
Total revenue		93.9	131.1	-37.2	-28.3	169.5
Operating expenses		-78.1	-107.6	29.5	27.4	-161.9
Share of results from equity accounted investees with operational nature		37.7	8.2	29.5	-	-13.6
EBITDA		53.6	31.7	21.9	68.9	-6.0
Depreciation and amortisation including effects from impairment tests		-5.3	-5.0	-0.3	-5.1	-4.8
Results from operating activities (EBIT)		48.3	26.7	21.6	81.0	-10.8
Financial results		-0.5	-0.4	-0.1	-14.4	-0.5
Result before income tax		47.9	26.3	21.6	82.0	-11.3
Total assets		1,001.5	829.7	171.8	20.7	814.1
Total liabilities		877.7	687.5	190.2	27.7	709.1
Investments ¹⁾		3.4	6.5	-3.0	-46.9	1.4

1) In intangible assets and property, plant and equipment

Generation

Electricity generation below previous year

- Slight increase in renewable generation; above-average good water flows offset the weather-related decline in wind flows
- Electricity generation from thermal power plants fell to 405 GWh; reduced use of Walsum 10 power plant
- Coverage ratio of 21.6% (previous year: 20.2%)

Increase in installed wind power capacity to 376 MW

- Commissioning of the Kettlasbrunn II wind park (8.4 MW) at the end of December 2020

EBITDA, EBIT and result before income tax above previous year

- Decline in operating expenses due to higher other operating income (premature release of a network subsidy for the Walsum 10 power plant, also see page 8f)
- Investment activity reflected an increase to EUR 21.1m in scheduled depreciation and amortisation

Key indicators – Generation		2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
Key energy business indicators	GWh					
Electricity generation volumes		870	913	-44	-4.8	1,350
thereof renewable energy sources		465	461	3	0.7	427
thereof thermal energy sources		405	452	-47	-10.4	923
Key financial indicators	EURm					
External revenue		32.3	32.6	-0.3	-0.9	33.6
Internal revenue		47.3	41.2	6.1	14.9	58.1
Total revenue		79.6	73.8	5.8	7.9	91.7
Operating expenses		-23.1	-40.0	16.9	42.2	-47.3
Share of results from equity accounted investees with operational nature		0.3	0.6	-0.4	-56.9	0.8
EBITDA		56.8	34.5	22.3	64.8	45.2
Depreciation and amortisation including effects from impairment tests		-21.1	-16.6	-4.5	-26.9	-15.1
Results from operating activities (EBIT)		35.7	17.9	17.9	-	30.0
Financial results		-2.4	-4.5	2.2	47.8	-4.3
Result before income tax		33.3	13.3	20.0	-	25.7
Total assets		1,090.0	1,205.2	-115.2	-9.6	1,136.5
Total liabilities		665.6	803.7	-138.1	-17.2	882.2
Investments ¹⁾		2.7	6.1	-3.4	-55.8	24.6

1) In intangible assets and property, plant and equipment

Networks

Increase in electricity and natural gas network sales volumes

- Weather-related increase in the demand for electricity and natural gas in the household customer segment
- Slight decline in electricity consumption by commercial customers
- No material negative effects from the Covid-19 pandemic

Revenue at prior year level

- Network tariffs for household customers reduced by an average of 8.1% for natural gas as of 1 January 2020; average increase of 0.3% for electricity
- Volume-related increase for electricity and natural gas, natural gas revenue negatively affected by price reduction
- Positive revenue development from the cable TV, internet and telecommunication businesses

Substantial investments in supply security

- Wide-ranging installation of smart meters and ongoing expansion of the pipeline networks, transformer stations and substations led to an increase of 40.7% in investments
- Partial recovery of corona-related project delays

E-Control defines new network tariffs for household customers as of 1 January 2021

- Average increase of 6.3% for electricity
- Average increase of 6.4% for natural gas

EBITDA, EBIT and result before income tax above previous year

- Increase in personnel expenses due to additional hiring for smart meter roll-out
- High level of investments reflected in higher scheduled depreciation and amortisation

Key indicators – Networks		2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		2,326	2,284	42	1.8	2,263
Natural gas		5,162	4,898	264	5.4	5,330
Key financial indicators	EURm					
External revenue		134.0	133.3	0.7	0.6	139.2
Internal revenue		12.3	11.4	0.9	8.1	13.6
Total revenue		146.3	144.7	1.7	1.1	152.8
Operating expenses		-75.3	-76.1	0.8	1.1	-72.5
Share of results from equity accounted investees with operational nature		-	-	-	-	-
EBITDA		71.0	68.6	2.5	3.6	80.3
Depreciation and amortisation including effects from impairment tests		-34.2	-32.3	-1.8	-5.7	-30.4
Results from operating activities (EBIT)		36.9	36.2	0.6	1.7	49.9
Financial results		-3.6	-3.1	-0.4	-13.8	-4.3
Result before income tax		33.3	33.1	0.2	0.6	45.7
Total assets		2,115.6	2,031.5	84.2	4.1	1,921.1
Total liabilities		1,483.5	1,426.1	57.4	4.0	1,315.2
Investments ¹⁾		46.1	32.8	13.3	40.7	26.7

