

Report of the Supervisory Board

Ladies and Gentlemen,

EVN's steady focus on regulated and stable business areas and the selective and careful addition of activities with a higher risk-return profile are the guarantee for a very solid capital structure which, not least, is reflected in rating agencies' evaluations. Consequently, the Supervisory Board sees EVN strategically and financially well positioned for the future.

After a detailed analysis, EVN's management decided to terminate electricity production at the hard coal-fired power plant in Dürnrrohr earlier than planned in 2018/19 because of the current economic environment. The Supervisory Board expressly supports this step and welcomes its positive contribution to environmental and climate protection. A commitment to and passion for a clean energy future are, however, also visible in many other areas of EVN's strategy. I would like to emphasise two aspects, in particular, here: on the one hand, the high level of investments in the dynamic expansion of wind power – where EVN met its medium-term goal to reach roughly 370 MW of installed capacity in 2018/19, one full year ahead of schedule. On the other hand, EVN's investments in the network infrastructure make a decisive contribution towards increasing the feed-in of decentralised renewable energy generation in the Austrian energy sector, a goal shared by politics as well as the general public.

Fulfilment of duties

The Supervisory Board actively monitored and supported EVN's strategic steps as part of its designated responsibilities. Four plenary meetings and five 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.

Changes on the Supervisory Board

Irene Pugn and Uwe Mitter were delegated to the Supervisory Board by the Works Council as of 14 May 2019 to replace Manfred Weinrichter and Franz Hemm who had resigned.

Consolidated corporate governance report, Austrian Corporate Governance Code

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, audited the consolidated corporate governance report prepared by EVN AG in accordance with § 96 (2) of the Austrian Stock Corporation Act and reported to the Executive Board and the Supervisory Board on their work. In a meeting on 11 December 2019, the Supervisory Board examined the consolidated corporate governance report as required by § 96 of the Austrian Stock Corporation Act and in accordance with an opinion published by the Austrian Financial Reporting and Auditing Committee. This analysis was based on a report issued by the Audit Committee on 26 November 2019 and did not lead to any objections.

EVN, as a listed company, is committed to compliance with the Austrian Corporate Governance Code. The Supervisory Board approved the implementation of the January 2018 version of the code by EVN as of 1 March 2018. The Supervisory Board strives to consistently comply with the provisions of the code that relate to its activities. EVN complies with all rules concerning the cooperation between the Supervisory Board and the Executive Board and the internal procedures of the Supervisory Board, with one exception. This exception is specified in the consolidated corporate governance report.

Annual financial statements and consolidated financial statements

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed to audit the financial statements for the 2018/19 financial year from 1 October 2018 to 30 September 2019. This firm examined the annual financial statements of EVN AG as of 30 September 2019, which were prepared in accordance with Austrian accounting regulations, and the management report submitted by the Executive Board. KPMG presented a written audit report on the audit and issued an unqualified opinion.

The Supervisory Board received and reviewed the auditor's 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 2019 together with the notes, the management report and the consolidated corporate governance report as well as the recommendation for the use of profits. The annual financial statements as of 30 September 2019 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 also audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, which issued an unqualified opinion. The Audit Committee reviewed the consolidated financial statements together with the management report and reported on these activities to the Supervisory Board, which subsequently approved these documents.

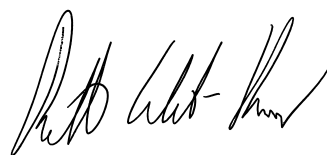
KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, carried out a limited assurance review of the independent non-financial report on the consolidated financial statements, which was prepared by EVN to meet the requirements for the disclosure of non-financial and diversity-related information in accordance with the Austrian Sustainability and Diversity Improvement Act. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, reported on the results of this review in writing and also issued an independent assurance report on the non-financial report.

The non-financial statement included in the management report on the annual financial statements of EVN AG was read by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, in connection with the year-end audit to determine whether it materially contradicts the annual financial statements or otherwise appears to be materially misstated based on the understanding gained from the audit. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, issued a written report on these results, together with the results of the year-end audit of EVN AG.

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 2018/19 financial year. Special thanks are also directed to EVN's shareholders, customers and partners for their trust in the company.

Maria Enzersdorf, 11 December 2019

On behalf of the Supervisory Board



Bettina Glatz-Kremsner
President