Shaping the future

Full Report
2020/21

Dear Ladies and Gentlemen, dear Shareholders,

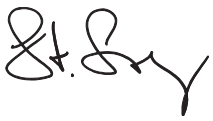
EVN again demonstrated solid operating performance in the 2020/21 financial year. Our Group net result was also positively influenced by non-cash, non-recurring effects that included the revaluation of previously impaired equity accounted investees. We will therefore ask the 93rd Annual General Meeting to approve an increase of EUR 0.03 in the dividend over the previous year to EUR 0.52 per share.

In view of the macroeconomic catch-up effects, the related inflationary tendencies and the strong distortions on the international energy markets which were responsible for a massive rise in the wholesale prices for natural gas and electricity in autumn 2021, our diversified, integrated business model leads us to expect offsetting earnings effects between the individual segments. Short-term forecasts are, however, difficult due to the volatility on the energy markets. We are projecting Group net result of approximately EUR 200m to EUR 240m for the 2021/22 financial year. This estimate reflects the current market environment, but earnings could be negatively influenced by stronger or longer lasting distortions on the energy markets.

The core goals set by our Strategy 2030, which is summarised by the motto "More sustainable. More digital. More efficient", are designed to address the current challenges. They position us as an "enabler" for a renewable and secure energy future. This is underscored by our plans to increase EVN's annual investments to roughly EUR 500m, above all to strengthen our regulated and stable business fields in the areas of network infrastructure, renewable generation and drinking water supplies. Our network investments, in particular, play an important role in the step-by-step development towards a CO_2-free energy future because they support the integration of the steadily growing volume of renewable electricity generation. We have also raised our own expansion goals for renewable energy: By 2030, we want to expand the Group's wind power capacity by 350 MW to 750 MW and increase photovoltaic capacity by 300 MW.

We took an important step towards climate protection in 2020/21 with the EVN Climate Initiative. It clarifies the decarbonisation path coordinated with the Science Based Targets Initiative for the years up to 2034 and draws attention to our ambition to make a concrete contribution to realising the goals defined by the Paris Climate Agreement. Moreover, EVN's share of renewable electricity generation will increase from the recent level of 57% to roughly 75% alone due to the final exit from coal-based electricity generation at the end of September 2021.

With the continued expansion of drinking water supplies in Lower Austria and the international project business – to single out two further business fields – our motivated colleagues are also addressing wide-ranging and exciting challenges in support of the circular economy. They are shaping the future, just as our predecessors did over the past 100 years of our company's history. We will also remember this history when we celebrate our 100-year anniversary in spring 2022 – and turn with enthusiasm to the development of new sustainable solutions. Fully in line with our corporate motto: "Energy. Water. Life."



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Key figures

		2020/21	2019/20	+/– %	2018/19
Sales volumes					
Electricity generation volumes	GWh	3,997	3,785	5.6	5,594
thereof from renewable energy	GWh	2,283	2,250	1.5	2,315
Electricity sales volumes to end customers	GWh	20,207	19,813	2.0	19,924
Natural gas sales volumes to end customers	GWh	5,412	4,957	9.2	5,083
Heat sales volumes to end customers	GWh	2,545	2,303	10.5	2,196
Consolidated statement of operations					
Revenue	EURm	2,394.9	2,107.5	13.6	2,204.0
EBITDA	EURm	836.5	590.4	41.7	631.7
EBITDA margin[1]	%	34.9	28.0	6.9	28.7
Results from operating activities (EBIT)	EURm	386.4	273.1	41.5	403.5
EBIT margin[1]	%	16.1	13.0	3.2	18.3
Result before income tax	EURm	366.4	257.3	42.4	373.5
Group net result	EURm	325.3	199.8	62.9	302.4
Consolidated statement of financial position					
Balance sheet total	EURm	11,139.8	8,365.7	33.2	8,188.6
Equity	EURm	6,544.3	4,543.3	44.0	4,552.1
Equity ratio[1]	%	58.7	54.3	4.4	55.6
Net debt	EURm	813.8	1,037.7	–21.6	999.5
Gearing[1]	%	12.4	22.8	–10.4	22.0
Return on equity (ROE)[1]	%	6.3	5.0	1.3	7.6
Consolidated cash flow and investments					
Net cash flow from operating activities	EURm	789.6	412.0	91.6	429.7
Investments[2]	EURm	415.0	367.9	12.8	391.4
Net debt coverage (FFO)[1]	%	92.9	47.7	45.2	50.9
Interest cover (FFO)	x	13.1	11.6	13.7	11.7
Value added					
Net operating profit after tax (NOPAT)	EURm	312.9	274.6	13.9	216.3
Capital employed[3]	EURm	4,840.7	4,405.7	9.9	4,135.4
Operating return on capital employed (OpROCE)[1]	%	6.5	6.2	0.2	5.2
Weighted average cost of capital (WACC)[1] [4]	%	5.5	5.5	0.0	6.3
Economic value added (EVA®)[5]	EURm	46.7	32.3	44.4	–42.1
Share					
Earnings	EUR	1.83	1.12	62.8	1.70
Dividend	EUR	0.52[6]	0.49	6.1	0.47 + 0.03[7]
Dividend yield[1]	%	2.3	3.4	–1.2	3.1
Share performance					
Share price at 30 September	EUR	22.95	14.28	60.7	16.14
Highest price	EUR	24.75	18.36	34.8	17.28
Lowest price	EUR	13.38	11.22	19.3	12.16
Market capitalisation at 30 September	EURm	4,128	2,569	60.7	2,903
Credit rating					
Moody's		A1, stable	A1, stable		A1, stable
Scope Ratings[8]		A+, stable	–		–

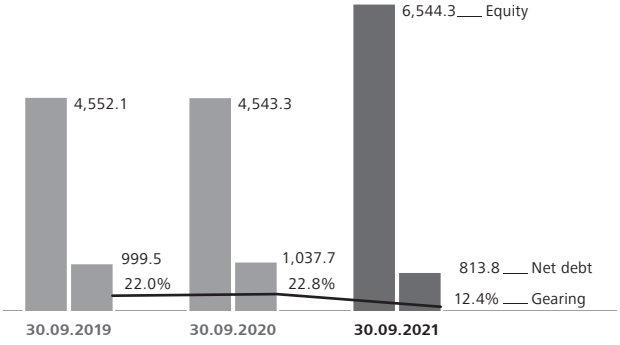
1) Changes reported in percentage points
2) In intangible assets and property, plant and equipment
3) Average adjusted capital employed
4) Exact value 2018/19: 6.25%
5) As defined by Stern Stewart & Co.
6) Proposal to the Annual General Meeting
7) Bonus dividend of EUR 0.03 per share
8) The initial rating of EVN was published by Scope Ratings on 2 November 2021.

		2020/21	2019/20	2018/19
Employees				
Number of employees on a full-time equivalent basis (FTE)	Ø	7,126	7,007	6,908
Number of employees as of 30 September (headcount)	number	7,453	7,428	7,327
thereof women	number	1,711	1,717	1,686
thereof men	number	5,742	5,711	5,641
Proportion of women	%	23.0	23.1	23.0
Employee fluctuation	%	4.0	3.5	3.4
Training hours per employee	hrs.	28.8	27.5	34.1
Number of occupational accidents[1)]	number	78	64	85
Environment				
Direct greenhouse gas emissions (Scope 1)[2)]	t CO_2e	1,875,446	1,565,571	–
Specific greenhouse gas emissions (Scope 1)[2)]	t CO_2e/GWh	357.22	301.87	–
NO_x emissions	t	1,351	1,171	2,204
Hazardous waste and residual materials[3)]	t	17,489	17,107	19,604
Water consumption[4)]	m m³	34.8	33.4	32.2

1) Excluding commuting accidents
2) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95; no new values were calculated retroactively for 2018/19.
3) Without building residues and power plant by-products
4) Drinking water supplies from purified ground water by EVN Wasser

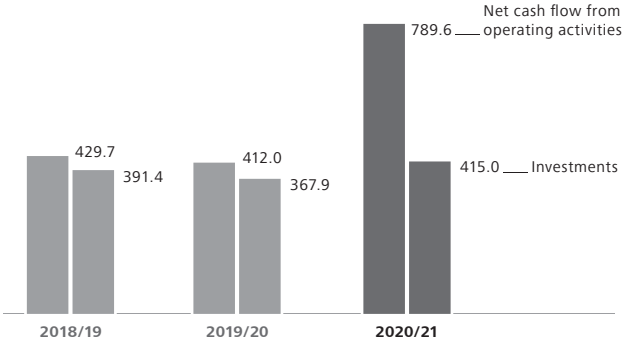
Equity, net debt and gearing

EURm and %



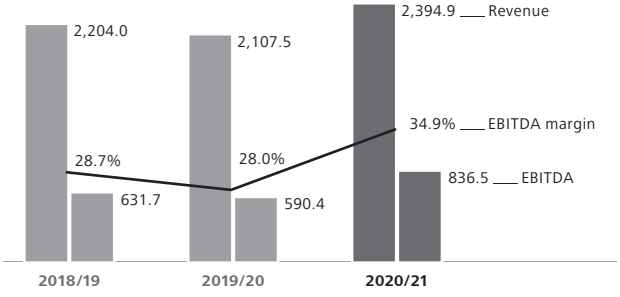
Cash flow and investments

EURm



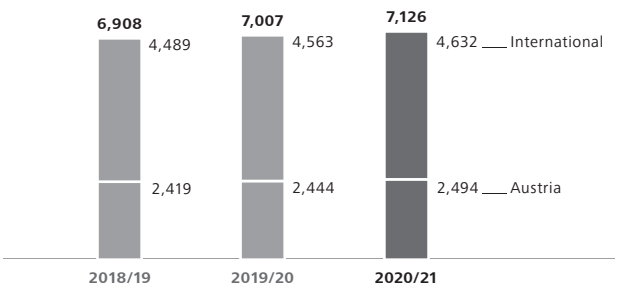
Revenue, EBITDA and EBITDA margin

EURm and %



Employees by region

Annual average



Highlights 2020/21

Revenue
EUR 2,394.9 m

EBIT
EUR 386.4 m

Group net result
EUR 325.3 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 each financial year. The equal treatment of non-financial and financial information and the corporate governance report in this publication underscore our self-image as a responsible energy, water and environmental services provider.

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 IFRSs 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 was based on the applicable standards and sector supplements of the Global Reporting Initiative (GRI), which were applied as completely as possible. This full report for 2020/21 meets the requirements of the Global Reporting Initiative, option "core" and also presents additional performance indicators. Moreover, it includes company-specific indicators as defined by the GRI Sector Supplement for the Electric Utilities Sector. The indicators listed in the GRI content index reflect the requirements of the Global Reporting Initiative and, consequently, provide a summary of the content. The GRI content index does not cover supplementary non-financial information.

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 2020/21 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 combatting corruption are therefore presented under the section "Non-financial report" and listed separately in the table of contents for easier orientation.

Reporting principles and structure

A central element of EVN's integrated business model is the equal treatment given to the interests and concerns of our various stakeholders. This is reflected, above all, in the EVN materiality matrix, which identifies the priority topics for the various interest groups based on a regular survey. The non-financial reporting content is selected according to its relevance for sustainability and in order to achieve a balanced and complete presentation of the most important current issues, as well as 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 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:** The reporting meets the applicable legal requirements as well as the applied GRI standards.

For information on EVN's materiality matrix, see page 17

External verification

BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was responsible for the audit of the consolidated financial statements and the verification of compliance with GRI standards and the Austrian Sustainability and Diversity Improvement Act for the 2020/21 financial year.

The auditors' report can be found on page 258ff
For the independent assurance report on the non-financial reporting in accordance with GRI standards and the Austrian Sustainability and Diversity Improvement Act, see page 121ff

References

You can find additional information on certain topics on EVN's website, as indicated by the cross-references in this report. The full report also includes references to GRI standards and to other information within the report. The signs used in this full report are listed below:

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

Content accuracy and gender-specific wording

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.

EVN is also committed to equal treatment in references to all genders in its internal and external publications, i. e. also in this full report. In the German non-financial report, we use gender-sensitive language for the first time and gender with the help of the mediopoint. Texts in which only the masculine form is used to improve readability should be understood to refer to all genders equally.

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

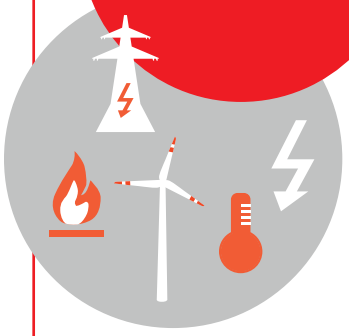
The editorial deadline for this report was 24 November 2021.

For information on the GRI content index, see page 265ff
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

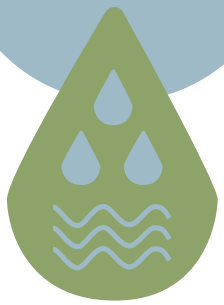
Business areas

Energy business



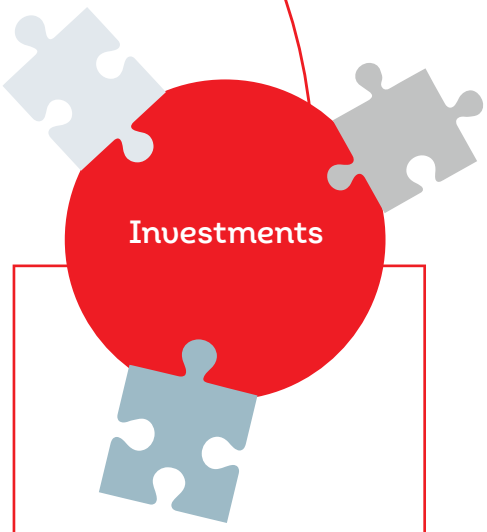
Our integrated business model covers the entire value chain:
→ Energy generation
→ Operation of distribution networks
→ Supply of electricity, natural gas and heat to end customers (with different focal points in our individual markets)

Environmental services business



→ 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 AG (73.63%), which, in turn, holds 49.0% of Energie Burgenland AG
→ RAG Austria AG (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

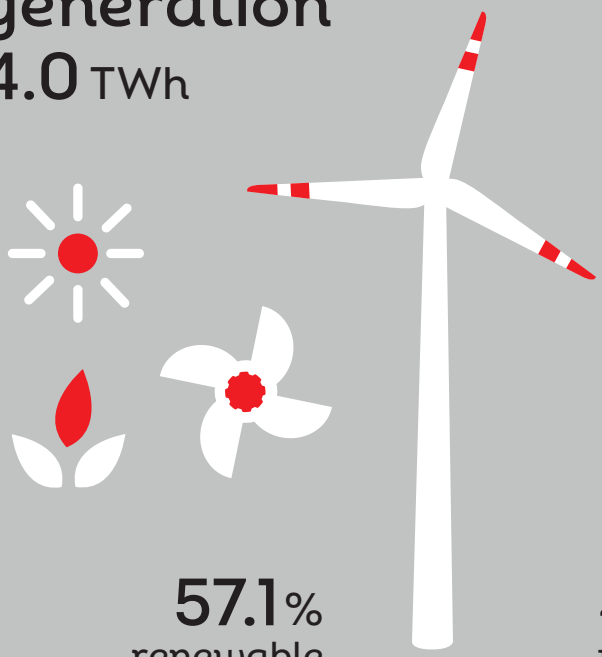
Albania
- → **Generation:** electricity

Other countries
- → **International project business:** 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
4.0 TWh



57.1% renewable

42.9% thermal

Trade and supply

Energy sales volumes
28.2 TWh

162,377 km networks

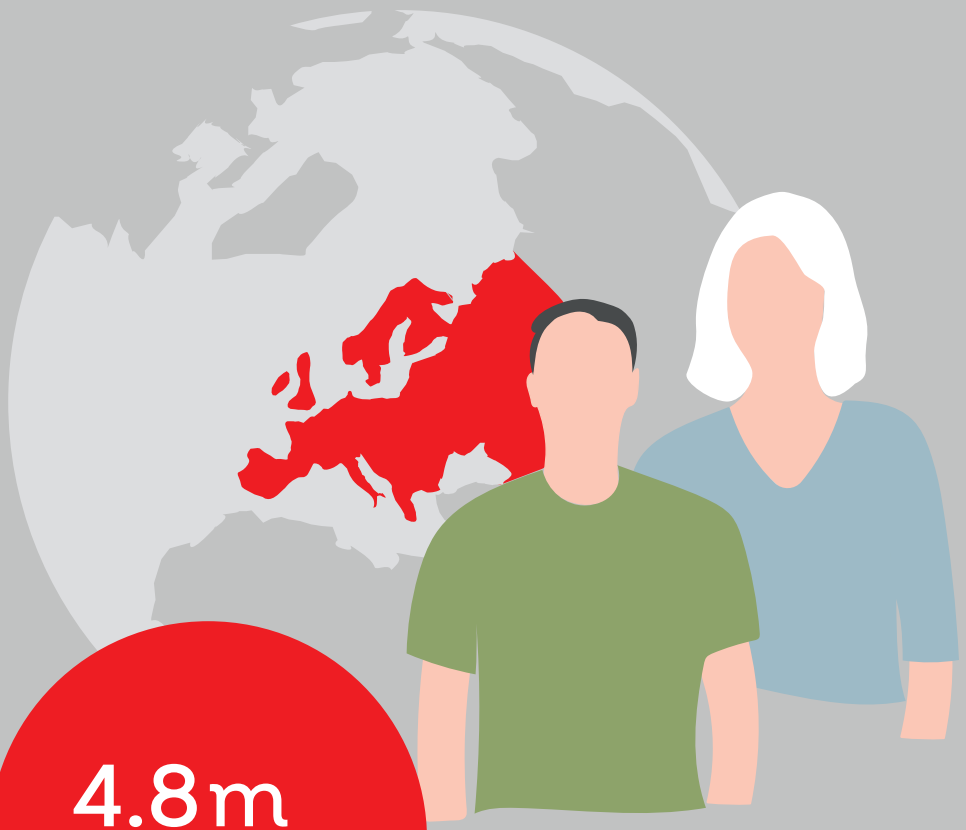
147,456 km
electricity

14,006 km
natural gas

915 km
heat

Storage

6.3 bn m^3
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 and Franz Mittermayer on initiatives to transform the energy system, wide-ranging investments, EVN's increasing attractiveness for ESG investors and 100 years of constant values.

Stefan Szyszkowitz and Franz Mittermayer,
EVN Executive Board

» The **EVN climate initiative** also includes wide-ranging decarbonisation goals. And that will make us even **more attractive for ESG investors.** «

Stefan Szyszkowitz,
Spokesman of the Executive Board

The countdown has started for the Strategy 2030 which you announced a year ago. What progress did you make during the first year of implementation?

Stefan Szyszkowitz: "More sustainable. More digital. More efficient." is the motto for our Strategy 2030. Work in these subject areas continued intensively during the past year. The EVN climate initiative sets ambitious accents for climate protection. As a group, we definitely want to contribute to meeting the Paris Climate Goals. For this reason, we joined the Science Based Targets Initiative and have defined reduction targets for the years up to 2034. These targets will now be validated by an international institution based on scientific criteria and, consequently, will be comparable worldwide. We want to send a clear signal to our stakeholders that we take our commitment to climate protection and energy future very seriously and underscore this commitment through transparency and regular evaluation. Another cornerstone of EVN's climate initiative includes the efforts by individual group companies to gradually attain climate neutrality – which, of course, will also be certified according to international standards.

Let's stay with the subject of climate protection. Has EVN finally closed the chapter on coal-fired electricity generation?