1) In intangible assets and property, plant and equipment

South East Europe

Increase in network sales volumes, decline in electricity sales volumes

- Temperature-related energy demand in Bulgaria and North Macedonia above previous year, but below long-term average
- Stronger competition in Bulgaria following market liberalisation for commercial customers as of October 2020

Electricity generation below previous year

- Lower water flows in North Macedonia

EBITDA and EBIT nearly match previous year, result before income tax slightly higher

- Increase in revenue accompanied by higher energy procurement costs

Construction of a photovoltaic plant in North Macedonia

- Installed capacity of approximately 1.5 MW
- First plant in North Macedonia with double-sided photovoltaic modules; use of reflected light rays increases electricity production

Construction of five warm water boilers by the Bulgarian district heating company TEZ Plovdiv

- Modern and efficient equipment
- Increased supply security for the roughly 31,500 heat customers in Plovdiv

Key indicators – South East Europe		2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
Key energy business indicators		GWh				
Electricity generation volumes		98	101	-3	-2.9	106
thereof renewable energy		17	21	-4	-17.7	20
thereof thermal power plants		81	80	1	1.0	86
Electricity network distribution volumes		3,639	3,483	156	4.5	3,679
Energy sales volumes to end customers		3,012	3,030	-17	-0.6	3,205
thereof electricity		2,915	2,940	-25	-0.8	3,103
thereof natural gas		35	29	7	24.1	27
thereof heat		62	61	0	0.6	75
Key financial indicators		EURm				
External revenue		245.0	238.4	6.6	2.8	230.7
Internal revenue		0.2	0.2	0.0	-8.3	0.3
Total revenue		245.2	238.6	6.6	2.8	231.0
Operating expenses		-211.6	-205.3	-6.3	-3.1	-207.9
Share of results from equity accounted investees with operational nature		-	-	-	-	-
EBITDA		33.6	33.3	0.2	0.7	23.1
Depreciation and amortisation including effects from impairment tests		-18.1	-17.8	-0.3	-1.8	-15.4
Results from operating activities (EBIT)		15.5	15.5	-0.1	-0.5	7.6
Financial results		-3.9	-5.4	1.5	27.2	-5.4
Result before income tax		11.5	10.1	1.4	13.9	2.3
Total assets		1,210.7	1,254.3	-43.6	-3.5	1,221.1
Total liabilities		872.8	945.1	-72.3	-7.6	977.7
Investments ¹⁾		30.3	35.0	-4.7	-13.3	24.8

1) In intangible assets and property, plant and equipment

Environment

Higher revenue from drinking water supplies in Lower Austria and the international project business

- Low level of precipitation during November and December 2020
- Higher drinking water sales volumes in the cross-regional supply area and in the end customer business
- Revenue growth in the international project business, above all due to the start of the wastewater treatment plant project in Kuwait during summer 2020 (revenue from general contractor assignments is recognised in line with the progress on the project in accordance with the percentage of completion method)

EBITDA, EBIT and result before income tax above previous year

- Increase in operating expenses generally reflects the progress of international projects, primarily driven by a higher volume of third-party services and other material costs
- Positive non-recurring effect at evn wasser
- Increase in share of results from equity accounted investees with operational nature, above all due to the wastewater treatment plant project in Kuwait
- Higher depreciation and amortisation, including the effects of impairment testing, driven by the scheduled amortisation of capitalised start-up costs for the project in Kuwait

Focus of investments: drinking water supplies in Lower Austria

- Investments in this segment 60.9% above the previous year
- Focal points include the construction of the fifth natural filter plant in the supply area and the expansion of cross-regional pipelines

Successful project acquisition in Poland during November 2020

- Contract to modernise the wastewater treatment plant in Międzyzdroje
- Contract volume: EUR 11.4m

Contract orders in the international project business

- Nine projects by WTE Wassertechnik for wastewater and thermal sewage sludge treatment currently under planning and construction (Germany, Poland, Lithuania, Romania, Croatia, Bahrain and Kuwait)
- Three further sewage sludge treatment projects under planning and construction by sludge2energy¹⁾ (Halle-Lochau, Hanover and Straubing)

Effects of the global Covid-19 pandemic

- National lockdowns, travel restrictions and interruptions in international supply chains complicate the international project business
- Customers were notified of the effects on a timely basis; work is proceeding to recover any delays as quickly as possible
- Partial shift in expected earnings to following years; a final estimate of the potential impact is not possible at the present time

1) 50:50 joint venture between WTE Wassertechnik and Huber SE

Key financial indicators – Environment	EURm	2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
External revenue		94.2	36.8	57.4	–	20.1
Internal revenue		0.1	0.1	0.0	6.6	0.1
Total revenue		94.3	36.9	57.4	–	20.2
Operating expenses		–80.1	–34.1	–46.0	–	–17.9
Share of results from equity accounted investees with operational nature		3.7	2.7	1.0	38.9	6.0
EBITDA		17.9	5.5	12.4	–	8.4
Depreciation and amortisation including effects from impairment tests		–9.6	–3.0	–6.6	–	–2.8
Results from operating activities (EBIT)		8.4	2.5	5.9	–	5.5
Financial results		–0.5	–1.1	0.7	58.3	–1.2
Result before income tax		7.9	1.4	6.5	–	4.4
Total assets		844.3	692.5	151.8	21.9	642.8
Total liabilities		684.8	537.2	147.5	27.5	500.9
Investments ¹⁾		4.2	2.6	1.6	60.9	2.2

1) In intangible assets and property, plant and equipment

All Other Segments

Share of results from equity accounted investees with operational nature slightly higher year-on-year

- RAG slightly above previous year in total; operating business with sound storage levels offsets the lack of positive non-recurring effects from the sale of oil production facilities in the previous year
- Positive development at Energie Burgenland

Increase in EBITDA, EBIT and result before income tax

Key financial indicators – All Other Segments	EURm	2020/21	2019/20	+/-		2018/19
		Q.1	Q.1	Nominal	%	Q.1
External revenue		5.3	5.2	0.0	0.7	4.1
Internal revenue		18.3	17.1	1.2	6.7	16.1
Total revenue		23.5	22.3	1.2	5.3	20.2
Operating expenses		-23.2	-22.3	-0.9	-3.8	-20.7
Share of results from equity accounted investees with operational nature		18.5	17.5	0.9	5.3	13.3
EBITDA		18.9	17.6	1.3	7.2	12.7
Depreciation and amortisation including effects from impairment tests		-0.6	-0.5	-0.1	-11.9	-0.4
Results from operating activities (EBIT)		18.2	17.0	1.2	7.1	12.3
Financial results		17.1	17.8	-0.7	-3.7	15.3
Result before income tax		35.4	34.8	0.5	1.6	27.6
Total assets		5,912.4	4,348.7	1,563.6	36.0	3,979.6
Total liabilities		2,195.4	1,589.2	606.2	38.1	1,375.5
Investments ¹⁾		0.0	0.6	-0.5	-92.2	0.6

1) In intangible assets and property, plant and equipment

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2020/21	2019/20	+/-		2019/20
	Q.1	Q.1	Nominal	%	
Revenue	604.1	576.2	27.9	4.8	2,107.5
Other operating income	137.8	20.3	117.5	–	64.4
Electricity purchases and primary energy expenses	–242.2	–263.1	20.9	7.9	–888.3
Cost of materials and services	–115.1	–65.8	–49.2	–74.8	–316.9
Personnel expenses	–87.7	–85.4	–2.4	–2.8	–349.3
Other operating expenses	–23.4	–20.8	–2.7	–12.9	–121.1
Share of results from equity accounted investees with operational nature	60.2	29.1	31.1	–	94.1
EBITDA	333.8	190.6	143.2	75.1	590.4
Depreciation and amortisation	–84.8	–71.6	–13.1	–18.3	–296.7
Effects from impairment tests	–113.1	–0.1	–112.9	–	–20.6
Results from operating activities (EBIT)	135.9	118.8	17.1	14.4	273.1
Results from other investments	–	–	–	–	33.3
Interest income	1.0	1.3	–0.3	–22.8	4.5
Interest expense	–11.9	–12.0	0.1	0.8	–47.0
Other financial results	2.9	–0.1	3.0	–	–6.7
Financial results	–8.0	–10.7	2.8	25.9	–15.8
Result before income tax	128.0	108.1	19.9	18.4	257.3
Income tax expense	–26.4	–17.4	–9.0	–51.5	–28.7
Result for the period	101.6	90.7	10.9	12.0	228.6
thereof result attributable to EVN AG shareholders (Group net result)	93.5	82.9	10.5	12.7	199.8
thereof result attributable to non-controlling interests	8.2	7.8	0.4	5.2	28.9
Earnings per share in EUR ¹⁾	0.52	0.47	0.1	12.6	1.12

1) There is no difference between basic and diluted earnings per share.

Consolidated statement of comprehensive income

EURm	2020/21	2019/20	+/-		2019/20
	Q.1	Q.1	Nominal	%	
Result for the period	101.6	90.7	10.9	12.0	228.6
Other comprehensive income from					
Items that will not be reclassified to profit or loss	760.6	-175.0	935.6	-	-112.0
Remeasurements IAS 19	-2.5	3.2	-5.7	-	10.2
Investments in equity accounted investees	-0.1	1.7	-1.8	-	-2.2
Shares and other equity instruments measured at fair value and reported in other comprehensive income	1,016.7	-239.6	1,256.3	-	-156.5
thereon apportionable income tax expense	-253.6	59.7	-313.2	-	36.5
Items that may be reclassified to profit or loss	44.3	-21.5	65.8	-	-14.8
Currency translation differences	-0.2	-	-0.2	-	-3.8
Cash flow hedges	14.6	3.2	11.5	-	2.8
Investments in equity accounted investees	45.8	-31.4	77.3	-	-14.1
thereon apportionable income tax expense	-15.9	6.8	-22.7	-	0.3
Total other comprehensive income after tax	804.9	-196.4	1,001.3	-	-126.8
Comprehensive income for the period	906.5	-105.8	1,012.3	-	101.8
thereof income attributable to EVN AG shareholders	899.1	-114.3	1,013.4	-	74.5
thereof income attributable to non-controlling interests	7.4	8.5	-1.1	-12.9	27.3