Franz Mittermayer: That's correct. We terminated production at the coal-fired plant in Dürnrohr, Lower Austria, earlier than originally planned in August 2019. And at the end of September 2021, we transferred our 49% stake in the Walsum 10 power plant in Germany to the majority owner STEAG and ended our electricity purchases from this source. EVN is, therefore, no longer active in coal-fired electricity generation. Our greenhouse gas balance has improved significantly and sustainably in recent years following the shift away from thermal generation, totally in line with our Strategy 2030.

Is EVN concentrating on the expansion of renewable generation as an alternative?

Stefan Szyszkowitz: The energy system transformation required by society and politics represents an enormous challenge that we, as an integrated supplier, are addressing with a healthy portion of faith in technology and the future. We are facing this challenge with commitment and motivation because we see ourselves as an enabler of this system transformation along the entire energy sector value chain.

We have further sharpened our ambitious goals for the expansion of renewable generation by 2030. Our focus here is on wind power and, in the future, increasingly also on photovoltaics. Projects are in the planning stage for all our core markets, meaning in Lower Austria, Bulgaria and North Macedonia. We are convinced this will create opportunities throughout the Group by 2030 to increase our installed wind power capacity by 350 MW (to a total of 750 MW) and our photovoltaic capacity by 300 MW.

By the way, we are already very well positioned in this segment today: EVN is the largest producer of wind electricity in Lower Austria and the largest biomass heat producer in Austria – and we also hold strategic investments in Energie Burgenland and Verbund, the leading producers of electricity from wind and hydropower in this country.

A look at your investments shows the networks as the absolute front-runner. Can you explain this?

Franz Mittermayer: These massive investments in our distribution network are needed to support the expansion of decentralised renewable generation equipment throughout Lower Austria. That's the only way to guarantee the reliable transport of climate-friendly electricity into the population centres and, at the same time, ensure uninterrupted supply security. But it's also clear that changes in consumer behaviour, above all through e-mobility and the increased use of heat pumps, create enormous challenges for our network operations. This also requires extensive investments in the network infrastructure. One good example is the increased number of substations needed to handle peak periods.

Do your plans also include further expansion in biomass plants?

Stefan Szyszkowitz: We are already producing natural heat in biomass heating plants and also operate several biomass combined heat and power plants that generate district heat and environmentally friendly electricity from wood, a renewable fuel which we source from Austrian forests. At the present time, we are supplying all but three of the Lower Austrian district capitals with natural heat. That's a great starting position to further consolidate and expand our existing networks and, in this way, create an environmentally friendly alternative to less environmentally friendly forms of heating.

Let me give you an example from Krems an der Donau, the fifth largest city in Lower Austria. Here, we are already supplying households with district heating. We are also in the process of constructing a biomass cogeneration plant with a thermal output of 15 MW and an electrical output of 5 MW. After the plant will have been commissioned in winter 2023, it will produce natural heat and green electricity for roughly 14,000 households. The investment volume for this project totals approximately EUR 40m.

Krems also plays an important role in another investment project …

Franz Mittermayer: Yes, because of the cross-regional drinking water supply pipeline between Krems and Zwettl. We are in a very fortunate position in Austria, as we have sufficient supplies of excellent quality drinking water. However, these supplies are located in different regions. The effects of climate change are also becoming more visible in our supply areas – more periods with low precipitation, rising average temperatures and, at the same time, an increase in water consumption. These factors are the reason for our very proactive actions and our long-term investments in protecting supplies of high-quality drinking water. Examples of our activities include the new 60 km supply pipeline that will connect Krems and Zwettl starting in 2025 and supply up to 120,000 residents in the Waldviertel region. The first 20 km section of this pipeline, which leads from Zwettl to Pallweis, was commissioned in autumn 2021.

Let's stay with the subject of water: What focal points does the Strategy 2030 set for environmental services where water and wastewater play a central role?

Franz Mittermayer: Our strategy is to increasingly use and improve on the business opportunities created by the circular economy – whereby our focus has also turned to thermal sewage sludge utilisation. In this area, we can benefit from our long-standing expertise in wastewater and thermal waste treatment and, on the other hand, ideally combine these two business areas. There is a high demand for these types of projects, especially in Germany. The planning and work on our projects in Straubing, Hanover and Berlin are proceeding very well. And in Halle-Lochau, trial operations started in autumn 2021 at the first turnkey thermal sewage sludge utilisation plant built in our function as general contractor – where we are also responsible for ongoing operations.

I assume your shareholders are reacting positively to the high pace of activity in all areas …

Stefan Szyszkowitz: Absolutely. We have taken important decisions. With a view to the challenges that are accompanying the transformation of the energy system, we plan to further expand our investment programme for the coming years: We are now expecting annual investments of roughly EUR 500m, with roughly three-fourths directed to Lower Austria. Renewable generation, the network infrastructure and drinking water supplies will remain the focal points. Last, but not least, this will underscore the focus on our regulated and stable business areas. They form the basis for plannable cash flows and, accordingly, for continuity in our dividend policy – two factors that are also essential for EVN's ratings.

Reliability will remain a central premise for all our capital market activities. That applies, on the one hand, to the debt market – here, the objective of our financing policy is to retain a rating in

»**Our exit** from the **Walsum 10 power plant** marked **the end** of **coal-fired electricity generation** for EVN.«

Franz Mittermayer,
Member of the Executive Board

the solid A range. We therefore pay particular attention to maintaining a relation between earnings and net debt in a magnitude that is viewed by the rating agencies as a requirement for our targeted credit assessment.

On the other hand, 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 2020/21 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.

EVN's return to the ATX, the benchmark index of the Vienna Stock Exchange, in March 2021 is, in this context, naturally very positive. It reflects the visible increase in interest in the EVN share and the corresponding higher trading volume. I see our extensive climate measures as another positive factor which obviously makes the EVN share more attractive for ESG and sustainability-oriented investors.

EVN is celebrating its 100th anniversary in 2022. What perspectives for the future can you gain from your history?

Franz Mittermayer: I find it very revealing that the values and principles which are part of EVN's DNA today and influence our entire business activities run like a unifying thread throughout our 100-year history. A look into our company archive also gives you a lesson in technological and economic history and shows that EVN and its predecessor companies were always in line with the times and frequently served as a driver for new developments. Another key insight is the importance of always looking forward. That leads us to the title for this full report which will accompany our centennial: "Shaping the future". This motto has always signalled the direction for our dedicated colleagues and is the reason for EVN's success! And that's just how we want to stay: Always searching for future-oriented solutions!


Strategy 2030
& Climate Initiative

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 activities as an energy company and environmental services provider. 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.

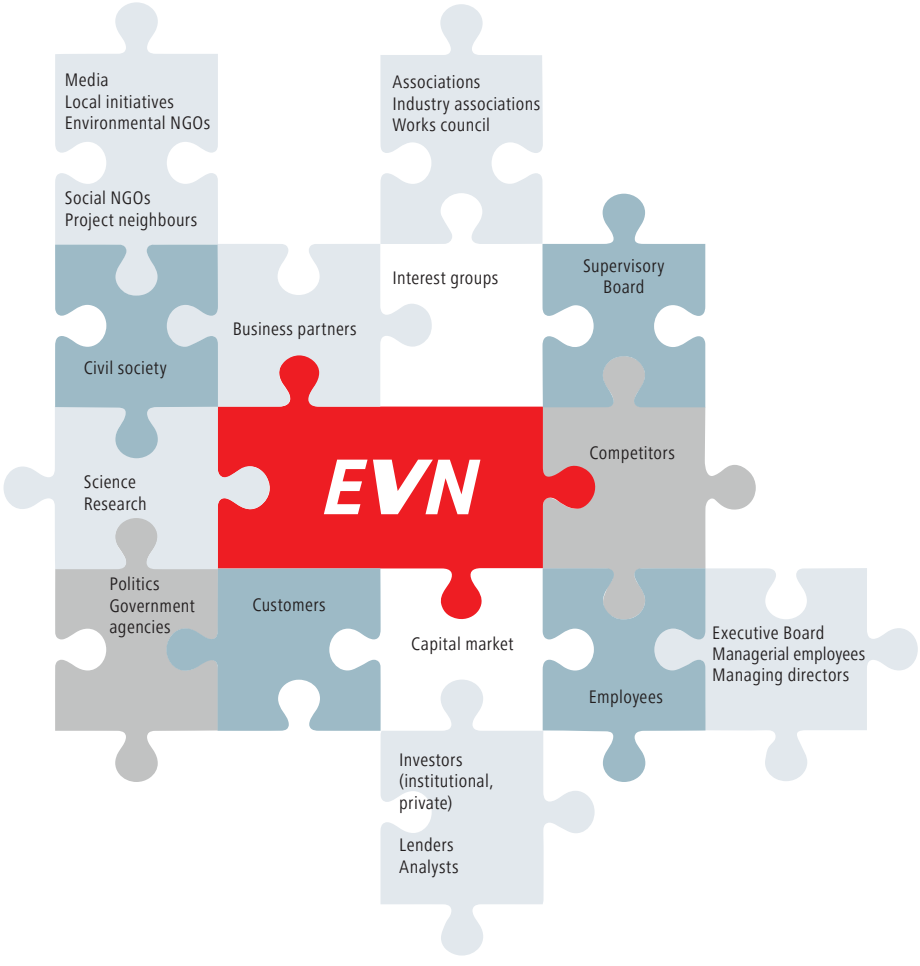
Our strong sense of responsibility for our daily supply and disposal activities is reflected in strict standards for our business and the management of our Group. Compliance with ethical values and all applicable legal requirements is a matter of course.

We are committed to the concept of sustainable management and, in this sense, work to create a balance between economic, ecological and social factors. Our guiding principle is to achieve a fair balance between the concerns of everyone interested in our company – our stakeholders.

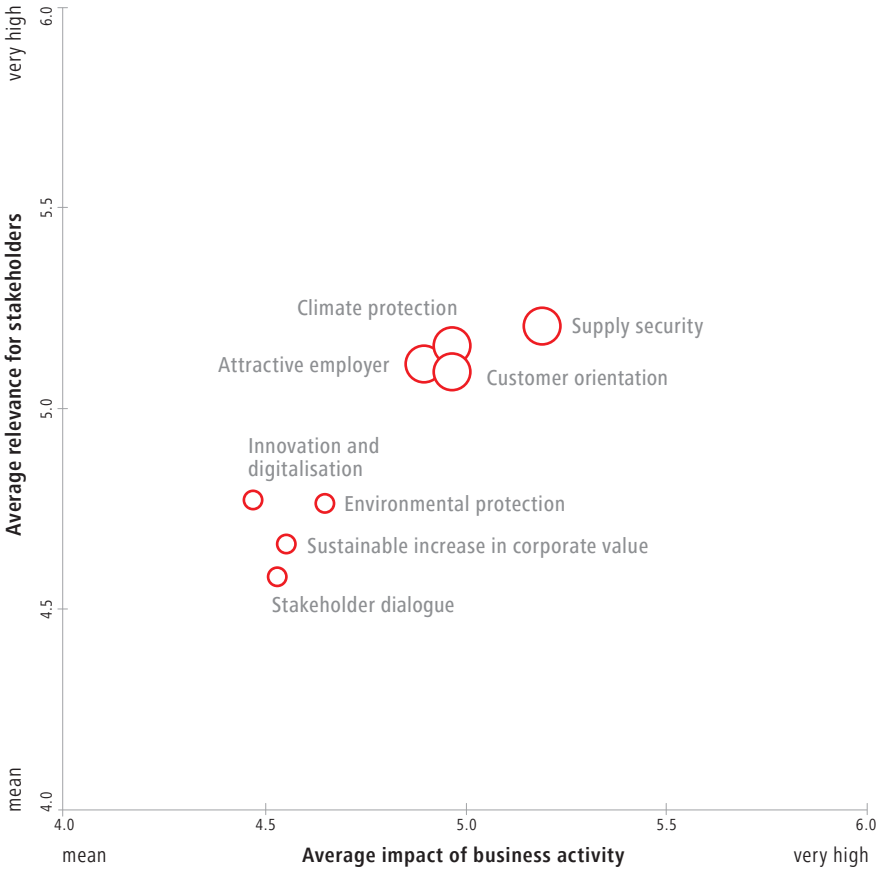
Economic responsibility for the continued existence of our Group requires our top performance. Maximum expertise and reliability create satisfaction for our customers and partners and, in turn, safeguard our long-term success.

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. A decisive role in this process is played by continuous innovation and efficiency improvements.

EVN´s major stakeholders



EVN materiality matrix 2020/21



Our value system is rounded off by a clear commitment to social responsibility.

- The EVN Code of Conduct: see pages 30ff
- 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

High priority for ESG and stakeholder interests

At EVN, we use the terms "sustainability" and "ESG" – the internationally recognised abbreviation for the subject areas Environment, Social and Governance – for all ethical, social and environment-related aspects related to our economic activities. Sustainability and ESG therefore represent one of the central principles for our actions and, consequently, are the responsibility of the Executive Board.

In combination with our value system, this concept creates a clear framework for our entrepreneurial activities and, in turn, is the foundation of our core strategies. The concerns and priorities of our internal and external stakeholders provide us with valuable input and guidance. Apart from the event-driven contacts which regularly take place at different levels in connection with our business activities, we place great importance on an institutionalised dialogue with our various stakeholder groups on strategic issues. The updating of our materiality matrix represents the core of our stakeholder management in the area of sustainability.

- For information on the project-based stakeholder dialogue, see pages 108ff

EVN materiality matrix

The EVN materiality matrix is updated as part of a three-year cycle. The last stakeholder survey was held in spring 2020, i. e. during the first lockdown in connection with the Covid-19 pandemic, and we therefore carried out a new survey during the past financial year to validate the previous results.

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 time, the external stakeholders were also asked to evaluate the impact on EVN's business activities.

The goal of this structured survey process was 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 of our business activities. Our reporting is also directed to the major issues and areas of activity which have a mean to very high relevance for EVN in the materiality matrix.

- For information on the areas of activity, see pages 25ff
- GRI indicators: GRI 102-44, GRI 102-47

Efficient sustainability organisation

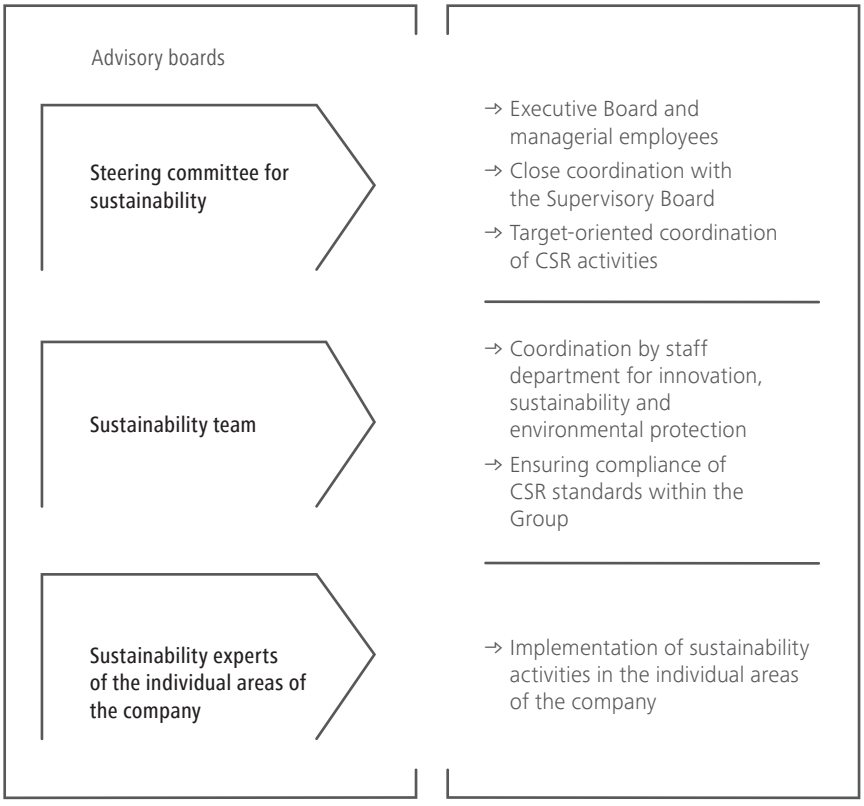
The responsibility for Environment, Social, Governance (ESG) – in other words, for all aspects and issues involving environmental protection, social and sustainable management – lies with the Executive Board. All these issues flow into our sustainability strategy which, in turn, is derived from the corporate strategy (which is also the responsibility of the Executive Board). ESG agendas and their further development are, therefore, anchored at the highest corporate level. Moreover, the Executive Board exchanges information on the sustainability strategy with the Supervisory Board on a regular basis and reports quarterly on key 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 international subsidiaries and the members of the intradepartmental sustainability team. This committee deals with current ESG issues at the management level, 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 Group's high sustainability standards. Its members are trained to stress the importance of sustainability and the ethical and social aspects of business operations, to communicate their know-how to the sustainability experts in the individual areas of our company and to support these men and women in implementing sustainability-related activities. The aspects of climate change that are relevant for our business activities also have high priority for this team.

EVN sustainability organisation



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 reorganisation of the EVN Customer Advisory Board, see page 59
☐ For the Sustainability Advisory Board, see page 89
☐ For the EVN Social Fund, see page 111
○ 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 102-44

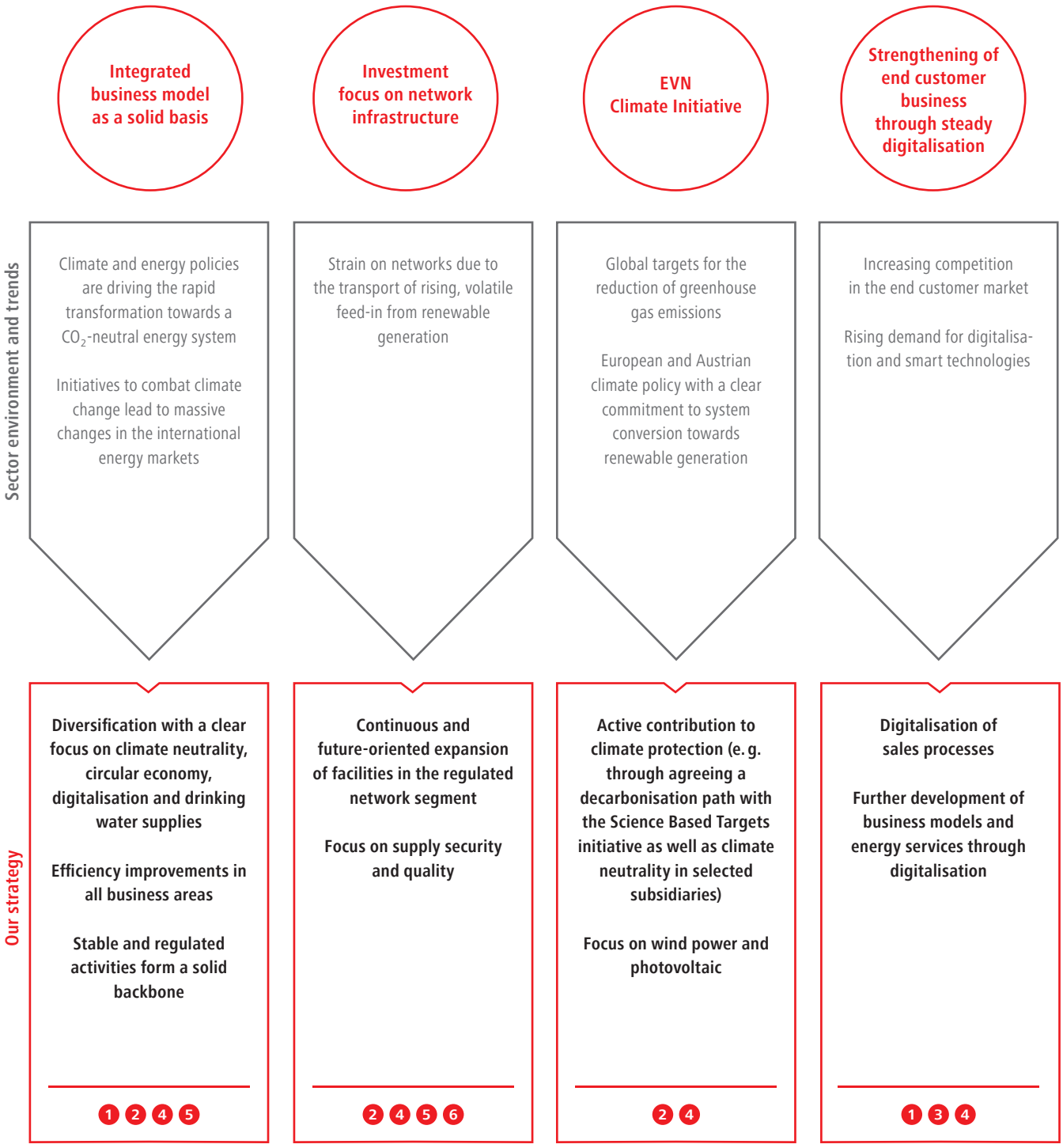
Strategy 2030: More sustainable. More digital. More efficient.