Consolidated statement of financial position

EURm	31.12.2020	30.09.2020	+/-	
			Nominal	%
Assets				
Non-current assets				
Intangible assets	227.4	216.9	10.5	4.8
Property, plant and equipment	3,588.4	3,703.4	-115.0	-3.1
Investments in equity accounted investees	1,048.8	1,002.1	46.6	4.7
Other investments	3,186.8	2,168.7	1,018.1	46.9
Deferred tax assets	63.5	75.4	-11.9	-15.8
Other non-current assets	242.5	261.0	-18.6	-7.1
	8,357.3	7,427.6	929.7	12.5
Current assets				
Inventories	85.4	66.6	18.8	28.3
Trade and other receivables	636.6	403.2	233.4	57.9
Securities	365.3	253.8	111.5	43.9
Cash and cash equivalents	147.8	214.6	-66.8	-31.1
	1,235.1	938.1	297.0	31.7
Total assets	9,592.4	8,365.7	1,226.8	14.7
Equity and liabilities				
Equity				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.8	253.8	-	-
Retained earnings	2,718.4	2,625.0	93.4	3.6
Valuation reserve	1,911.7	1,105.7	806.0	72.9
Currency translation reserve	-13.8	-13.5	-0.3	-2.5
Treasury shares	-19.0	-19.0	-	-
Issued capital and reserves attributable to shareholders of EVN AG	5,181.1	4,282.1	899.1	21.0
Non-controlling interests	268.6	261.2	7.4	2.8
	5,449.8	4,543.3	906.5	20.0
Non-current liabilities				
Non-current loans and borrowings	1,130.0	1,045.3	84.7	8.1
Deferred tax liabilities	760.3	490.0	270.3	55.2
Non-current provisions	625.2	506.4	118.9	23.5
Deferred income from network subsidies	608.0	619.1	-11.1	-1.8
Other non-current liabilities	129.8	137.5	-7.6	-5.5
	3,253.4	2,798.3	455.1	16.3
Current liabilities				
Current loans and borrowings	87.2	110.0	-22.8	-20.7
Taxes payable and levies	124.4	75.5	48.9	64.8
Trade payables	244.5	298.4	-53.9	-18.1
Current provisions	96.5	96.2	0.3	0.3
Other current liabilities	336.7	444.0	-107.3	-24.2
	889.3	1,024.1	-134.8	-13.2
Total equity and liabilities	9,592.4	8,365.7	1,226.8	14.7

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2019	4,295.6	256.5	4,552.1
Comprehensive income for the period	-114.3	8.5	-105.8
Balance on 31.12.2019	4,181.4	265.0	4,446.3
Balance on 30.09.2020	4,282.1	261.2	4,543.3
Comprehensive income for the period	899.1	7.4	906.5
Balance on 31.12.2020	5,181.1	268.6	5,449.8

Condensed consolidated statement of cash flows

EURm	2020/21	2019/20	+/-		2019/20
	Q.1	Q.1	Nominal	%	
Result before income tax	128.0	108.1	19.9	18.4	257.3
+ Depreciation and amortisation of intangible assets and property, plant and equipment	197.8	71.8	126.1	-	317.3
- Results of equity accounted investees and other investments	-60.2	-29.1	-31.2	-	-127.5
+ Dividends from equity accounted investees and other investments	57.8	5.9	51.9	-	113.3
+ Interest expense	11.9	12.0	-0.1	-0.8	47.0
- Interest paid	-8.5	-9.6	1.1	11.9	-40.2
- Interest income	-1.0	-1.3	0.3	22.8	-4.5
+ Interest received	0.9	1.1	-0.3	-22.6	3.8
+/- Losses/gains from foreign exchange translations	-0.3	1.5	-1.8	-	4.1
+/- Other non-cash financial results	-1.5	-1.3	-0.2	-15.3	0.7
- Release of deferred income from network subsidiaries	-31.2	-12.8	-18.4	-	-52.1
- Decrease in non-current provisions	114.5	-6.4	120.8	-	-21.4
+/- Losses/gains on the disposal of intangible assets and property, plant and equipment	-0.2	0.8	-1.0	-	-0.7
Gross cash flow	407.8	140.7	267.1	-	497.1
- Changes in assets and liabilities arising from operating activities	-314.0	-160.5	-153.6	-95.7	-40.7
+/- Income tax paid	-50.1	-9.1	-41.0	-	-44.3
Net cash flow from operating activities	43.7	-28.9	72.6	-	412.0
+ Proceeds from the disposal of intangible assets and property, plant and equipment	1.0	0.7	0.3	44.0	6.7
+/- Changes in intangible assets and property, plant and equipment	-66.7	-60.9	-5.8	-9.6	-306.8
+/- Changes in financial assets and other non-current assets	2.5	19.3	-16.8	-87.3	34.0
+/- Changes in current securities	-111.4	30.2	-141.6	-	-162.5
Net cash flow from investing activities	-174.7	-10.7	-164.0	-	-428.6
- Dividends paid to EVN AG shareholders	-	-	-	-	-89.0
- Dividends paid to non-controlling interests	-	-	-	-	-22.6
+/- Sales/repurchase of treasury shares	-	-	-	-	1.0
+/- Changes in financial and lease liabilities	87.2	-50.8	138.0	-	21.8
Net cash flow from financing activities	87.2	-50.8	138.0	-	-88.8
Net change in cash and cash equivalents	-43.8	-90.4	46.6	51.5	-105.4
Cash and cash equivalents at the beginning of the period¹⁾	140.0	246.2	-106.3	-43.2	246.2
Currency translation differences on cash and cash equivalents	-0.1	0.1	-0.2	-	-0.9
Cash and cash equivalents at the end of the period¹⁾	96.1	155.9	-59.8	-38.3	140.0

1) By adding bank overdrafts this results in cash and cash equivalents according to the consolidated statement of financial position.

Notes to the consolidated interim report

Accounting and valuation methods

This consolidated interim report as of 31 December 2020, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in the International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2019/20 financial year (balance sheet date: 30 September 2020).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2020 remain unchanged, with the exception of the following new rules issued by the IASB which require mandatory application in the current financial year. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

In order to improve clarity and comparability, all amounts in the notes and tables are generally shown in millions of euros (EURm) unless indicated otherwise. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates. The financial statements of companies included in this consolidated interim report are prepared on the basis of unified accounting and valuation methods.

Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2020/21 financial year:

Standards and interpretations applied for the first time		Effective ¹⁾
Revised standards and interpretations		
IFRS 3	Definition of a Business	01.01.2020
IAS 39 IFRS 7 IFRS 9	Interest Rate Benchmark Reform	01.01.2020
IAS 1 IAS 8	Definition of Material	01.01.2020
IFRS 16	Covid-19-Related Rent Concessions	01.06.2020
Several	Amendments to References to the Conceptual Framework	01.01.2020

1) In accordance with the official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

EVN voluntarily applied the changes to IAS 39 and IFRS 7 "Interest Benchmark Reform" already during the 2019/20 financial year. The resulting effects are described in the following section.

The initial mandatory application of the other revised standards and interpretations had no material effect on the consolidated interim financial report.

Reform of the interest rate benchmark

The changes provide temporary relief from the application of specific requirements for the accounting treatment of hedges in hedge relationships which are directly affected by the IBOR reform. The exceptions defined by the IBOR reform are not intended to lead to the discontinuation of hedge accounting. In this connection, it is assumed that the reference interest rates which form the basis for the underlying transaction and the hedging instrument will not be changed by the IBOR reform. However, possible ineffectiveness must still be recognised in the consolidated statement of operations.

In accordance with the transition guidance, the changes were applied retroactively to hedges in existence at the beginning of the reporting period and to the amount accumulated in the cash flow hedge reserve at that time. However, no adjustments

were required to the cash flow hedge reserve during the 2019/20 financial year or in the first quarter of 2020/21 because no effects were identified.

Future changes in the reference interest rate could have an effect on the following hedge relationships:

EUR/JPY cross-currency swaps are generally used to hedge the JPY bond. The 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 fair value hedges; they are recorded and evaluated in the treasury management system and designated and documented as hedges. The change in the bond liability resulting from this hedge represents an opposite movement to the market value of the swap.

The effectiveness calculation for the hedge of the JPY bond involves mapping the hypothetical derivative based on the 6M-JPY-LIBOR. From the current point of view, the changeover to a new reference interest rate in the future will not have any impact on the effectiveness.

Interest rate swaps are used to hedge variable interest financial liabilities and exchange variable for fixed interest. All transactions are recorded and evaluated in the treasury management system and designated and documented as hedges.

The interest rate swaps used to hedge existing risks are principally based on the 6-month or 12-month EURIBOR. Following the conversion of the EURIBOR to a transaction-based calculation method at the end of 2019, the EURIBOR is now acceptable as a reference interest rate under the EU Benchmark Regulation and will therefore not lead to any changes in existing contracts.

Seasonally-related effects on business operations

In particular, the energy business is subject to weather-related fluctuations in power generation and sales, thus lower revenue and earnings are typically achieved in the second half of the financial year. The environmental business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this reason, the Environment Segment usually generates lower revenues in the first half of the financial year than in the second half.

Accordingly, business in the Environment Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

Auditor's review

The consolidated interim report was neither subject to a comprehensive audit nor subject to an auditor's review by chartered accountants.

Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 27 domestic and 31 foreign subsidiaries (30 September 2020: 28 domestic and 32 foreign subsidiaries) were fully consolidated as of 31 December 2020. As of 31 December 2020, a total of 15 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2020: 13).