Already during the 2019/20 financial year, EVN's management worked on the future-oriented development of our corporate strategy in a Group-wide process and in close coordination with the Supervisory Board. The starting point was formed by a detailed analysis of the current market environment and the significant changes which will accompany us over the coming years.

Important external factors that influence our activities are based on international frameworks like the Sustainable Development Goals of the United Nations (SDGs) and the goals of energy and climate policy (e. g. the Paris Climate Agreement, European Green Deal). These goals and policies are also changing the legal and regulatory framework conditions that govern our

Continued on page 22 →

Our core strategies 2030



Areas of activity

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


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
2 3 4 6
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
3 4 5 6
Concepts and projects for the thermal utilisation of sewage sludge and waste (focus on Austria and Germany)
2 4 5
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
4 5
Our strategy

activities and, in turn, influence relevant macroeconomic and energy sector factors. Included here, in particular, are the development of CO_2 emission certificate prices, energy prices and the parameters for the expansion of generation from renewable sources.

The determining factor changing our industry – and a central factor for our strategy – is the European and Austrian climate and energy policy. This policy is directed to achieving the fastest possible transition to a functioning CO_2-free energy system. The changeover is driven by social and political efforts to minimise sector specific climate effects faster and even more clearly.

The development of many key 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 regularly discusses the aggregated findings with the Supervisory Board, whereby high priority is given to the energy- and climate-related effects on energy sector framework conditions.

The analysis of the market environment also includes inputs from our stakeholders as well as their concerns. The basis is formed by the materiality matrix, which maps and prioritises our most important areas of activity and sustainability issues based on an institutionalised comparison with the interests and assessments of our stakeholders. That helps us to update our strategy based on the issues which have the highest priority for stakeholders and, at the same time, the greatest economic, ecological or social impact.

Cornerstones of the Strategy 2030

The knowledge gained from the strategy process, which was discussed in detail during management and Supervisory Board conferences, was condensed into two cornerstones: sustainable growth and performance improvement. Our Strategy 2030 is summarised by the motto: "More sustainable. More digital. More efficient."

For the core strategies, see pages 20f

EVN Climate Initiative

In line with the Strategy 2030, we developed the EVN Climate Initiative in 2020/21 which is based on three cornerstones:

- → Development of science-based targets
- → Climate neutrality in selected subsidiaries
- → Contribution of research and development at EVN to climate protection

For the EVN Climate Initiative, see pages 92f
For information on the energy policy environment, see page 136f
GRI indicators: GRI 102-21, GRI 102-29, GRI 102-43, GRI 102-44, GRI 102-47, GRI 413-1

Impact of our business activities

In agreement with the Sustainability and Diversity Improvement Act, our annual risk inventory 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. The financial impact on the EVN Group is then assessed.

This gives us a clearly structured and defined process to identify and analyse 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, climate risks

The high priority we give to climate protection is reflected in the emphasis placed by our risk inventory 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 carry out regular inspections and maintenance work that is connected with 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 important 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 or the intended or unintended misrepresentation of transactions or positions in the annual financial statements. These risks are addressed, among others, with the creation of an attractive work environment and flexible working time models as well as 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 150ff
❑ For information on SAIFI and SAIDI, see page 52
❑ For information on occupational safety, accident prevention and compliance, see pages 78ff and pages 30ff
❑ For information on the ecological impact of EVN's activities, see pages 88ff
△ GRI indicator: 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 (SDGs)
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 insurances → 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	→ SDG 7 Affordable and clean energy → SDG 8 Decent work and economic growth → SDG 9 Industry, innovation and infrastructure
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 394 MW to 750 MW and photovoltaics by 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	→ SDG 6 Clean water and sanitation → SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 12 Responsible consumption and production
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 + 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	→ SDG 7 Affordable and clean energy → SDG 10 Reduced inequalities → SDG 12 Responsible consumption and production → SDG 13 Climate action

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 (SDGs)
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 Organisation (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	→ SDG 1 No poverty → SDG 3 Good health and well-being → SDG 4 Quality education → SDG 5 Gender equality → SDG 8 Decent work and economic growth → SDG 10 Reduced inequalities
Climate protection ... stands for the step-by-step system conversion towards climate-neutral 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	→ Goal until 2030 (on Group level): expand wind power from currently 394 MW to 750 MW and photovoltaics by 300 MW → Definitive exit from coal with the sale of the 49% investment in the Walsum 10 power plant on 30 September 2021 → Decarbonisation targets according to SBTi (until 2034) → Network investments fo integrate electricity from renewable generation → Focus on efficiency improvements, above all through minimisation of GHG emissions	→ SDG 7 Affordable and clean energy → SDG 11 Sustainable cities and communities → SDG 13 Climate action → SDG 15 Life on land
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	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

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 (SDGs)
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	→ SDG 7 Affordable and clean energy → SDG 8 Decent work and economic growth → SDG 9 Industry, innovation and infrastructure → SDG 13 Climate action
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 of 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 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	→ SDG 1 No poverty → SDG 4 Quality education → SDG 10 Reduced inequalities → SDG 12 Responsible consumption and production → SDG 17 Partnerships for the goals

We are actively shaping the future

The interests of our owners and all other EVN stakeholders are the guiding principle for our corporate strategy. In order to protect these interests and our company's success over the long term, we are exploring innovative approaches today – with sights that are always set on sustainable solutions. This mindset has been firmly anchored in our corporate culture since the very beginnings of EVN and its predecessor companies. There is no need to say that we set the highest standards for compliance, human rights, ethics and integrity.

Ines Kranzl, customer relations

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. This commitment to full compliance has been effectively transformed into reality through the implementation of a series of guidelines and measures that apply throughout the EVN Group. The starting point is formed by the EVN Code of Conduct with its ten subject areas. It regulates, among others, the aspects of our business activities in the areas of human rights, governance, compliance, corporate ethics, the prevention of corruption, public appearance and competitive behaviour as well as occupational safety and accident prevention. We have also issued additional detailed guidelines for specific target groups such as employees or suppliers and for specific issues such as the prevention of corruption.

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) and internal organisational directives and corporate principles that go beyond legal requirements. Reliability, transparency, trust and quality in our interaction with internal and external partners represent the central guidelines. The EVN Code of Conduct

BEHAVIOURAL NORM FOR SUPPLIERS

Full compliance and the strict observance of the EVN Code of Conduct represent binding guidelines for our behaviour in the areas of human rights, the prevention of corruption, ethics and integrity. Our suppliers are also required to follow these same principles and values. Consequently, we expect them to comply with the EVN integrity clause, which also covers the issue of human rights.

HUMAN RIGHTS AND MINIMUM SOCIAL PROTECTION

A central subject area in our Code of Conduct is 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. In order to guarantee the uncompromising fulfilment of our high standards – and given the diversity of the material – the responsible organisational units (in particular human resources, occupational safety, procurement and purchasing, information and communications as well as the staff departments for corporate compliance management as well as innovation, sustainability and environmental protection) deal with human rights issues as interdisciplinary subjects.

The rejection of child labour and forced labour is an integral part of this subject area as are the prohibition of discrimination based on nationality or ethnic background, gender, sexual orientation, culture, religion, age or health, the protection of co-determination rights, occupational safety measures and human rights issues along the supply chain (especially with international projects).

The framework for the observance of human rights and minimum social protection is formed 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 less developed understanding for human rights issues. Although the respective governments are primarily responsible for protecting human rights, we consider it our responsibility – within our possibilities – to also encourage compliance in this area outside our direct scope of operation.

Our internal policies on human rights and minimum social protection were reviewed and further developed in autumn 2021 to reflect the growing importance of this issue and in preparation for future reporting requirements, above all in accordance with the EU Taxonomy Regulation and the EU Corporate Sustainability Reporting Directive that will apply to EVN beginning with the 2021/22, respectively 2023/24 financial year.

Additional information on the principles for the protection of human rights relating to our employees (above all, non-discrimination and co-determination rights) can be found on page 73ff

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 39
Also see www.evn.at/Code-of-conduct

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 any form of these payments or gratuities – with the exception, for example, of small mementoes that reflect local or national practices.

A comprehensive set of preventive measures – including internal behavioural guidelines and specific training programmes – have 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 the staff department corporate compliance management. These analyses are based on a catalogue of criteria whose key elements include the operating environment, the country, industry and scope of business activities as well as the initiation and processing of business transactions.

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

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 is designed to support 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 violations of the Code of Conduct
- Reaction through information and improvement

The staff department corporate compliance management (CCM) is responsible for the operation and continuous improvement of the CMS and, in this function, reports directly to the Executive Board. In addition to the chief compliance officer and CCM staff, decen-

tralised compliance officers were assigned to EVN's individual operating areas and national compliance officers were installed for Bulgaria, North Macedonia and the WTE Wassertechnik international project business. Consequently, a total of nine employees in the EVN Group have specific responsibilities for the implementation of compliance measures. This structure ensures that the centrally managed CMS is optimally geared to meet the requirements of the various specialist areas and regions.

EVN's CMS has attained a certain degree of maturity following the initial implementation phase, the integration of new subjects and repeated improvements in recent years. The existing compliance-related structures, processes and organisational rules were reviewed, evaluated and coordinated with the responsible managers from Austria and the EVN Group countries during the past financial year. This aggregation supports internal and external documentation requirements and provides the CMS staff with a comprehensive and standardised overview.

Group-wide identification of compliance risks

Compliance risks which, in line with EVN's interpretation, also include human rights and the prevention of corruption, are identified annually for the entire Group on a systematic basis and from different viewpoints. These risks are surveyed as part of the annual risk inventory since any violations represent an important issue for EVN's risk management. The reviews carried out by our internal audit department also cover the observance of all compliance-relevant directives and rules.

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 designated compliance e-mail addresses. It provides a platform for the communication of concerns over unethical or illegal actions.

Special compliance e-mail addresses also allow business partners to use the whistle-blowing procedure. A Group directive defines the process for dealing with the reported concerns and protecting the whistle-blower.

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 are advised to contact EVN's compliance officer directly and without delay.

We aligned the previously implemented procedures and system with the EU Whistle-blower Directive during the past financial year to ensure the earliest possible identification of any need for adaptation. As soon as this directive is implemented in national law, EVN's whistle-blowing procedure will be modified accordingly in the upcoming financial year.

We received no reports of discrimination based on ethnic, national or social origin, skin colour, gender, sexual orientation, religion or political orientation during 2020/21. However, we did receive two reports of possible violations of the integrity principle and prevention of corruption which are anchored in our Code of Conduct. The allegations against the employees were confirmed after an internal investigation but did not result in lawsuits. One of the cases led to termination of the employment, the other to a reprimand; appropriate steps were then taken to prevent these types of cases in the future. No contracts with business partners were terminated.

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 specifically focused on industry and country risks. For Austria and the WTE Wassertechnik international project business, 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.

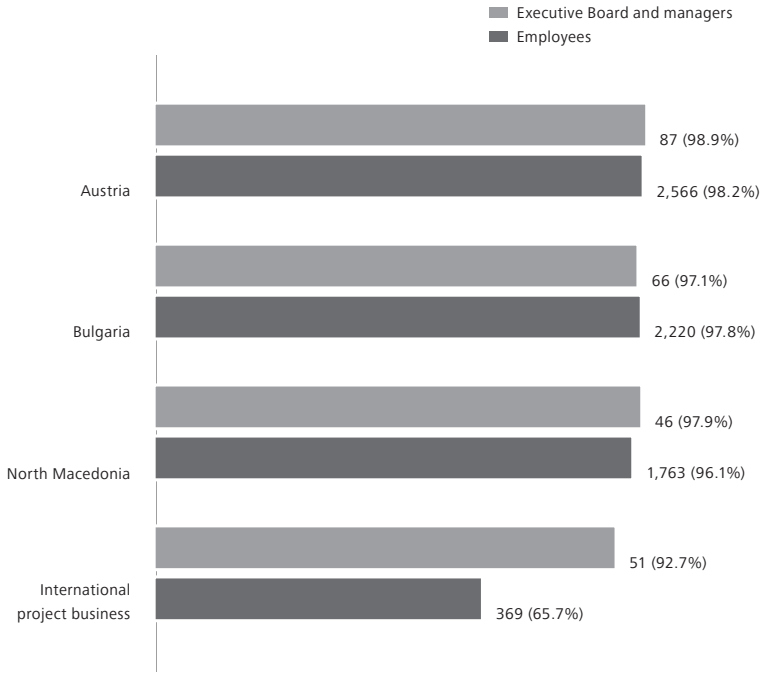
GRI indicator: GRI 102-17

Compliance training

In order to firmly anchor the issue of compliance throughout the EVN Group, we regularly emphasise the importance of correct, ethical behaviour to all managers, employees and the members of the Supervisory Board. This information is generally presented in training courses and workshops which concentrate on human rights, corporate ethics, the prevention of corruption, public appearances and competitive behaviour. The programmes range from mandatory standardised training courses for new employees in the Group, above all on the ten subject areas of the EVN Code of Conduct, to supplementary e-learning programmes and special courses for areas exposed to increased risk. The special courses are directed, for example, to employees in highly competitive business sectors and the international project business as well as employees with contacts to public authorities. The members of the Supervisory Board have also received additional comprehensive training from external experts in the past.

CCM cooperates with managers from various departments to strengthen and improve our compliance principles and rules and our ethical values. Multi-hour workshops equip managers with the tools to transfer the defined content to their staffs.

Participation in mandatory compliance training[1)]
(as of 30.09.2021)



1) Includes non-consolidated subsidiaries

One special project in 2020/21 involved the redesign of our compliance training programme. It started with an evaluation of the previous offering by the members of the compliance committee, management and employees. The elements with a particularly high rating (e. g. trainer expertise and case studies) were retained in the new training programme. At the same time, we optimised various functions to bring the training even more closely into line with participants' needs. A first step involved the development of a virtual format for the basic compliance training, which now includes numerous interactive elements, self-study units and the possibility of joint working on case studies.

The next step involves the development of a modified compliance learning path which is directed to the various internal target groups and specific compliance risks in EVN's different business areas. Its modules include a high degree of interaction and practical relevance. All employees will use this newly designed learning path starting in 2021/22.

Sustainably attractive for investors

The importance we place on the economic interests of our stakeholders is most evident in our efforts to balance value-oriented investments and an attractive return for our shareholders in all our strategic decisions. Our investment decisions are based on strict profitability criteria and, especially, in keeping with the energy sector, legal and regulatory framework conditions which are relevant for our activities.

We also attach great 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. Not least for this reason, our business activities are concentrated in regulated and stable business areas. This forms the basis not only for plannable cash flows, but also for continuity in our dividend policy. A clear strategic orientation is also crucial for the ratings which establish the conditions for our positioning on the debt market.

Our focus on the sustainable increase in corporate value is also reflected in the core points of our equity story:

- → High share of regulated and stable activities
- → Stable home market in Lower Austria
- → Integrated business model
- → Solid capital structure
- → Attractive dividends

Investor relations

We work to strengthen the long-term confidence of the capital market in EVN with active, regular and target group-oriented communications with all market participants. Our capital market operations are based on a commitment to providing timely, transparent, understandable and substantial information. We hold quarterly telephone conferences in connection with the publication of results as well as regular meetings with analysts and investors at international road shows and investor conferences. In this way, the Executive Board and the investor relations team work to continuously improve the awareness of and understanding for EVN and strengthen the long-term confidence in our share.

EVN share		2020/21	2019/20	2018/19
Share price at 30 September	EUR	22.95	14.28	16.14
Highest price	EUR	24.75	18.36	17.28
Lowest price	EUR	13.38	11.22	12.16
Price performance	%	60.7	–11.5	–4.4
Total shareholder return	%	64.2	–8.4	–1.6
Performance ATX	%	73.5	–30.0	–10.0
Performance Dow Jones Euro Stoxx Utilities	%	1.4	–0.8	26.2
Value of shares traded[1]	EURm	350.6	190.1	190.1
Average daily turnover[1]	Shares	72,753	50,045	53,555
Market capitalisation at 30 September	EURm	4,128	2,569	2,903
Weighting ATX prime	%	1.96	2.06	1.13
Earnings per share[2]	EUR	1.83	1.12	1.70
Dividend per share	EUR	0.52[3]	0.49	0.47 + 0.03[4]
Price/earnings per share		12.6	12.8	9.5
Dividend yield	%	2.3	3.4	3.1

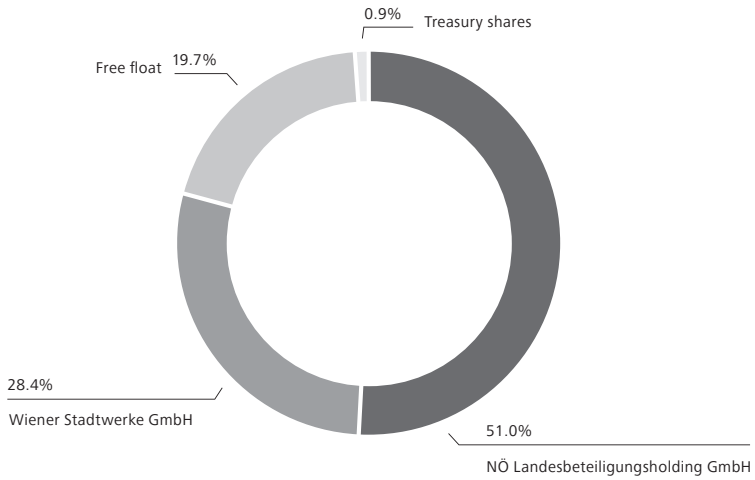
1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Proposal to the Annual General Meeting
4) Bonus dividend of EUR 0.03 per share

THE EVN SHARE – A SUSTAINABLE INVESTMENT

Ecological and social issues and goals are anchored in our core strategies just as strongly as economic targets. Consequently, we are increasingly positioning the EVN share as an alternative for sustainability-oriented investors and are working to meet their information needs as best as possible. The following aspects illustrate this orientation:

- A commitment by the Executive Board and Supervisory Board to manage and further develop the EVN Group to achieve a sustainable increase in the corporate value
  - Close integration of values, behavioural standards, stakeholder dialogue, sustainability issues and core strategies
  - High compliance and governance standards
- Investment strategy and innovation activities that support environmental and climate protection:
  - Focus on investments in CO_2-free generation capacity
  - Future-oriented expansion of the network infrastructure to integrate the growing volumes of decentralised renewable generation and strengthen supply security
  - Research projects on supply security, electricity storage, environmental protection and resource conservation
- Innovative products and solutions for climate-conscious customers:
  - Broad range of products from 100% renewable Austrian energy sources
  - Continuous reduction of CO_2 component of total supply mix
  - Product innovation "joulie": optimal utilisation of electricity generated by customers' own photovoltaic equipment for future-oriented prosumers
- Contribution to reducing CO_2 emissions:
  - Complete exit from coal-based electricity generation as of 30 September 2021
  - Decarbonisation path until 2034 as agreed with the Science Based Targets initiative
  - Climate neutrality in selected subsidiaries
- Future topic: drinking water:
  - Extensive investments in supply security for Lower Austria despite rising water consumption as a result of population growth, consumer behaviour and climatic changes
- Sustainable sewage sludge management as a new business field in the international project business:
  - Know-how in the planning, construction and operation of plants and equipment as a contribution to resource conservation and health protection

Shareholder structure[1)]



1) As at 30 September 2021

Dividend policy

The Executive Board will make a recommendation to the 93rd Annual General Meeting which calls for the distribution of an ordinary dividend of EUR 0.52 per share for the 2020/21 financial year. EVN's future dividend policy is directed to holding the annual dividend at least constant. We are also committed to appropriate participation for our shareholders in future earnings growth.