Changes in the scope of consolidation	Fully	Line-by-line (Joint Operation)		Equity	Total
30.09.2019	61	1		16	78
First consolidation	2	–		1	3
Deconsolidation	–1	–		–	–1
Reorganisation	–2	–		–	–2
30.09.2020	60	1		17	78
First consolidation	–	–		–	–
Deconsolidation	–2	–		–1	–3
31.12.2020	58	1		16	75
thereof foreign companies	31	1		6	38

The previously fully consolidated companies WTE Abwicklungsgesellschaft Russland mbH, Essen, and EVN WEEV Beteiligungs GmbH in Liqu., Maria Enzersdorf, were no longer included in EVN's consolidated financial statements as of 31 December 2020 due to immateriality.

eGi EDV Dienstleistungsgesellschaft m.b.H., Vienna, is a 50% subsidiary of EVN AG and is no longer consolidated at equity as of 31 December 2020 due to immateriality.

During the reporting period there was no new acquisition of companies according to IFRS 3.

Effects of Covid-19

The potential effects of the Covid-19 pandemic were re-evaluated in connection with the preparation of the consolidated interim financial statements, above all with regard to the impairment testing of assets in accordance with IAS 36 and IFRS 9 and further uncertainties involving judgments and assessments. Leading credit insurers expect the Covid-19 pandemic will lead to an increase in the number of bankruptcies during 2021. In this respect, an increase is also expected in receivables default cases. The EVN Group has already incorporated the projected growth in potential receivables defaults into the “forward-looking component”, as was done in 2019/20. In summary, the Covid-19 pandemic has only a limited impact on the development of earnings in the EVN Group.

Selected notes to the consolidated statement of operations

Revenue by product	2020/21	2019/20
EURm	Q. 1	Q. 1
Electricity	378.3	394.8
Natural gas	34.3	50.2
Heat	48.1	47.2
Environmental services	94.2	36.8
Others	49.2	47.2
Total	604.1	576.2

Revenue by country	2020/21	2019/20
EURm	Q. 1	Q. 1
Austria	272.8	308.7
Germany	75.1	18.2
Bulgaria	148.1	146.3
North Macedonia	96.2	91.4
Others	11.9	11.7
Total	604.1	576.2

The share of results from equity accounted investees with operational nature developed as follows:

Share of results from equity accounted investees with operational nature	2020/21	2019/20
EURm	Q. 1	Q. 1
EVN KG	35.2	6.3
RAG	12.9	12.7
Energie Burgenland	5.6	4.9
ZOV; ZOV UIP	2.7	2.3
Umm Al Hayman Holding Company WLL	1.0	–
Verbund Innkraftwerke	0.3	–
Other companies	2.6	2.8
Total	60.2	29.1

The share of results from equity accounted investees with operational nature rose to EUR 60.2m in the first quarter of 2020/21 (previous year: EUR 29.1m). This increase resulted primarily from the earnings generated by EVN KG. The increase is mainly due to the improvement in operating result and is reinforced by valuation effects at the reporting date.

Earnings per share are calculated by dividing the Group net result (= net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i. e. 178,137,693 as of 31 December 2020 (31 December 2019: 178,068,106 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 93.5m (previous year: EUR 82.9m), earnings per share at the balance sheet date 31 December 2020 totalled EUR 0.52 (previous year: EUR 0.47 per share).

In December 2020, EVN took over an additional 150 MW electricity procurement right from the Walsum 10 power plant. A compensation payment covers the transfer of the electricity procurement right together with the related marketing risks.

Part of the compensation payment represents a provision for onerous contracts, which was recognised without effect in profit and loss and is based on the risk from the marketing of the electricity right which exceeds EVN’s investment in the power plant. The remainder of the compensation payment is recorded under other operating income with recognition through profit or loss.

The construction subsidy collected in the past and reported under non-current liabilities was subsequently released to profit or loss through other operating income. This led to an increase of EUR 111.1m in other operating income.

Following the assumption of the marketing risks, the proportional investment in the joint operation Walsum 10 power plant was tested for impairment in accordance with IAS 36. This led to the recognition through profit or loss of a EUR 113.1m impairment loss.

The recoverable amount was determined on the basis of the value in use and amounted to EUR 0.0m. A WACC after tax of 3.61% (previous year: 3.62%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 6.04% (previous year: 5.54%). An increase of 0.5 percentage points in the WACC would not have caused any change in the first quarter of 2020/21. An increase of 5% in the underlying electricity price assumptions, ceteris paribus, would have resulted in an impairment loss of EUR 107.0m.

Selected notes to the consolidated statement of financial position

In the first quarter of 2020/21, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 86.8m (previous year: EUR 76.2m). Property, plant and equipment with a net carrying amount (book value) of EUR 0.8m were disposed of (previous year EUR 1.5m), with a capital gain of EUR 0.2m (previous year: capital loss of EUR 0.8m).

The other investments of EUR 3,186.8m, mainly classified as FVOCI, include the Verbund shares held by EVN with a market value of EUR 3,065.1m, which increased by EUR 1,016.7m since 30 September 2020 due to the development of the Verbund share price. In accordance with IFRS 9, the adjustments to the changed market values were offset with the valuation reserve after the deduction of deferred taxes.

The takeover of the additional electricity procurement right from the Walsum 10 power plant and the related marketing risks resulted in an agreement for a compensation payment which is transferred in two instalments. The first instalment was received in December 2020. An unconditional claim was held for the remaining instalment as of 31 December 2020 and led to a substantial increase in current receivables as of 31 December 2020.

The increase in non-current provisions resulted primarily from the assumption of the onerous electricity procurement right from the Walsum 10 power plant. The provision was recognised directly in equity due to the mutually agreed compensation payment.

The number of EVN shares in circulation developed as follows:

Development of the number of shares in circulation		2020/21
Number		Q. 1
Balance 30.09.2020		178,137,693
Purchase of treasury shares		–
Balance 31.12.2020		178,137,693

As of 31 December 2020, the number of treasury shares amounted to 1,740,709 (or 0.97% of the share capital) with an acquisition value of EUR 19.0m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 92nd Annual General Meeting of EVN AG on 21 January 2021 approved the recommendation by the Executive Board and Supervisory Board to distribute a dividend of EUR 0.49 per share for the financial year 2019/20. The total dividend payout amounts to EUR 87.3m. Ex-dividend date was 27 January 2021, and the dividend payment to shareholders of EVN took place on 29 January 2021.

The non-current loans and borrowings are composed as follows:

Breakdown of non-current loans and borrowings		
EURm	31.12.2020	30.09.2020
Bonds	613.5	514.5
Bank loans	516.5	530.8
Total	1,130.0	1,045.3

The increase in bonds mainly resulted from the issuance of a bullet green bond with a nominal value of EUR 101.0m. In addition, existing bonds decreased by a total of EUR 2.0m. The decrease resulted mainly from the change in value of the hedged foreign currency risk of the JPY bond. This was offset by an opposite movement in the fair values of the hedging transactions.

The bank loans include promissory note loans in the amount of EUR 187.5m (previous year: EUR 187.5m). The promissory note loans were issued in October 2012 and April 2020.

Segment reporting

EURm	Energy		Generation		Networks		South East Europe	
	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1
External revenue	93.3	129.9	32.3	32.6	134.0	133.3	245.0	238.4
Internal revenue (between segments)	0.6	1.2	47.3	41.2	12.3	11.4	0.2	0.2
Total revenue	93.9	131.1	79.6	73.8	146.3	144.7	245.2	238.6
Operating expenses	-78.1	-107.6	-23.1	-40.0	-75.3	-76.1	-211.6	-205.3
Share of results from equity accounted investees operational	37.7	8.2	0.3	0.6	-	-	-	-
EBITDA	53.6	31.7	56.8	34.5	71.0	68.6	33.6	33.3
Depreciation and amortisation	-5.3	-5.0	-21.1	-16.6	-34.2	-32.3	-18.1	-17.8
Results from operating activities (EBIT)	48.3	26.7	35.7	17.9	36.9	36.2	15.5	15.5
Financial results	-0.5	-0.4	-2.4	-4.5	-3.6	-3.1	-3.9	-5.4
Result before income tax	47.9	26.3	33.3	13.3	33.3	33.1	11.5	10.1
Total assets	1,001.5	829.7	1,090.0	1,205.2	2,115.6	2,031.5	1,210.7	1,254.3
Investments ¹⁾	3.4	6.5	2.7	6.1	46.1	32.8	30.3	35.0

	Environment		All Other Segments		Consolidation		Total	
	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1	2020/21 Q.1	2019/20 Q.1
External revenue	94.2	36.8	5.3	5.2	-	-	604.1	576.2
Internal revenue (between segments)	0.1	0.1	18.3	17.1	-78.8	-71.2	-	-
Total revenue	94.3	36.9	23.5	22.3	-78.8	-71.2	604.1	576.2
Operating expenses	-80.1	-34.1	-23.2	-22.3	160.8	70.6	-330.6	-414.7
Share of results from equity accounted investees operational	3.7	2.7	18.5	17.5	-	-	60.2	29.1
EBITDA	17.9	5.5	18.9	17.6	82.0	-0.6	333.8	190.6
Depreciation and amortisation	-9.6	-3.0	-0.6	-0.5	-109.0	3.6	-197.8	-71.8
Results from operating activities (EBIT)	8.4	2.5	18.2	17.0	-27.0	3.0	135.9	118.8
Financial results	-0.5	-1.1	17.1	17.8	-14.3	-13.9	-8.0	-10.7
Result before income tax	7.9	1.4	35.4	34.8	-41.3	-10.9	128.0	108.1
Total assets	844.3	692.5	5,912.4	4,348.7	-2,582.0	-2,396.1	9,592.4	7,965.6
Investments ¹⁾	4.2	2.6	-	0.6	-	-7.4	86.8	76.2

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated statement of operations. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Energy and Generation segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation

Segment has not identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required for the Walsum 10 power plant from the Group's point of view.