Market environment and performance

The performance of the international stock markets was remarkably positive given the crisis surrounding the

Covid-19 pandemic during the reporting period from October 2020 to September 2021. The German benchmark index DAX rose by 19.6% but was outpaced by Vienna's benchmark index ATX with an increase of 73.5%. The US benchmark index Dow Jones paralleled the DAX and remained on a record course with a plus of 21.8%. This momentum drove both the DAX and the Dow Jones to historical highs.

The DJ Euro Stoxx Utilities, the relevant industry index for EVN was noticeably weaker with an increase of only 1.4%. However, it was clearly outperformed by the EVN share which rose by 60.7%.

The average daily turnover in EVN shares equalled 72,753 in 2020/21 (single counting), which represents an annual trading volume of EUR 350.6m on the Vienna Stock Exchange (single counting) and 1.05% of the total trading volume in Vienna's Prime Market.

Based on the high market capitalisation that resulted from the increase in the share price and the rise in turnover, the EVN share was readmitted to Vienna's ATX in March 2021.

Green financing

In raising debt capital, we also follow our strategic approach to increase our investments in energy generation from renewable sources and support the transformation of the energy system through network investments. We addressed the growing interest in "green" financing instruments by issuing a green bond through a private placement in October 2021 (nominal value: EUR 101.0m; term: 15 years).

External ratings

Independent evaluations by the rating agencies represent an important part of EVN's financing strategy. Our goal is to maintain ratings in the solid A range.

We decided to terminate the rating by Standard & Poor's in autumn 2021 and, in its place, commissioned Scope Ratings with the preparation of a rating. Scope's initial rating of EVN is A+ and stable outlook; it was published at the beginning of November 2021. Already in May 2021, Moody's confirmed its rating for EVN at A1 and stable outlook.

Sustainability ratings and indexes

In addition to traditional financial criteria, sustainable investments also take environmental, social and ethical factors into account. Independent sustainability rating agencies evaluate the performance of companies with regard to sustainability. Sustainability indexes also help interested investors to identify companies that meet international standards for responsibility towards the environment and stakeholders.

EVN is regularly evaluated by the following independent sustainability rating agencies:

- → Carbon Disclosure Project (CDP)
- → MSCI ESG Research
- → ISS ESG
- → Vigeo Ratings
- → Gaïa Research
- → Sustainalytics

The EVN share has been included in the VÖNIX sustainability index of the Vienna Stock Exchange since 2005. This index consists of listed companies in Austria which are considered leaders for their social and ecological performance. The continued inclusion in this index for 2021/22 has already been confirmed.

△ GRI indicator: GRI 102-12

Value creation for our stakeholders

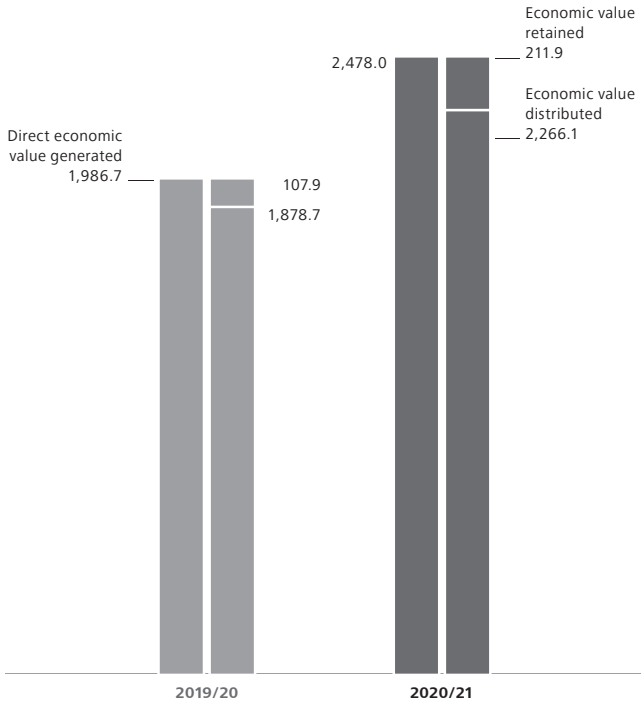
EVN's economic success is significantly influenced by our stakeholders who, at the same time, share in our financial results. Our most important stakeholder groups – shareholders, society as a whole, the public sector, employees, suppliers and debt investors – also receive a direct financial benefit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

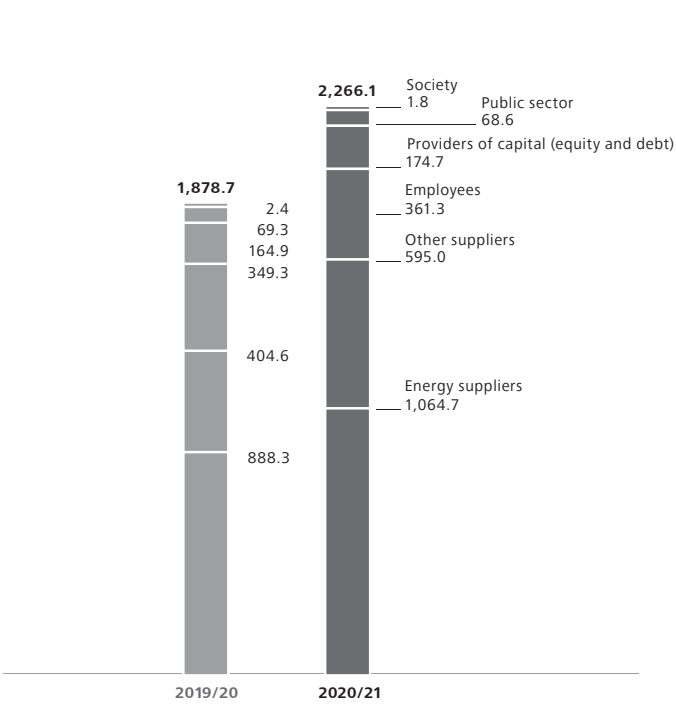
Direct economic value generated

EURm



Economic value distributed

EURm



Suppliers

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.

Our German subsidiary WTE Wassertechnik serves as a general contractor and commissions subcontractors, in particular construction firms and suppliers of machinery, electrotechnical equipment and components, to perform additional services.

Energy procurement

Electricity

We cover the electricity supplies for our Austrian customers through medium-term supply contracts and – via EnergieAllianz Austria – 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 also 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 the electricity sales volume 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 64f

Our electricity 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 the already liberalised segments is purchased over wholesale markets.

Primary energy carriers

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). The majority of imports – from the European point of view – come from Russia and Norway.

We terminated coal-based electricity generation in our Dürnrohr plant during 2019 and, consequently, no longer purchase or store hard coal. The transfer of our 49% investment in the Walsum 10 power plant on 30 September 2021 marked our complete exit from coal-based electricity generation. Up to that date, the operation of the Walsum 10 power plant, including coal procurement, was managed by the joint venture partner STEAG and therefore outside EVN's direct sphere of influence.

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 have been handled over a web-based procurement portal since the beginning of June 2019. The entire procurement process – from EU-wide announcement to the tender, submission of offers and contract award – can now be processed online. This broad-based rollout of e-procurement over our new platform has not only increased transparency but also paved the way for the introduction of strategic procurement.

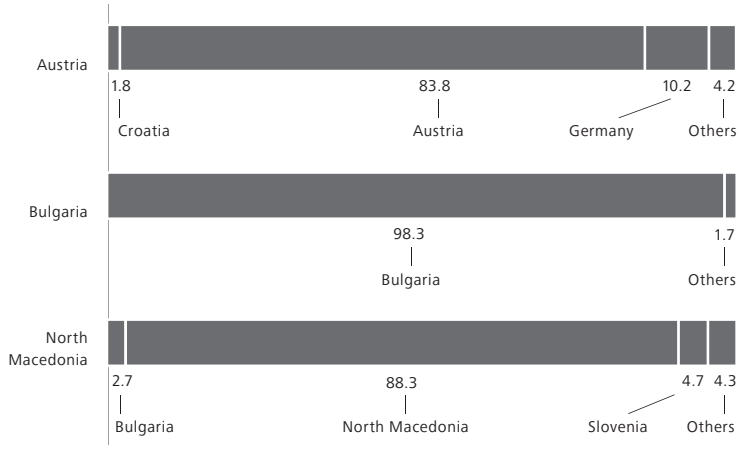
We handled a total procurement volume of approximately EUR 925.4m in 2020/21 (previous year: EUR 623.9m) at our main locations in Austria, Bulgaria and North Macedonia. In Austria, EVN maintained direct supplier relationships with 3,023 suppliers and contractors during this financial year.

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

Countries of origin of suppliers at main operating locations

%, basis: order volume



High sustainability demands

EVN is committed to fair, partnership-based and transparent business relations with its suppliers and business partners. We place strict demands on social and ecological aspects as well as the respect for human rights in our procurement activities and the awarding of contracts, but always in keeping with economic efficiency. The underlying principles are reflected in the area of activity "sustainable increase in corporate value" and anchored in our materiality matrix. Our high demands are reflected in EVN's integrity clause, which requires suppliers to meet strict standards in areas that include human rights, labour practices, protection of the environment, resource conservation and business ethics. The integrity clause represents a central component of each order – it applies Group-wide to all suppliers of products and services and to all sub-suppliers without exception. There were no complaints over compliance with the integrity clause by suppliers during the 2020/21 financial year.

Also see www.evn.at/integrity-clause

EVN is classified as a sector contractor under EU public procurement law in many areas and is therefore subject to the applicable provisions of the Austrian Federal Procurement Act. We comply in full not only with these regulations, but also with the principles governing competition in the EU and the individual member states. New bidders are regularly invited to participate in tenders. All tenders with a contract value over EUR 100,000 that involve sector activities have been announced nationwide since March 2019. As a sector contractor, we are also legally required to include a reference to the complaint office in Lower Austria with every tender offer. This office can be used by all participating bidders to file complaints and request explanations, free of charge and without mandatory legal counsel.

Sustainable supply chain

The past financial year presented our procurement staff with numerous challenges. Supply chain interruptions due to the Covid-19 pandemic, a resulting above-average increase in raw material prices, the need to protect supply security despite these difficult times, and compliance with various ESG requirements are only a few examples. EVN meets these challenges by continuously developing its circle of potential suppliers to achieve the broadest possible market access, through continuous market monitoring and analysis, and by the flexible adjustment of cooperation with its suppliers.

Our e-procurement portal provides support for the standardisation and improvement of compliance with our high sustainability demands on suppliers. Every interested bidder in Austria must complete a self-reporting form on all aspects of the integrity clause at the time of registration. All potential suppliers therefore complete standardised, systemised questions at an early point in time on sustainability, risk assessment and behavioural rules in the areas of environment, health and safety, human and labour rights, business ethics, supply chain, and occupational safety and accidents.

In order to create a greater awareness among our suppliers for sustainability along the supply chain and, at the same time, collect additional information on our own supply chain, we conducted a survey of nearly 100 of our most important suppliers (based on the volume and number of tenders) during the past financial year. This survey focused on sustainability, with special attention given to minimum social standards. The results will flow into a strategic supplier management project which will start in 2021/22. Its goal is to analyse and direct our valuation creation network and to form a basis for developing future procurement strategies to improve the performance of the EVN Group.

We also include explicit sustainability criteria in the evaluation of selected tenders.

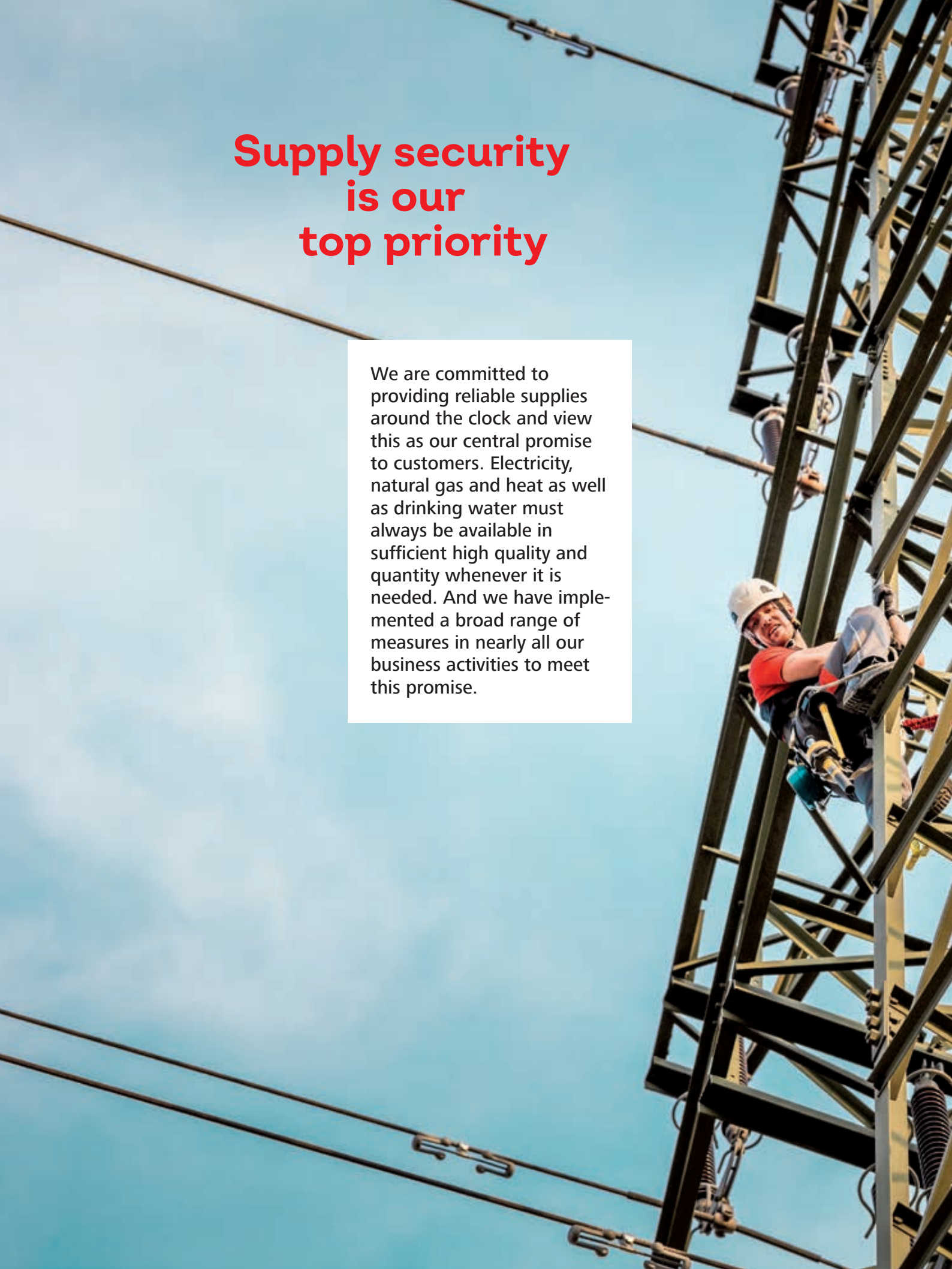
Electricity, natural gas, heat and water are among the most important driving forces for our economy and our society. At EVN, we therefore continuously make large-scale investments in our infrastructure to provide people with secure supplies of these elementary goods – in sufficient quantities and in highest quality. Especially in these times of climatic change and increasing decentralised electricity production from renewable sources, that represents a great challenge. We accept this challenge and, with our trendsetting concepts, are already at work to create room for future growth and prosperity.

We create the basis for growth and prosperity

Mathilda and her father Lukas F., customer

Supply security is our top priority

We are committed to providing reliable supplies around the clock and view this as our central promise to customers. Electricity, natural gas and heat as well as drinking water must always be available in sufficient high quality and quantity whenever it is needed. And we have implemented a broad range of measures in nearly all our business activities to meet this promise.



Electricity

The passage of the Austrian Renewable Energy Expansion Act in July 2021 marked a milestone on the path towards a renewable energy future. For an energy provider, this system change is accompanied by numerous technical requirements which, in turn, call for far-reaching expansion measures. We therefore plan to make massive investments in the expansion of our Group's wind power and photovoltaic capacity over the coming years.

Electricity from renewable sources is, by nature, volatile. It comes from a wide range of operators who rely on decentralised, independent plants. At the same time, our customers' consumption patterns are changing constantly. On the one hand, some customers consume substantially more electricity because they use e-mobility, smart home technologies and/or heat pumps. On the other hand, an increasing number of customers are generating their own electricity with photovoltaic equipment and, in some cases, joining together into energy communities. Complex solutions are required to deal with the pricing, network access and supply security for these energy communities. Bringing all these factors together and, at the same time, ensuring reliable supplies of electricity without major interruptions is one of our major challenges. Flexible backup services for power plants, electricity storage and reserve capacity are therefore 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.

Networks and network infrastructure

Our networks create the basis for delivering supplies to our customers. The smooth functioning of this extensive, but sensitive infrastructure requires a wide range of measures which generally remain unnoticed by our customers – while the integration of electricity from renewable sources, which is delivered from a wide variety of generation plants, places additional high demands on our networks. Protecting the performance of these networks requires the timely construction of the supporting infrastructure, e. g. transformer stations and substations, as well as their adjustment to reflect the changing energy flows. 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 even when no energy is produced locally. 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 – and ongoing high investments are needed to maintain these high quality levels.

A major project currently in planning is the "Weinviertel renewable network" with an investment volume of EUR 360m. A 50 km² area in the eastern Weinviertel region will become the location by 2030 for photovoltaic and wind power plants with a total installed capacity of 2,700 MW. In order to collect the energy generated by the individual installations and feed this energy into the cross-regional network, we will construct two new power lines with a total length of 36 km and expand 14 transformer stations in several phases starting in 2025 as part of this project.

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). Our investment in RAG Austria AG – 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 its successful pilot projects which make an important contribution to a future, environmentally friendly energy system.

District heating

The Renewable Energy Expansion Act requires district heating in Austria to make a significant contribution to meeting climate goals. As the largest natural heat supplier in Austria, we currently operate more than 80 district heating plants, 60 natural heating networks and 1,100 local heating plants in Lower Austria which supply roughly 65,000 customers. 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 three natural cooling plants complete our extensive natural heating infrastructure. This allows us to provide our customers with reliable and comfortable supplies of renewable energy from locally

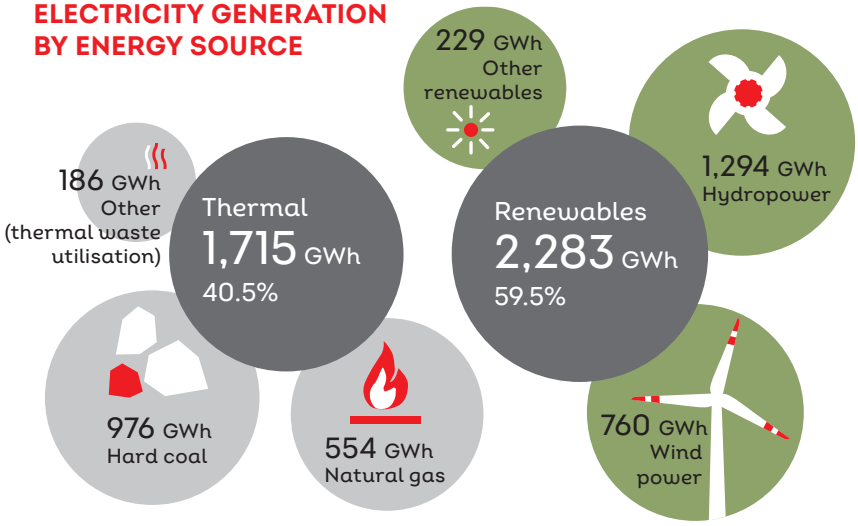
Energy generation		**2020/21**	2019/20	2018/19
Coverage ratio	%	**19.8**	19.1	28.1
Share of renewable energy in the total energy generation mix	%	**57.1**	59.5	41.4

WATER QUALITY AS THE ORIGIN

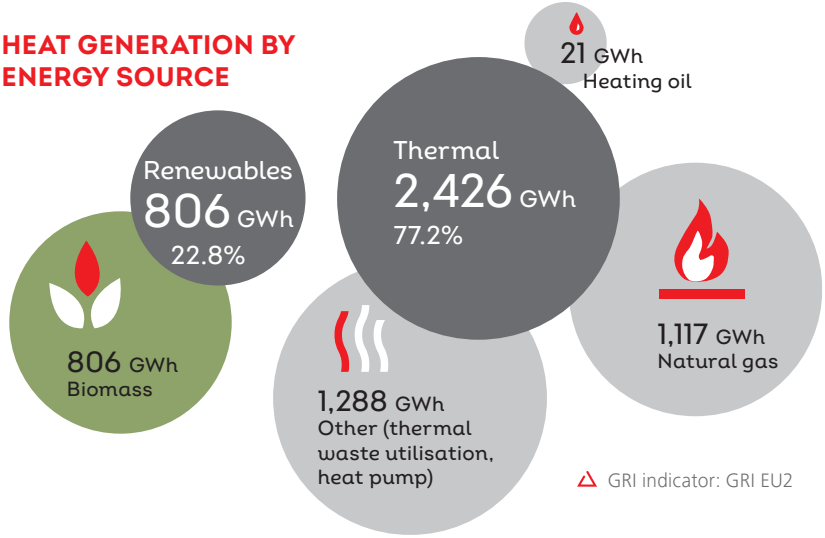
NÖSIWAG, the predecessor company of EVN Wasser, was founded in 1962 based on a resolution of the former provincial government. Its original responsibility was to provide clean water supplies for the area surrounding the community of Mistelbach in the Weinviertel region. This region had been declared a "drinking water emergency area" due to the rapid spread of diseases like typhus and cyanosis – which primarily affected children. Contaminated private wells were the source of these infections. The first water supply facilities operated by NÖSIWAG were commissioned in the late 1960s.

Provincial governor Leopold Figl at the cornerstone ceremony for the drinking water storage facility in Friebritz in 1963

ELECTRICITY GENERATION BY ENERGY SOURCE



HEAT GENERATION BY ENERGY SOURCE



GRI indicator: GRI EU2

available, CO_2-neutral biomass. In the municipal district heating business, 80% of our customers receive 100% CO_2-neutral natural heat. The Austrian average here is a substantially lower 49%.

We are investing continuously in the maintenance, modernisation and new construction of our biomass heating plants and the expansion of our district heating networks. Our plans call for investments of up to EUR 200m in the expansion of infrastructure in this area alone over the coming four years. One of our largest current projects is the biomass combined heat and power plant in Krems with an investment volume of more than EUR 40m, which is scheduled for commissioning by the end of 2022.

Drinking water

Demographic trends in our supply area as well as the changing climatic conditions are responsible for a continuous increase in the demand for drinking water. In addition to the ongoing operation of 50 local networks that are supplied by EVN with drinking water, connecting water-rich and water-poor areas via cross-regional transport pipelines represents a particular challenge. 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 the climate-related decline in precipitation, 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 which is scheduled for commissioning by 2025.

The construction of natural filter plants to improve quality through the physical softening of water is another method we rely on to maintain our high supply and quality standards. The fifth plant of this type is now under construction in Petronell-Carnuntum, in the Industrie-

"WITH THE GENERATION OF ENERGY FROM BIOMASS, WE TOOK THE RIGHT ROAD A LONG TIME AGO."

EVN is Austria's largest producer of heat from biomass, an energy carrier that will play a central role in the CO_2-neutral energy mix of the future. That applies to the generation of heat as well as the generation of electricity from biomass. So-called combined heat and power plants can produce heat as well as electricity – reliably, around the clock and on 365 days per year. EVN plans to make massive investments in the expansion of its capacity in this area during the coming years. The responsibility here lies with EVN Wärme GmbH. Its managing director Alfred Freunschlag is certain that EVN is on the right road with its strategy to generate energy from renewable regional resources.

EVN Wärme GmbH delivers approximately 2.3 TWh of heat and 140 GWh of electricity to its municipal, commercial and industrial customers each year, whereby a large part of these volumes comes from renewable sources. The utilisation of roughly two million cubic metres of wood chips in municipal district heating plants make EVN the largest producer of energy from biomass in Austria.

This leading position will be expanded over the coming years, supported by the steady rise in biomass supplies. The raw material used by EVN Wärme consists primarily of chipped wood, in other words a by-product of forestry management. Austria's forests are growing by roughly 3,400 ha per year – which also means an increase in the available volumes of the energy carrier that EVN's plants convert into "natural heat" and "green electricity". "With our energy from biomass, we not only make an important contribution to climate-friendly energy supplies. We also support the regional agriculture and forestry sectors. The chipped wood we burn in our plants comes exclusively from the region", explains Alfred Freunschlag. In fact, the company only uses biomass within a maximum radius of 70 km from the respective heating plant. The plants are supplied by large forestry operations as well as smaller farmers and municipalities. EVN arranges for external audits and certification of all its heating plants in accordance with EMAS regulations to demonstrate compliance with the highest environmental and sustainability standards. Natural gas is only used in deep winter as a stand-by reserve to ensure uninterrupted supplies of district heating for its customers during peak periods. In Austria, renewable energy sources are currently responsible for roughly 49% of district heating supplies. With a share of over 80% in municipal district heating, EVN Wärme clearly exceeds the branch average. That is, not least, due to a high degree of flexibility. Alfred Freunschlag: "We regularly adjust our raw material purchases to reflect the existing energy potential and use chopped wood as well as other agricultural products as energy carriers. For example, our district heating plant in Lassee converts straw from the region into clean energy. And that steadily increases the share of CO_2-neutral energy carriers in our plants."

EVN is making massive investments in the expansion of its biomass capacity to provide sufficient CO_2-neutral heat and electricity for the energy transformation: "Over the next four years alone, we intend to invest approximately EUR 200m in the expansion and upgrading of our networks and plants", indicates Alfred Freunschlag. One of these projects is the new combined heat and power plant in Krems, which will supply around 14,000 households with "green heat" and clean electricity starting at the beginning of 2023. Alfred Freunschlag: "This new plant demonstrates the application of ecological principles to an existing, fossil-energy based district heating network." Additional plants of a similar size are planned for the coming years. However, the expansion of capacity alone is not enough. In order to increase the share of climate-neutral energy in Lower Austria and to protect supply security, additional opportunities must be identified – for example, through intelligent buffer management, the integration of supply networks and the increased use of waste heat from commercial and industrial plants. Incidentally, the latter is already making an important contribution to district heating supplies in Lower Austria.

EVN's position as the largest biomass heat producer in Austria is also based on the fact that the company was one of the early birds in this business. Its first biomass plant was commissioned in Krumbach during 1993. "In comparison with other energy companies, that was very early – and it gives us an advantage today because the demand for clean energy is increasing rapidly", adds Alfred Freunschlag. This is a result of recent legal regulations which make renewable energy carriers attractive. However, EVN's customer service also plays an important role. EVN Wärme employs a staff of roughly 140 throughout Lower Austria and guarantees its customers reliable 24/7 service and support. Which means its customers can relax and enjoy cosy – and, above all, green – natural heat with a good conscience.

"FRESH WATER SUPPLIES FOR OUR CUSTOMERS – ONE OF OUR TOP PRIORITIES"

Only about 3% of the water resources in Austria are used directly by people. Nevertheless, the widespread provision of high-quality drinking water supplies represents a challenge. Water supplies are distributed unevenly throughout the region and must often be transported over great distances – and that requires an efficient infrastructure. In large parts of Lower Austria, this infrastructure is provided by EVN Wasser. Managing director Franz Dinhobl talks about current and future challenges for water supplies in Lower Austria.

Roughly 30 million cubic metres of water flow through the waterworks, storage facilities, filter plants and pipelines operated by EVN Wasser each year. That represents an average daily volume of approximately 82,000 cubic metres. "The distribution of these enormous volumes from the headwaters in the Danube lowlands throughout Lower Austria – up to the low precipitation regions in the Weinviertel and Waldviertel – is one of our main responsibilities", explains Franz Dinhobl. The company's high-performance pumps must bridge up to 500 vertical metres for this transport. "When people fill their pools on hot summer days and water their gardens and lawns, consumption can rise up to 170,000 cubic metres per day. And our infrastructure must also be equipped to deal with these types of peak periods."

Precisely for this purpose, EVN Wasser operates high-performance pumping plants and water pipelines as well as a dense network of water storage facilities. Water is pumped from the large wells in Krems, Tulln, Petronell-Carnuntum and Ebergassing into so-called elevated tanks. These underground concrete containers have a capacity of 1,000 to 10,000 cubic metres each and are located in the form of cascades throughout the entire province. The water is transferred by its inherent pressure from these reservoirs to the households. And that is exactly where consumption is rising, above all in the rapidly growing population centres around Vienna. Franz Dinhobl: "Not only the population but also prosperity has grown over the past decades. An increasing number of people now have their own gardens and private swimming pools. And that has been accompanied by a significant increase in water consumption, especially with higher consumption peaks." The effects of global warming are an added factor: Longer dry periods and extreme weather events will also become more frequent in Lower Austria. EVN Wasser is reacting to this development with investments of roughly EUR 215m in the expansion and improvement of its infrastructure over the next 30 years: through the construction of circular pipelines, cross-regional transport pipelines, the enlargement of pipeline cross-sections, an increase in pump capacity and the construction of natural filter plants to improve the water quality.

An example of one project currently in progress is the construction of a new connecting pipeline from Krems to Zwettl, which will provide long-term protection for water supplies to the Waldviertel and Weinviertel regions. The project has a total investment volume of approximately EUR 35m and includes elevated tanks, pumping plants and a 60 km main water pipeline with a cross-section of 400 to 500 mm. The ground-breaking ceremony took place in summer 2020, the first of three sections was completed by autumn 2021, and the commissioning of the entire project is planned for 2025. It will provide nearly 120,000 residents in the Waldviertel and Weinviertel with fresh water from the region surrounding Krems.

In addition to new pipeline construction, the improvement of the existing infrastructure is also high on the agenda for EVN Wasser – for example, through the location of leaks. "A separate team deals with the highly complex and technically demanding identification of leaky sections in pipelines based on a rolling control process and takes care of the necessary repairs", explains Franz Dinhobl. "The responsible use of the valuable resource drinking water is extremely important for us."

Another area that receives extensive attention from EVN Wasser is the water quality – which, in fact, varies widely by region. According to the geological conditions underground, water dissolves elements like iron, manganese, calcium and magnesium. These materials are found in different

concentrations in the water, depending on the source. In other areas – for example, in Marchfeld – the intensive agricultural usage also leads to increased nitrate levels.

EVN Wasser has been constructing so-called natural filter plants since 2014 to guarantee that the water quality will remain at the highest level in all regions of Lower Austria and to minimise the influence on the environment. These plants use modern technologies like reverse osmosis, ultrafiltration and active carbon filtering to remove magnesium and calcium as well as other trace substances from the water. That brings advantages in a number of ways: EVN Wasser can supply water in top quality and generally ensure a reduction from 10 to 12° in the hardness. Chemical water treatment is, consequently, uncalled-for in households. EVN Wasser is currently operating four natural filter plants, and a fifth will be commissioned in Petronell-Carnuntum during January 2022.

In addition to the officially prescribed microbiological and chemical testing of drinking water, EVN Wasser carries out regular screenings based on up to 700 different parameters. Included here are tests for pesticides, pharmaceuticals and many other trace substances. "Our drinking water controls go much farther than legal regulations require", indicates Franz Dinhobl. "But at EVN Wasser, that's only natural. As a drinking water supplier, we are committed to taking every conceivable step to supply the population with healthy water."

Great demands are also placed on EVN Wasser in terms of security. Franz Dinhobl: "When we talk about supplying hundreds of thousands of people with drinking water, we are naturally speaking about a highly critical infrastructure." On call 24/7, complex anti-intrusion alarms, remote monitoring, automatic pump controls and cybersecurity are accompanied by regular water analyses to ensure completely safe water supplies.

The team at EVN Wasser consists, by the way, largely of certified water engineers. Continuing education and special training at the international level make certain that the company's know-how is always at the latest scientific and technological level. "With roughly 50 men and women, we have a very lean team. But we also benefit, of course, from synergies with the EVN Group."

Franz Dinhobl's comments make one thing clear: The widespread availability of clean and apparently unlimited water is not a matter of course. What is, however, a matter of course is EVN's commitment to sustainable and safe supplies of this most important good on earth for the population in Lower Austria.

Retaining wall at the Erlaufboden power plant under construction

EVN 100
HYDROPOWER INSTEAD OF COAL

An early example of today's common replacement of coal with renewable energy sources is provided by the founding period of EVN's predecessor company NÖ LEW (Niederösterreichisches Landes-Elektrizitätswerk): The hydropower plants in Wienerbruck and Erlaufboden, which were commissioned in 1911 and 1924, supplied the Mariazeller railway, opened in 1907, shortly after their completion with electricity from renewable sources instead of coal – at that time, an absolute novelty. And the two Erlauf power plants also already supplied St. Pölten in those days.

viertel region. It is scheduled for commissioning in spring 2022 and will supply roughly 50,000 customers with drinking water in spring water quality and with an ideal hardness grade.

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

Basic supplies for e-mobility

Electromobility is also expanding rapidly throughout Austria. We made an early and decisive contribution to the spread of 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 market electricity fuel cards that allow our customers to choose from over 7,000 loading stations throughout Austria based on joint roaming projects. Our "Autoladen 2.0" app also makes it easier for our customers to locate public charging stations. EVN's charging stations are included in the most frequently used registers of charging stations. In 2020/21, EVN was commissioned by the eastern region transport federation with the construction and operation of high-performance bus charging stations in the Weinviertel during 2022.

Selected measures to support supply security

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

Average non-availability of power plants 2020/21

		Planned		Unplanned	
		Hours	%[1]	Hours	%[1]
Wind power plants[2]	Austria	202.7	2.3	312.4	3.6
Small hydropower plants	Austria	80.5	0.9	329.7	3.8
Pump storage plants	Austria	398.6	4.6	43.8	0.5
Natural gas-fired power plant Theiss	Austria	1,086.4	12.4	66.5	0.8
Hard coal-fired power plant Walsum 10	Germany	1,848.5	21.1	410.4	4.7

1) Reference value: 8,760 operating hours per year (standard operational capacity)
2) Average value per wind turbine

EVN power generation capacities

	30.09.2021		30.09.2020		30.09.2019	
	MW	%	MW	%	MW	%
Renewable energy	**752**	**54.4**	**720**	**42.3**	**719**	**42.2**
thereof hydropower[1]	307	22.2	307	18.0	307	18.0
thereof wind power	394	28.5	367	21.5	367	21.5
thereof photovoltaics	12	0.9	7	0.4	6	0.3
thereof biomass	13	0.9	13	0.7	13	0.7
thereof other renewables[2]	26	1.9	26	1.5	26	1.5
Thermal energy	**630**	**45.6**	**985**	**57.8**	**985**	**57.8**
thereof natural gas[3]	583	42.2	583	34.2	583	34.2
thereof hard coal[4]	0	0.0	355	20.8	355	20.8
thereof energy hub Dürnrohr[5]	47	3.4	47	2.7	46	2.7
Total	**1,382**	**100.0**	**1,706**	**100.0**	**1,704**	**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, 430 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 Walsum 10 hard coal-fired power plant is no longer included because the 49% investment was sold as of 30 September 2021
5) Includes the steam co-generation from thermal waste utilisation in Zwentendorf/Dürnrohr.

THE FUTURE HAS ALREADY BEGUN: EVN AS PART OF AND ENGINE FOR THE ENERGY TRANSFORMATION

The energy transformation is opening completely new possibilities, but also great challenges for energy companies. This not only involves the generation, but also the transport and distribution of energy and the management of the entire system. Decentralised generation in many smaller plants and the high volatility of wind and solar energy require new ways and innovative solutions – now more than ever. Large energy providers like EVN play a decisive role in this process.

Summer 2021 showed once again that climate change has long since arrived in (Central) Europe. Hailstorms, heavy rains, droughts and flooding led to property damage in the billions. The Paris Climate Agreement in 2015 marked the approval of measures by the community of nations that are intended to limit global warming to 1.5 degrees centigrade.

Political pressure and support for the transformation of the energy system

With the European Green Deal, the European Commission introduced a precise schedule at the end of December 2019 for the attainment of EU-wide climate neutrality by 2050. The measures to be implemented as part of this programme range from climate, environmental and biodiversity protection to mobility and industrial policy as well as requirements for agricultural, consumer protection and energy policies.

The central element of the Green Deal is the rapid transformation of the European energy system to a system with fully CO_2-neutral generation. That will require the massive expansion, above all, of wind power and photovoltaic capacity in the near term – not only in Austria. The large-scale use of these technologies, which has been further accelerated by the Renewable Energy Expansion Act that was passed in July 2021, will make the generation of the future significantly more decentralised than before – with far-reaching consequences for the transport and distribution of the generated energy, for the provision of the necessary reserve capacity and the overall optimisation of the system.

Energy companies protect supplies and drive change

Large energy suppliers and network operators like EVN naturally play an important role in this transformation but, at the same time, are faced with enormous challenges. The high volatility of renewable energies represents a burden for network stability, and electricity must be transported from countless smaller, decentralised generation plants and then distributed. Moreover, the trend towards e-mobility and smart homes as well as the increasing use of heat pumps for heating and hot water preparation have led to a noticeable change in consumption behaviour. Substantially higher peak loads at the "typical" charging times for electric vehicles and in colder periods create completely new demands on the management of generation and distribution. Quite apart from the fact that supplies must always be fully protected despite the fluctuating volumes from wind and solar power.