Selected notes on financial instruments

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	31.12.2020		30.09.2020	
			Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets						
Other investments						
Investments	FVOCI	Level 3	118.1	118.1	115.9	115.9
Miscellaneous investments	FVOCI	Level 1	3,065.1	3,065.1	2,048.4	2,048.4
Other non-current assets						
Securities	FVTPL	Level 1	72.7	72.7	72.0	72.0
Loans receivable	AC	Level 2	31.5	33.8	32.9	37.0
Lease receivables	AC	Level 2	14.8	15.4	15.4	15.7
Receivables arising from derivative transactions	FVTPL	Level 2	0.1	0.1	0.1	0.1
Receivables arising from derivative transactions	Hedging	Level 2	12.6	12.6	1.0	1.0
Receivables	AC		11.3	11.3	10.9	10.9
Current assets						
Current receivables and other current assets						
Receivables	AC		545.8	545.8	281.4	281.4
Receivables arising from derivative transactions	FVTPL	Level 2	1.1	1.1	6.4	6.4
Securities	FVTPL	Level 1	365.3	365.3	253.8	253.8
Cash and cash equivalents						
Cash on hand and cash at banks	AC		147.8	147.8	214.6	214.6
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	613.5	692.5	514.5	592.3
Bank loans	AC	Level 2	516.5	604.5	530.8	613.3
Other non-current liabilities						
Accruals of financial transactions	AC		-	-	0.1	0.1
Other liabilities	AC		47.6	47.6	47.7	47.7
Liabilities arising from derivative transactions	FVTPL	Level 2	-	-	0.7	0.7
Liabilities arising from derivative transactions	Hedging	Level 2	11.6	11.6	16.2	16.2
Current liabilities						
Current loans and borrowings						
Trade payables	AC		87.2	87.2	110.0	110.0
Other current liabilities						
Other financial liabilities	AC		152.0	152.0	208.3	208.3
Liabilities arising from derivative transactions	FVTPL	Level 2	12.3	12.3	4.3	4.3
Liabilities arising from derivative transactions	Hedging	Level 2	4.4	4.4	4.6	4.6
thereof aggregated to measurement categories						
Fair value through other comprehensive income	FVOCI		3,183.2	-	2,164.3	-
Financial assets designated at fair value through profit or loss	FVTPL		439.2	-	332.2	-
Financial assets and financial liabilities at amortised cost	AC		2,412.6	-	2,265.0	-
Financial liabilities designated at fair value through profit or loss	FVTPL		12.3	-	5.0	-

The previous 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 transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2019/20.

EVN held an electricity procurement contract with STEAG-EVN Walsum 10 Kraftwerksgesellschaft on behalf of Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH, based on a contract concluded in 2007 and charges a fee for electricity deliveries. The transaction volume totalled EUR 9.0m in the first quarter of 2020/21. EVN and Wien Energie GmbH terminated the existing electricity procurement contract for the Walsum 10 power plant by mutual agreement in December 2020. In this connection, EVN took over an additional electricity procurement right for 150 MW from this power plant. The accounting effects of this transaction are described under "Selected notes to the consolidated statement of operations" and "Selected notes to the consolidated statement of financial position".

The value of services provided to investments in equity accounted investees is as follows:

Transactions with investments in equity accounted investees		
EURm	2020/21	2019/20
	Q.1	Q.1
Revenue	45.4	53.4
Cost of materials and services	12.7	16.5
Trade accounts receivable	21.1	22.8
Trade accounts payable	17.5	27.7

Other obligations and risks

Other obligations and risks increased by EUR 4.1m to EUR 883.5m compared to 30 September 2020. This change was mainly due to the increase in scheduled orders for investments in intangible assets and property, plant and equipment as well as the decrease in guarantees for projects in the environmental sector.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by ENERGIEALLIANZ Austria GmbH at an amount equalling the risk exposure of EVN AG. 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 11.8m as of 31 December 2020. The nominal volume of the guarantees underlying this assessment was EUR 304.0m.

Significant events after the balance sheet date

The following events occurred after the balance sheet date for the quarterly financial statements on 31 December 2020 and the editorial deadline for this consolidated interim financial report on 19 February 2021:

As a result of a decision by the Austrian E-Control Commission effective 1 January 2021, the network tariffs for household customers for electricity and natural gas were increased by an average of 6.3% and 6.4%, respectively.

Contact

Investor Relations

Gerald Reidinger
Phone: +43 2236 200-12698

Matthias Neumüller
Phone: +43 2236 200-12128

Karin Krammer
Phone: +43 2236 200-12867

Doris Lohwasser
(currently on maternity leave)

E-mail: investor.relations@evn.at

Service telephone for investors: 0800 800 200

Service telephone for customers: 0800 800 100

Information on the internet

www.evn.at

www.investor.evn.at

www.verantwortung.evn.at

Financial calendar¹⁾

Results HY. 2020/21	27.05.2021
Results Q. 1–3 2020/21	26.08.2021
Annual results 2020/21	16.12.2021

EVN share – Basic information²⁾

Share capital	330,000,000.00 EUR
Denomination	179,878,402 shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); EVN (Dow Jones); EVNVY (ADR)
Listing	Vienna
ADR programme; depository	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Ratings	A1, stable (Moody's); A, stable (Standard & Poor's)

1) Preliminary

2) As of 31 December 2020

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EVN AG
EVN Platz, 2344 Maria Enzersdorf, Austria
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Telefax: +43 2236 200-2030

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