Massive investments in infrastructure …

All this would not be possible without extensive investments. EVN invests more than EUR 100m year for year in the expansion and adaptation of the Lower Austrian electricity network alone to ensure that the increasing volumes of green electricity reliably find their way to consumers and to make electricity available in sufficient volumes and quality whenever it is needed. Nearly one-third of these investments are directed to the local networks, where not only stronger power lines but twice as many substations are needed to handle the changes in consumption behaviour. The high-voltage network must also be expanded – including the power lines as well as peripheral equipment, e. g. transformer stations, substations, IT etc.

… and the expansion of EVN's renewable generation capacity

EVN's investments also cover its own electricity generation from wind and solar energy as well as heat generation from renewable biomass. Our wind parks currently have a generation capacity of almost 400 MW, most of which is located in Lower Austria, and the trend is increasing. 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 add 300 MW to our photovoltaic capacity by 2030. Our flagship project is a large-scale photovoltaic plant with a capacity of 20 MW on the grounds of the former coal storage area at the decommissioned Dürnrohr power plant.

For information on biomass, also see page 45

Innovation and new solutions

The fundamental transformation of the energy system requires completely new concepts and technical approaches in many areas. EVN is also working intensively on their development and making an important contribution to the energy transformation – in part independently, and in part in cooperation with other companies, universities and/or research institutions.

An essential issue here, for example, is the storage of electricity. This is becoming increasingly critical due to the volatility of wind and solar electricity because supply and demand frequently differ. What is needed, however, is not only short-term day-night balancing, but also long-term seasonal balancing between summer and winter. EVN is involved in major research and pilot projects on this subject – for example, the underground storage of green electricity in the form of so-called "green" hydrogen, which is generated with the help of surplus wind or solar electricity through the electrolysis of water and can be reused for electricity production as needed.

Another focal point involves the development of innovative decentralised generation and usage concepts together with corresponding services. EVN develops these types of solutions for so-called energy communities, which are created for the efficient regional use of decentrally generated electricity and provide relief for the cross-regional networks. A further example is joulie, a completely new package which was introduced to the market during the 2017/18 financial year: As the core of EVN's intelligent, digitally supported individual energy solutions, joulie makes it very easy for private households to construct and operate photovoltaic equipment, heat pumps and e-charging stations – because the equipment can be configured and ordered online with a simple mouse click.

All these concepts and initiatives support a single goal: to make energy supplies sustainable and to leave behind a planet that coming generations will also find liveable in the distant future. Because this future has already begun.

District heating for the Mödling and Südstadt communities

EVN 100
60 YEARS OF DISTRICT HEATING

Long before district heating was a viable option, EVN's predecessor company NIOGAS commissioned a district heating plant (at that time, fired by oil and gas) in Mödling during 1961. In the newly built Südstadt with its nearly 2,000 apartments and roughly 5,000 residents, there was not a single chimney – and that at a time when most households were still heating with solid fuels. The Mödling district heating plant initially serviced the Südstadt, EVN headquarters and the Mödling hospital, but the network was gradually expanded to reach Baden several years ago. Today, it is the largest biomass district heating network in Austria. In addition to the original district heating plant, the network is now fed by seven plants, three of which operate with biomass. A total of 30,000 households benefits from this network – as does the environment in the region south of Vienna.

indicators in these two Southeastern European markets are higher, and our investment programmes there are focused 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 6.7% and from approximately 25% in 2005/06 to 13.9% in North Macedonia.

△ GRI indicator: GRI EU12

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 1.16 in the 2020 calendar year (previous year: 0.90). This SAIFI value means an EVN customer experienced on average one unplanned power interruption during 2020. The average annualised duration of unplanned power interruptions[1)], as calculated according to the System Average Interruption Duration Index (SAIDI), equalled 25.14 minutes in 2020 (previous year: 20.10 minutes) and was again clearly below the Austrian average[2)] of 38.07 minutes (previous year: 36.79 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 GmbH, breakdown and disruption statistics for 2019 and 2020
2) Source: Energie-Control Austria, breakdown and disruption statistics for 2019 and 2020

△ GRI indicators: GRI EU28, GRI EU29

High availability of our power plants

The table on page 49 shows the scheduled and unscheduled periods in 2020/21 when our operational thermal power plants and wind parks were not available. The Theiss gas-fired power plant, which has a net capacity of 485 MW, held 430 MW under contract as reserve capacity for the Austrian transmission network operator to support network stability. For the 2021/22 financial year, reserve capacity was contracted at a level of 470 MW.

△ GRI indicator: GRI EU30

Cybersecurity

Digitalisation has also led to wide-ranging changes for 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 many new possibilities and advantages 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.

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 requirements analysis forms the basis for the identification of technical and organisational safety measures. 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.

We create space for customer dialogue and innovation

For EVN, customer orientation means a continuous focus on people's demands and needs. We use the possibilities provided by the digital world to precisely identify these concerns and to direct our strategy accordingly. We are also transforming digital space into a place for dialogue, interaction and personal encounters. And we are working intensively on innovative approaches for the energy system of the future.

Robin Freyth, sales

Our customers' concerns are our top priority. EVN's commitment begins with the claim to always have an efficiently functioning and optimally dimensioned infrastructure. It represents the basic requirement for realising our overriding goal – to always provide our customers with reliable supplies of energy products and services, high-quality drinking water and cable TV and telecommunication services. Our work in this area is also accompanied by wide-ranging and very popular service, advising and dialogue offers. EVN's goal for all these activities: maximum customer closeness. And when we look to the future, customer benefits will remain a focal point of our work. That explains the close links and particularly close interaction of the two areas of activity "customer orientation" and "innovation and digitalisation" at EVN.

Focus on customer satisfaction

Top professionalism and maximum customer closeness define our services and advising. Extensive know-how is required here because the range of our products and services is just as varied as our customers' concerns. These communications involve basic issues – such as 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 efficient products and energy services.

For information on energy efficiency services and products, also see page 91

Our foremost goal is to provide all our customers with the best possible, individual support. Intensive personal contact plays an important role in steadily increasing the satisfaction with our products and services. For our customers in Austria, Bulgaria, North Macedonia and Croatia, we have created 24/7 analogue and digital communication channels for all types of questions and concerns:

- → Personal customer advising (e. g. 19 EVN Service Centres in Lower Austria, trade fairs with direct customer contact)
- → A service telephone with individual numbers for specific topics and concerns
- → Digital communications options (e. g. e-mail, chat, online functions, video advising)

Starting in spring 2022, EVN's customer portal will be upgraded to include new functions that allow customers to deal with their concerns intuitively, quickly and easily directly online. New connections to the electricity network can already be ordered over this platform, which means no more paperwork.

Emergency services 24/7

Particularly high commitment is expected from our emergency service employees. Immediate action is required to quickly restore supplies of essential goods and services to the involved households, also when a disruption or technical breakdown occurs outside normal business hours. Our emergency call centre is, therefore, on duty 24/7.

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.

Customer Relations Strategy 2025

The staff in the customer relations department, which is responsible for our customer service, developed a new mission statement in March 2021 which is entitled "CR Strategy 2025". It defines the central goals for our customer service activities, which include a focus

on the sustainable optimisation of our end customer processes. The mission statement also clearly explains that fast, competent and friendly customer contacts play a decisive role in improving customer satisfaction and loyalty. Customer loyalty, in turn, is the bridge to EVN's corporate success and is supported by our customer service with its economic, innovative and future-oriented approach.

Wide-ranging optimisation measures

Examples of our efforts in this area include the prompt processing of inquiries and the regular analysis through sampling of e-mail responses to optimise the quality of our advising. As a source of inspiration, we also draw on best practice examples and innovative approaches from other economic sectors – such as telecommunication and banking – and adapt them to optimally meet our objectives.

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 2020/21 through specially designed measures.

MAKING A VIRTUE OUT OF NECESSITY: CUSTOMER ADVISING VIA THE INTERNET

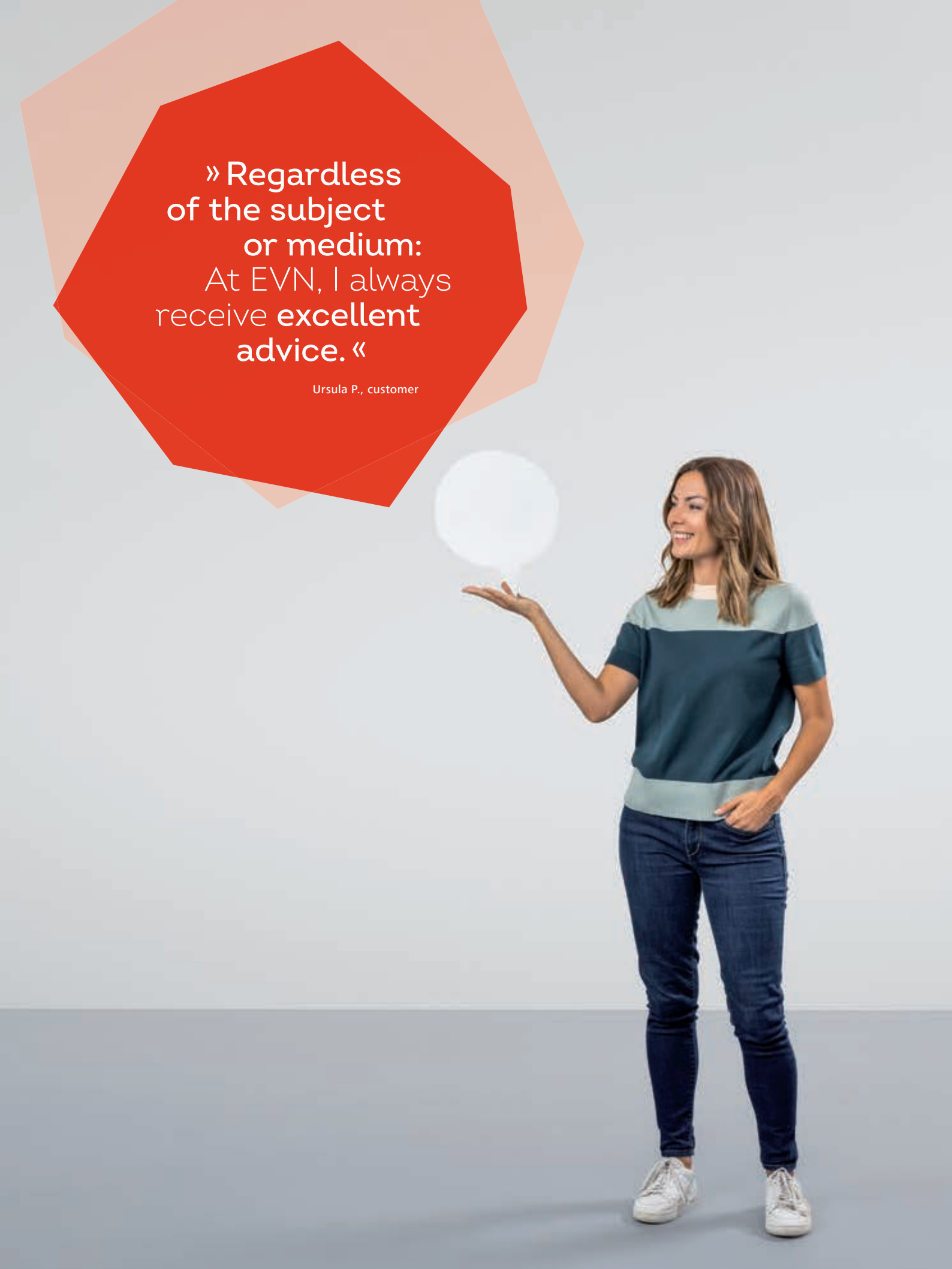
The measures implemented to combat the corona pandemic made personal customer contacts extremely difficult. We turned this problem into an advantage and have developed a completely new concept for digital and, at the same time, very personal customer advising.

A small TV studio with state-of-the-art equipment forms the setting for digital advising sessions which, since summer 2021, can be easily booked over the EVN and kabelplus websites. Customers can contact our service staff in the studio via PC, tablet or smartphone – either spontaneously or at an agreed appointment date. Specific questions can be answered in detail, for example on our innovative photovoltaic package joulie or the Magic TV product offered by kabelplus, which allows customers to view programmes on demand within seven days. The dialogue can be supported by multi-medial content which is overlayed as needed.

Our virtual advising is currently operated as a pilot project, and additional subjects for video consulting are currently in preparation. This concept creates clear added value for our customers, and we are convinced that the demand for this type of offer will increase in the future.

» Regardless of the subject or medium: At EVN, I always receive **excellent advice.** «

Ursula P., customer

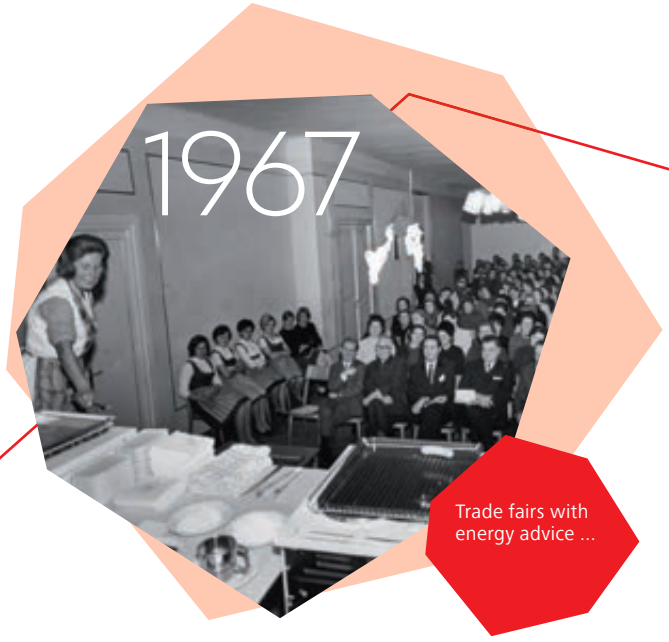


To further improve our performance at the interfaces with our customers, we organise events every two years to give our customer service staffs from Austria, Bulgaria and North Macedonia an opportunity to share their experiences. These events create a platform for the discussion of specific content and requirements, 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 training programmes in other areas, we are increasingly relying on digital e-learning formats in this area. Our customer service employees test their knowledge monthly via e-learning. A concentrated, three-month training cycle for new customer relations employees combines intensive training with practical experience.

Sustained high customer satisfaction

We commission regular independent, external surveys to proactively analyse and evaluate the quality of our cus-



EVN 100
ALWAYS ON THE CUSTOMER'S SIDE

The greatest possible closeness to our customers runs like a unifying thread throughout our corporate history – from expert help in handling new technologies and equipment (for example, the electric stoves which became popular in the 1960s) to trade fair presentations and individual, energy advising at home, at our company locations throughout the entire supply area or via telephone, e-mail and, recently, also via video on the Internet. These activities are supported by extensive, practical information material, an extensive website and our customer newsletter which has appeared regularly since 1982.

CUSTOMER ADVISORY BOARD 4.0 – CUSTOMER CLOSENESS IS AND REMAINS OUR TOP PRIORITY

One of the most important factors for our company's success is the exact knowledge of our customers' needs and concerns. In order to strengthen our awareness and ensure timely reaction to market requirements and trends, we established the EVN Customer Advisory Board in 2011. EVN plans to move this system of regular customer inclusion in strategic decisions forward to a completely new level in 2021/22 with the support of digital possibilities. The EVN Customer Advisory Board has been responsible for numerous suggestions and impulses over the past decade, including recommendations to improve our services and communication measures for the introduction of new products. The board consists of 24 members from different customer groups who are elected every two years. In regular workshops, they discuss changes in customer expectations, market trends, new products and other strategic issues with internal experts.

In order to increase the efficiency of this essential interaction with our customers, we are currently developing a customer advisory board with a digital platform that will replace the proven, successful concept beginning in 2021/22. This new digital platform will rely on the possibilities created by the digital world, not only for products and services but also in contacts with the various customer groups and targeted queries to identify their specific needs and concerns. In contrast to the EVN Customer Advisory Board, the composition of the dialogue groups will be completely flexible in the future. Our customer database will select persons from exactly those customer segments applicable to the use case, meaning the concrete project at hand. These persons will be asked for their input and feedback to ensure the maximum usability and efficiency of our new offers. The customer pool for the new digital platform is expected to include several hundred persons on final completion.

This type of extensive database of interested customers will naturally represent an enormous expansion for our feedback opportunities. On the one hand, the digital platform will allow us to hold in-depth personal discussions – similar to the meetings of the EVN Customer Advisory Board. On the other hand, we will be flexible in terms of the time required to collect evaluations of our products and services, e. g. via e-mail or SMS, from a large group of test customers. We will then be able, above all, to efficiently test our offers in the development phase and optimise them before market launch.

Another focal point of the digital platform is the use of digital tools to optimise products and services. For example, EVN used so-called eye tracking in programming the new joulie smartphone app. This technology measures the areas of the screen which receive the most user attention. It helps to improve the positioning and design of buttons, text and other objects. In order to ensure optimal results in the development of new digital services like smartphone or web apps, EVN tests the functions, design and user-friendliness of every new application with selected customers based on mock-ups. We are also increasingly relying on digital solutions, such as customer feedback management tools, for our market and motive research.

EVN expects the activities of the new customer advisory board will result in significantly more precise conclusions concerning the quality of its products and the needs of its customers – because customer closeness has top priority also in the digital world.

tomer service and the satisfaction of customers 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. On a very positive note, the index value has remained stable at a high level in recent years.

Innovation in the interest of customer benefits and sustainability

The continuing development of our business model is always based on an integrated approach to the following areas of activity: innovation and digitalisation, supply security, customer orientation and climate and environmental protection. To be more specific, innovation and digitalisation projects must always meet the following criteria: They must create something new that brings benefits for our customers and contributes to sustainability.

In line with this integrated approach and to give our claim the necessary weight, the staff department responsible for the content and coordination of innovation and digitalisation projects reports directly to the Executive Board. The Executive Board and management meet several times each year at all-day innovation conferences to develop concrete measures and to assign and monitor the progress on specific task packages. The environment and climate as well as their implications for strategic measures are also a regular part of the agenda for these management conferences. The involvement of EVN's top management levels helps to ensure the successful implementation of these diverse innovation plans within the framework of flexible, cross-functional project structures. In addition to the interdepartmental teamwork between experts from various specialist areas and disciplines, cooperation with exter-

nal research and scientific partners, e. g. from the academic sector, has proven to be a success factor for many projects.

The focal points of EVN's innovation work include projects to increase customer benefits (one important result here was the development of joulie, the digital photovoltaic package) as well as projects on the energy system of the future (for example, local energy communities), on e-mobility including the necessary charging systems, and on supply security (for example, battery storage or the conversion of wind and solar energy into hydrogen).
RAG Austria AG is currently working on a project for the storage of hydrogen: "Underground Sun Storage 2030". The two preceding projects "Underground Sun Storage" and "Underground Sun Conversion" successfully demonstrated that gas with a hydrogen component of up to 20% could be deposited in former natural gas storage facilities. Laboratory trials even indicated a possible increase in the hydrogen component to 100%. "Underground Sun Storage 2030" now plans to test this theory in real volumes. A successful outcome could make hydrogen a storage medium for electricity from wind and solar energy in the future.

We also place high priority on digital applications that bring greater comfort for customers and greater efficiency for our customer service. Examples include the options for placing digital orders or ordering network connections or inspection reports for natural gas equipment online.

Green Energy Lab

Our participation in the Green Energy Lab, Austria's largest innovation project for green energy to date, is particularly important for us, not only from a strategic standpoint. It has resulted in numerous highly interesting cross-sector projects for a green energy future. More than 200 participating partners from research, science and the public sector – together with four energy supply companies, including EVN – are developing customer- and demand-oriented scalable solutions from the prototype up to market maturity in the Green Energy Lab. These solutions can then be tested by the energy companies' five million customers. The Green Energy Lab has a budget of EUR 150m until 2025. The following double page shows examples of three Green Energy Lab projects that were implemented by EVN.

CAR2FLEX: ENERGY STORAGE IN THE GARAGE

Electrical autos can make a greater contribution to the energy transformation than the prevention of CO_2 emissions alone. The requirements are intelligent technologies and new mobility concepts that will help to integrate the rising number of electric vehicles in our energy system. Together with the Vienna University of Technology and other partners, EVN is working on these concepts as part of the "car2flex" project.

car2flex develops solutions that enable electric car batteries to be used as (intermediate) storage for electricity produced by photovoltaic equipment. These solutions use so-called bidirectional direct current charging points. The advantage: Electricity from the photovoltaic equipment on the rooftop of a house can be used as charging current for an electric car without conversion into alternating current. The charging point can, in reverse, also draw electricity from the car's storage battery and feed it into the electricity network. The system is optimally managed by specifically developed logarithms which can help to reduce network peaks. car2flex is part of the Green Energy Lab and directs its solutions to private photovoltaic equipment operators as well as fleet operators and car-sharing providers.

Expenditures for innovation, research and development projects

In 2020/21, EVN spent a total of EUR 1.4 m (of which 17.7% was financed through public subsidies) on innovation, research and development projects.

Also see page 149

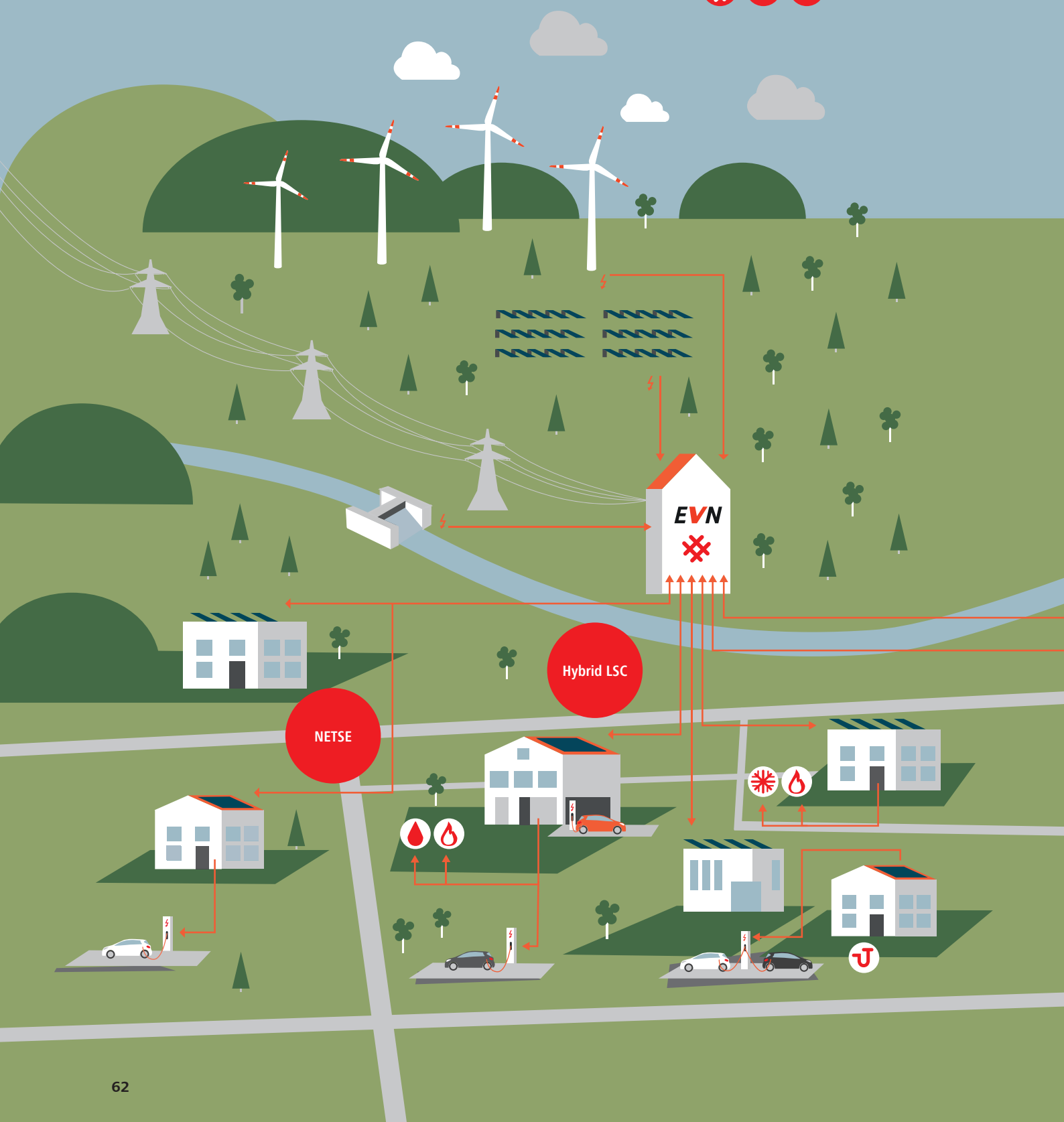
Green Energy Lab

This is a selection of research and development projects that are implemented by EVN which are designed to support the transition to a secure, emission-free energy future.

NETSE

→ (Further) development of platforms for the easy and efficient operation of energy communities

→ Regional electricity supplies from energy communities require hardware and software interfaces between the decentral producers, consumers, network operator and energy market (for the management of peak periods)




Hybrid LSC
→ Multi-family houses and residential areas in Lower Austria as pilot projects for "Local Sustainable Communities" (LSCs)
→ Digital control platform to optimise all supply and disposal services for a community (energy, heat, cooling, water, e-mobility, waste disposal)
car2flex
→ Real-life testing of bidirectional charging technology for electric autos
→ Buffer storage of own decentralised photovoltaic generation
→ Integrated mobility solution to reduce network peaks
green energy lab
Car2Flex

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. Our product portfolio is based on the following principles within this legal framework:

- → A long-standing commitment to 0% nuclear-generated electricity
- → Proof that 100% of the electricity originates entirely from Austrian sources
- → An offering of tariffs for every customer segment (household, commercial, industrial and municipalities) in two forms: electricity from 100% renewable sources and a hybrid alternative that includes a maximum component of electricity from renewable sources as well as electricity from conventional generation
- → Options to select fixed or variable energy prices as the basis for the tariff

Compliance with these principles is verified each year by an independent auditor. In addition to this review of electricity labelling, our product 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; 36% of the electricity delivered by EVN KG to its end customers is completely CO_2-free.

Electricity from renewable sources has also become the larger component of hybrid alternatives. The renewable share of electricity labelling by EVN KG equalled 95.3% in the 2020 calendar

year. The very low thermal component consists of electricity generation from natural gas (2.3%) and from thermal waste utilisation (2.4%). For the first time, EVN KG customers who decided in favour of an electricity product from hybrid energy carriers received no electricity generated from hard coal in the 2020 calendar year. CO_2 emissions from the supply mix therefore fell to 23.34 g/kWh (previous year: 39.01 g/kWh).

In Bulgaria, electricity for the regulated market segments must be purchased from the state-owned energy supplier NEK. This company does not label its products, and no other options are available. Our Bulgarian sales company therefore has no influence over the electricity mix. A similar rule applies in North Macedonia: Our distribution company is legally required to purchase the electricity for customers in the regulated market segments from the state-owned electricity company ELEM and, consequently, also has no influence over the composition of the delivered electricity. Neither Bulgaria nor North Macedonia requires electricity labelling.

For information on energy procurement, also see page 38
Also see www.evn.at/Herkunft (available in German only)
GRI indicator: GRI 417-1

Customer health and safety

We minimise the potential negative effects from our products on the health and safety of our customers through careful, responsible actions along our entire value chain. The protection of our customers has top priority, above all in energy supplies and network operations. Ongoing controls are designed to avoid interruptions and, moreover, prevent any danger to our customers.

The prerequisite for safe supplies of electricity lies in compliance with high safety standards for customers' network connections, including the careful installation of the prescribed safety equipment. In our daily operations, measures to prevent defects protect the availability of energy supplies and prevent potential hazards in the event of technical malfunctions. Potential dangers are always increased when customers or external persons work near our power lines and equipment. We have therefore implemented special protection concepts and safety standards to deal with these situations.

The inspections of gas pipelines are an important focal point of our activities and are carried out by our specialists in accordance with legal requirements and at pre-defined intervals. In addition to the inspection of the pipelines with highly sensitive equipment, the pressure in the natural gas network is monitored constantly. At the same time, the pipeline routes are screened for possible changes, e. g. from tree roots. We also regularly have natural gas tracking teams in the field which control the local pipelines with special measurement equipment and probes for the early localisation of any leaky spots. In addition to all these measures for the regular inspection of the pipelines, the Natural Gas Safety Act requires the examination of all natural gas equipment (natural gas safety check) at least every twelve years.

In addition to these specific protective measures for electricity and natural gas network operations, EVN's quality management plays a central role by defining the highest standards for all relevant product-related activities and processes. Ongoing quality assurance as part of our overall responsibility ensures that our products and services meet all applicable requirements for the health, satisfaction and safety of our customers. These requirements are deeply anchored in EVN's value hierarchy. Examples of our quality management initiatives include the (further) development of the product portfolio, innovation, research and development activities as well as all processes for the certification, manufacture, production, distribution, marketing, sales promotion, use, maintenance, disposal and recycling of our products.

GRI indicators: GRI 102-11, GRI 416-1

Strategies to combat energy poverty

EVN's values also include a commitment to social responsibility. This is reflected, among others, in our work to combat energy poverty. In this area we cooperate primarily with social aid organisations on projects that provide targeted support for low-income households. These projects concentrate 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.

We are in regular contact with the Lower Austrian debt counselling service and the Caritas social service organisation. These communication channels facilitate the coordination of individual measures for socially disadvantaged customers. The measures include, for example, individual agreements for payment deferrals or instalment payments. In exceptional cases, we are particularly accomodating to our customers' problems. Our help during the 2020/21 financial year was directed primarily to persons who had lost their income due to the Covid-19 pandemic.

GRI indicator: GRI 203-2

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) which 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.

In 2020/21, we received a request from the Data Protection Authority to comment on a complaint. We, of course, met this request within the specified period. The Data Protection Authority followed our argumentation and rejected the complaint as unjustified. Seven other cases from the previous financial year were also terminated by the authority during the reporting period. No incidents involving the possible loss of customer data were identified in 2020/21.

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

GRI indicator: GRI 418-1

CORONA PROTECTIVE MEASURES FOR CUSTOMERS

The Covid-19 pandemic created a range of new challenges for our customer service which were optimally mastered due to the strong commitment of our employees. Our customer service and emergency service staff were available at all times, even during the most critical phases of the pandemic. A central concern, naturally, was protecting the health of our customers and employees. We therefore extended the protective measures for EVN's employees with customer contacts (e. g. plexiglass panels in our Service Centres, use of FFP2 masks, regular testing) with stricter implementation and for a longer period than legally required.

For information on corona-related measures to protect employees, see page 70f

We stand together for clear values

We are closely bonded with the people who work with us every day to make EVN successful. This mindset is expressed in attractive working conditions, high respect, full equal opportunity and a wide range of possibilities and offerings for the development of our employees. At EVN, we see ourselves not only as a responsible and fair employer – we also want to create room for personal growth.

Katrin Schretzmayer, team head decentralised energy solutions
Anna Schrammel, apprentice
Wolfgang Maier, head of HR

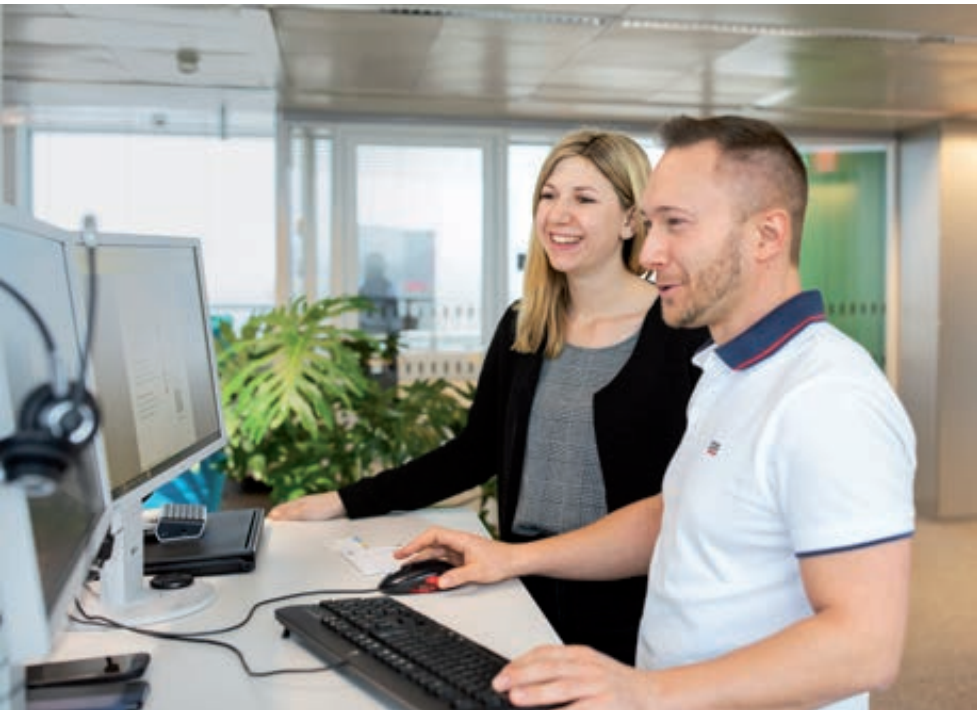
The EVN working world

Influence of the Covid-19 pandemic

Our daily work routine during the 2020/21 financial year was again influenced by the Covid-19 pandemic, which also had a lasting influence on our collaborative work. Previously prepared emergency plans, in particular the "Pandemic Prevention", allowed EVN to quickly develop an extensive package of corona measures with two primary goals: the protection of vital – also classified as "critical" by the authorities – infrastructure and supplies for the population and economy, and maximum protection for our employees. An unlimited home office option was quickly and unbureaucratically implemented for all employees whose work is not necessarily connected with their usual workplace. Nearly 1,500 men and women, representing more than 60% of all employees in Austria, took advantage of this opportunity. Strict safety instructions were issued for the men and women whose jobs required actual presence in the workplace, including the minimisation of social contacts, location changes, personal protective equipment and preparations for quarantine measures. The Covid-19 crisis staff met twice weekly to discuss additional measures, which were accompanied by ongoing information and instructions on behavioural and hygiene rules via the Intranet and e-mail. Our employees were therefore able to continue regular operations without interruption and carry on with their work for important construction projects like transformer stations and natural gas supplies.

Increasing digitalisation

Last but not least, the Covid-19 pandemic has also permanently influenced and accelerated the transformation of our working culture towards digitalisation. The use of digital tools is changing our daily life and the design of our workplaces, our understanding of work and, above all, our cooperation with each other. The EVN Working World, a project started before the pandemic, is designed to create an optimal and highly flexible working environment for our employees. The opening of additional office areas, numerous technical improvements and the introduction of new 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 in the future in line with the motto for our Strategy 2030 "More sustainable. More digital. More efficient." Concepts for flexible working time models, mobile work and space usage as well as their influence on existing management models are in preparation; they will be tested jointly and adjusted, where necessary, based on feedback loops.



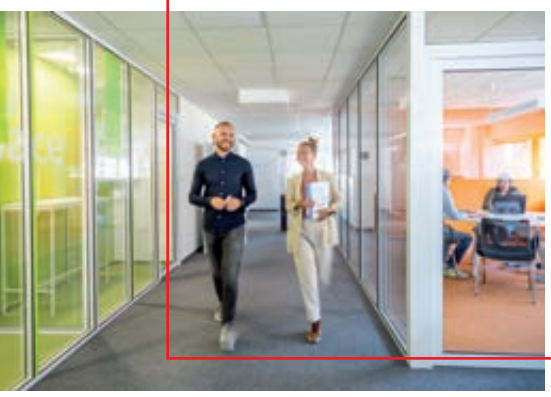
The pandemic was also responsible for the postponement of many training and continuing education programmes or their conversion on short notice to virtual formats. With the implementation of an IT-based learning and seminar coordination platform (ELI – EVN Learning Interface) by the end of 2021, we are also increasing the focus on virtual presence in this area. It will enable, among others, more transparent and consistent information and data collection – e. g. with visualised training plans and a training history – as well as simplified administration processes for external and internal seminars. The combination of digital and presence-based learning formats will set the stage for so-called blended learning. ELI will replace and standardise the analogue documentation of events in the form of participant lists, confirmations and evidence.

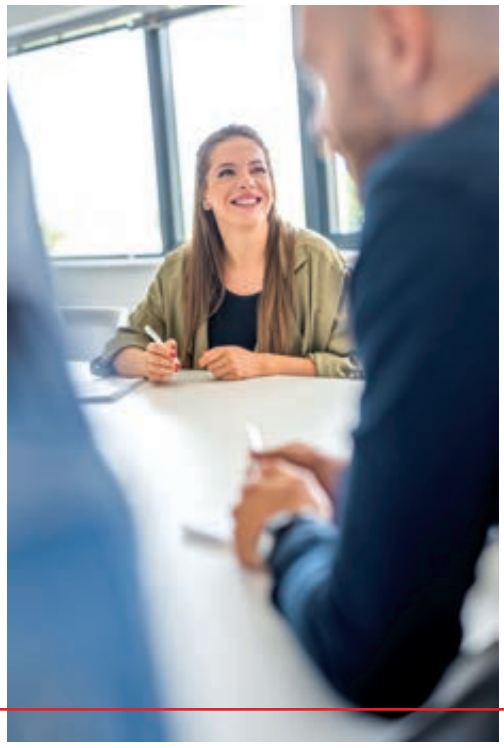
VACCINATION CAMPAIGN AT EVN

When the first reliable information appeared at the end of 2020 that vaccines against the Covid-19 virus would be approved at the beginning of 2021, our goal was clear: EVN would do everything in its power to make these vaccines available to the largest number of employees as quickly and safely as possible. The registration of a separate company vaccination centre formed the basis for ordering the medication from Austria's government procurement agency. We carried out an internal survey in January 2021 to evaluate the interest of our employees in this campaign, and over 75% of the responses were positive. The first vaccinations took place in mid-May, and motivation remained high up through the second dose. The campaign was accompanied by strict safety measures as well as detailed information from our company physicians. Support was provided by nearly 50 employees – including colleagues from the company fire brigade and power plants as well as volunteers who managed access controls, registration and other tasks. A total of 3,300 vaccinations were made possible through the EVN vaccination campaign. The shared commitment of everybody involved made EVN's vaccination campaign a full success.

NEW HEADQUARTERS IN SKOPJE

The new corporate headquarters in North Macedonia opened for business operations during the past financial year, and the roughly 500 men and women who work for EVN Macedonia in the headquarters in Skopje are now connected in a single building. Their offices were previously situated throughout the city, a situation that led to high maintenance and refurbishing costs. This convenient location – on the shores of the Vardar River and only a short walk from the city centre – can be easily and quickly reached by all employees. A total of 6,000 sqm on five floors with modern equipped offices in an open space-concept significantly reduces communication paths and creates greater transparency between employees and managers. Different sized rooms with state-of-the-art telecommunications equipment are available for meetings and teamwork, and employees can also take advantage of a cafeteria, underground garage and electro-scooters for short business errands.





Principles and models for our cooperation

National laws and international guidelines such as the Universal Declaration of Human Rights well as the basic values described in the Code of Conduct form 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 are active. 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 that describe our corporate and management culture, e. g. the managerial mission statement and the feedback and orientation sessions which are held regularly with more than 90% of our employees in Austria. These discussions provide an evaluation by the employee's supervisor and also allow for structured reciprocal feedback on work performance and quality plus the definition of goals for the employee as part of individual career planning.

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 7,126 employees (FTE, full time equivalent) in 2020/21. The workforce totalled 7,453 as of 30 September 2021 (headcount).

As of 30 September 2021, our workforce consisted of 23.0% women and 77.0% men. In order to increase the percentage of women in the EVN Group and to facilitate career planning – above all for highly qualified women – various 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. A mentoring programme is designed to support women in their management positions and thereby create the basis for increasing the number of female managers. The annual "Girls Day" in Bulgaria and North Macedonia provides a platform for raising the awareness among girls by presenting technical job profiles.

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 25 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 in all our markets most employees and managers come from the respective countries (approximately 90%). In particular, the strengthening of local management capacity represents an important aspect of our corporate strategy.

Our workforce includes 180 wage employees (45 in Austria and 135 in other countries) and 7,273 salaried employees (2,679 in Austria and 561 in other countries). No differentiation is made between wage and salaried employees in Bulgaria (2,332 salaried employees) or North Macedonia (1,881 salaried employees).

In addition to our own staff, 127 leased employees, representing 1.7% of our total workforce, also worked for the EVN Group as of 30 September 2021. 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 118 persons with special needs in 2020/21, representing 1.6% 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 their nationality or ethnic background, gender, sexual orientation, culture and religion, age or state of health. We also 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 2020/21, the ratio of the highest salary and average salary[1] at EVN in Austria equalled approximately 7.9:1.

1) The calculation was based on the average value.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 134

GRI indicators: GRI 102-8, GRI-102-38, GRI 202-1, GRI 202-2, GRI 401-1, GRI 405-1, GRI 412-1

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.

APPRENTICES @ EVN

EVN has trained apprentices since 1949. Apprenticeship therefore has a long tradition and enjoys high priority in our company. The three and a half year training programme includes theoretical as well as practical content. An apprenticeship representative and a coach serve as contact partners and are always available to provide advice and assistance. The apprenticeship at EVN is supplemented by internal courses and seminars, which include a basic course in metals, pole climbing instructions and working with chainsaws. In this way, our technical trainees receive the best possible preparation for their future careers.

Apprenticeship training is continually confronted with new challenges and responsibilities, not least due to the rapid spread of digitalisation. The use of digital technologies can make work, production and business processes more flexible and efficient. New technical solutions also drive the modernisation of existing and the development of new products, services and business models. EVN is reacting to these trends and integrating new content into its apprenticeship training programmes to optimally prepare these young men and women for changing and new aspects in their professional life. An e-learning module for mathematics and a seminar on network engineering and telecommunications for apprentices in their final year were introduced in 2019. This latter seminar focuses on network technology and components as well as the structure and function of PC networks. The Computer Driving Licence and – as part of personal development seminars – dealing with social media have been fixed parts of the training plan since 2020.

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 various 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 possibility 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.

Our salaried employees in Austria, 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 our male employees are also deciding in favour of parental leave for childcare. In 2020/21, 44 women and 15 men were on parental leave in Austria.

Nearly all mothers and fathers return to EVN after that time (return rate: 95.5% for women and 100.0% for men). There were two resignations at the end of parental leave in 2020/21 and one resignation after the return to work in the year before. 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, GRI 404-2, GRI 412-1

Human resources development and advancement

Our employees' high qualifications represent a strategic asset and an important element for protecting the sustainable success of our company. Consequently, preserving and increasing our employees' high level of expertise are a central element of our human resources management. This helps us to protect our 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 carried out 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 of 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 217.6 per employee in continuous training and education during 2020/21 (previous year: EUR 299.1), which represents a total of EUR 1.6m (previous year: EUR 2.1m). Each employee spent an average of 28.77 hours (previous year: 27.45 hours) on these programmes. The year-on-year decline in expenses resulted from the cancellation of most on-site training programmes since the outbreak of the Covid-19 pandemic. Alternative e-learning modules and webinars were used where necessary and feasible. This offering has been substantially expanded since April 2020 and covers various topics for different target groups.

» The steady increase in **digitalisation has also led to** fundamental **changes in our working world.«**

Wolfgang Maier,
head of HR

Our human resource activities also reflect 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 (44.4 years). The need for qualified employees is rising as many of our

EVN MACEDONIA: LEADER OF THE SUSTAINABLE DEVELOPMENT GOALS

For two years, the Global Compact Network in North Macedonia in cooperation with Konekt – one of the most important national organisations in the CSR sector – has been honouring companies and projects which make a valuable contribution to the United Nation's 17 Sustainable Development Goals. The implementation by EVN Macedonia of a dual training structure in technical schools in North Macedonia was rated as very valuable for meeting the goal of "quality education" and recognised with an award in June 2021.

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 2021, 91 apprentices were employed at EVN. 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. Most of our apprentices remain as employees after completing their programmes. We also offer specially designed programmes for the development of future managers, e. g. the summer university "EVN SUN" which is held each year in cooperation with the Danube University Krems.

There are no legal regulations in South East Europe for this type of dual training, but we are working to establish a similar EVN-internal structure in these countries. We have already established cooperation programmes with various schools and training institutions in Bulgaria and North Macedonia. In Bulgaria, we are currently cooperating with ten partner schools where we equip one classroom in each facility and are regularly involved in the school routine. Plans call for the expansion of this type of cooperation during the coming year. In North Macedonia, our dual training concept has started its fifth cycle. It is accompanied by a 12-month programme for training as a special engineer that combines practical on-the-job experience with theoretical content and assistance for the participants through mentoring. These EVN initiatives are not only very popular locally but have also received international recognition.

△ GRI indicator: GRI 404-2

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 many men and women who work for EVN is therefore a central element of our corporate culture. An important subject area in our Code of Conduct involves our efforts on behalf of occupational safety and the prevention of accidents in all our business areas. In addition to the many European and national requirements, we have defined our own principles for occupational safety and health protection. These principles are anchored in EVN's safety mission statement and safety strategy. They are supplemented by an extensive set of internal directives and guidelines which describe the safety risks associated with our activities and define the necessary countermeasures.

A separate central occupational safety department records and analyses work accidents involving our own employees and leased personnel and introduces 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. Close 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 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 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, followed by falls, cuts and stab wounds. A series of preventive measures and initiatives – for example, monthly safety talks with supervisors – will set the priorities for these areas in the future. We are also working on e-learning modules, video-clips, articles in the employee magazine and the EVN Intranet, specialist seminars and regular information on accident-free days to create a greater awareness among employees for this issue. The EVN occupational safety team also presents an annual "Oscar for Occupational Safety" to the departments and organisational units with an accident-free year. Major potential hazards for serious accidents with long work absences are, for example, traffic accidents, falls from power poles and torn ligaments or broken bones during power line inspections.

Our efforts in support of accident prevention include information and instructions for our employees on all issues related to health and safety. We use a safety manual that addresses the special working conditions in the energy sector and have also issued manuals for specific areas such as hydropower plants or wind power equipment. Each of these documents is updated on a regular basis 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 detailed information on the specific dangers connected with EVN's equipment. The instructions on worker protection include general information and, above all, behaviour- and action-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 and fire alarm plan
- → 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)

Accident and lost days statistics	2020/21	2019/20	2018/19
Deaths after work-related injuries	–	–	2
Ratio of deaths (%)	–	–	0.2
Occupational accidents[1]	78	64	85
thereof severe accidents with lost days >6 months	–	–	–
Ratio of severe accidents with lost days >6 months (%)	–	–	–
Staff sick days[2]	1,966	1,477	2,376
LTIF[3]	3.3	2.8	4.3
Number of LTIF-relevant occupational accidents[4]	41	35	53
Lost days/employees[5]	11	10	10

1) Excluding commuting accidents
2) Lost days (including weekends and public holidays) resulting from occupational accidents (excluding commuting accidents)
3) Lost Time Injury Frequency Index – frequency of occupational accidents per one million working hours
4) Number of work-related accidents (excluding commuting accidents) resulting in lost days, the causes of which are connected to the occupation
5) In Austria, segregations or illnesses due to Covid-19 are not included in the number of sick days.

EVN MACEDONIA RECOGNISED AS A RESPONSIBLE EMPLOYER

EVN Macedonia and local subsidiaries were recognised several times in 2020 for their efforts in support of occupational safety. In addition to practical training – e. g. for working at great heights and under voltage – the quality of our workplaces was commended for its attention to the highest safety and health standards. We were also the national leader in adjusting our work processes during the pandemic and creating new opportunities for health checks on our company premises.

Occupational safety training

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" and "Construction of high- and low-voltage overhead lines: the safety-related aspects of power line construction" 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 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 our German subsidiary WTE Wassertechnik, especially in the international project business. The underlying principle is the clear commitment of the EVN Group to preserve and protect human rights. WTE Wassertechnik 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 to provide regular reports to the respective customer.

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 Wassertechnik is therefore required to 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 also 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 attend to employees within the framework of labour protection laws. The many related measures include medical check-ups, vaccinations, eye and hearing tests and preventive medicine as well as psychological counselling, coaching, tips on healthy nutrition and special offerings for groups of employees who are exposed to particular risks. Our subsidiaries in Bulgaria and North Macedonia have also implemented healthcare programmes to increase awareness and improve the health of our employees.

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".

In addition to company-sponsored measures, the EVN culture and sports club offers 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

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, North Macedonia and Germany. 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

EVN 100

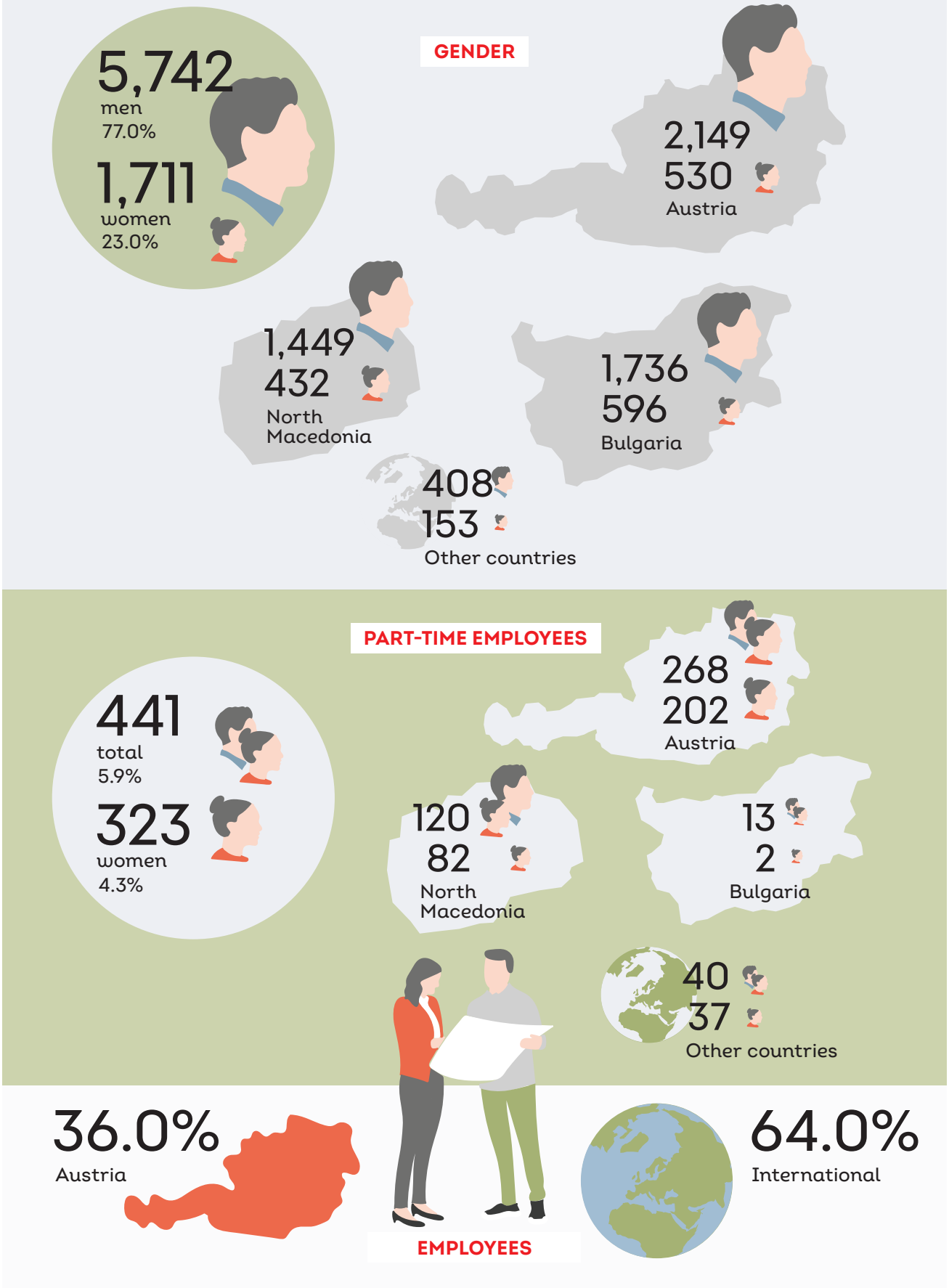
DYNAMIC TEAM

Total commitment – not only for our customers but also in sports together with our colleagues: The EVN culture and sports club, which is supported by the company and today has roughly 2,800 members, has organised a wide range of sport and cultural activities for nearly seven decades. The offering ranges from soccer, skiing, sailing and windsurfing to sport climbing, sport shooting, diving and tennis as well as events like the EVN Run, EVN Ski Race and soccer tournaments. Health protection is also a priority for the club, for example through free courses for back training, Pilates, yoga and the like.

with our managerial mission statement, 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 – and we intend to follow this procedure with similar cases in the future. This 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.

Diversity of employees 2020/21



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

Newly hired employees 2020/21		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1]
<30 years		**73**	**78**	**25**	**26**	**202**	**2.7**
thereof women	Number	20	14	7	9	50	0.7
thereof men	Number	53	64	18	17	152	2.0
30–50 years		**82**	**74**	**15**	**61**	**232**	**3.1**
thereof women	Number	16	24	5	13	58	0.8
thereof men	Number	66	50	10	48	174	2.3
>50 years		**10**	**3**	**3**	**17**	**33**	**0.4**
thereof women	Number	2	2	0	3	7	0.1
thereof men	Number	8	1	3	14	26	0.4
Total		**165**	**155**	**43**	**104**	**467**	**6.3**
thereof women	Number	38	40	12	25	115	1.5
thereof men	Number	127	115	31	79	352	4.7

1) In relation to total workforce as of 30 September 2021

△ GRI indicator: GRI 401-1

The issues addressed by the European works council range from occupational safety and employee benefits to transnational initiatives in culture and sport.

"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

Over 90% of all EVN employees are covered by statutory pension insurance. As a supplement, all 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 date of retirement. EVN's contribution in 2020/21 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 2020/21. Our responsibility as an employer is also illustrated by the introduction of 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 summer 2021, EVN employees assisted emergency personnel in Belgium with clean-up efforts after local flooding as part of their work with Lower Austria's volunteer fire brigades and help was also provided to extinguish forest fires in North Macedonia. In total, 454 employees are currently active volunteers in these types of aid organisations. We support this commitment, in our function as an employer, by excusing employees from work for up to half of the invested time in case of an operation.

Employee benefits

We spent a total of EUR 14.5m on employee benefits (pension contributions, other employee benefits) in 2020/21 (previous year: EUR 14.6m), which represents 4.0% (previous year: 4.2%) of personnel expenses.

△ GRI indicator: GRI 401-2

Employee fluctuation – persons leaving 2020/21[1]		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[2]
<30 years		**33**	**15**	**22**	**2**	**72**	**1.0**
thereof women	Number	12	7	7	1	27	0.4
thereof men	Number	21	8	15	1	45	0.6
30–50 years		**39**	**21**	**33**	**13**	**106**	**1.4**
thereof women	Number	15	3	12	5	35	0.5
thereof men	Number	24	18	21	8	71	1.0
>50 years		**11**	**30**	**64**	**13**	**118**	**1.6**
thereof women	Number	4	11	13	2	30	0.4
thereof men	Number	7	19	51	11	88	1.2
Total	Number	**83**	**66**	**119**	**28**	**296**	**4.0**
thereof women	Number	31	21	32	8	92	1.2
thereof men	Number	52	45	87	20	204	2.7

1) This table does not include transfers within the Group, retirements, trainees.
2) In relation to total workforce as of 30 September 2021

△ GRI indicator: GRI 401-1

Employees per operating location 2020/21

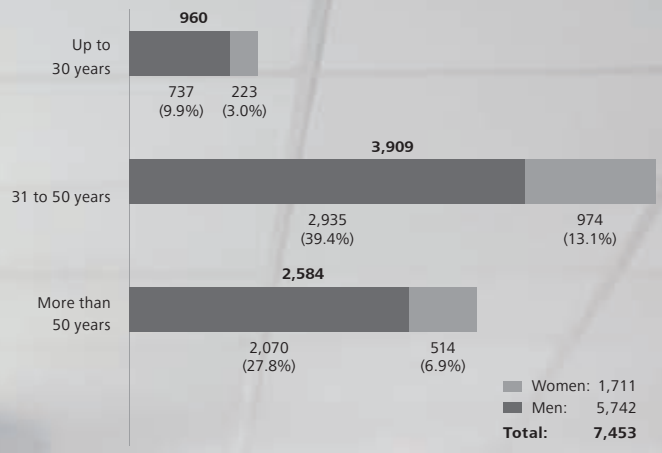
Number

1) EVN Group

GRI indicator: GRI 102-8

Age structure of employees 2020/21

%, total: number



GRI indicator: GRI 405-1

Christian Stürbl and Marlene Fischer,
evn naturkraft

We understand our responsibility

We are firmly convinced that the use of energy and the protection of the climate and our environment are not a contradiction. On this current journey to a sustainable energy system, we are relying on new ideas, innovation and state-of-the-art technologies and expanding our own generation portfolio with a focus on renewable energies. That will allow us to cover the energy requirements of a modern society and, in addition, protect the beauty of our world for coming generations.

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 in EVN's environmental policy statement. 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 projects and the management of waste in an environmentally friendly manner. EVN's climate policy statement directs attention to the gradual system transformation towards climate-neutral energy generation as well as the importance of protecting supply security.

EVN has operated an environmental management system on a voluntary basis since 1995. As an integrated management system, it meets the EMAS (Eco-Management and Audit Scheme) and ISO 14001 standards as well as the standards for environmental protection. The EMAS regulations require, among others, the definition of measurable environmental goals. The basic requirements for certification under EMAS include full compliance with environmental regulations and a comprehensive accompanying review. All our thermal power plants in Lower Austria as well as the 64 heat generation plants and three cooling plants are subject to these standards. Our thermal waste utilisation plant in Zwentendorf/Dürnrohr is additionally certified under ISO 9001 and according to the specifications for the monitoring label "specialised waste management company". 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 BS OHSAS 18001:20017.

We make an important contribution to meeting Austria's 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

○ Also see www.evn.at/Umweltleitbild (available in German only)

The Executive Board and Supervisory Board receive information and guidance on environmental and sustainability issues from the 28 members of EVN's Sustainability Advisory Board (formerly the Advisory Committee for Environmental and Social Responsibility). This panel met twice in 2020/21, whereby a special focus was placed on the following issues:

- → The water future in Lower Austria 2050 – strategy concept for the province of Lower Austria
- → Drinking water supplies in Lower Austria – future challenges
- → Blackouts and blackout prevention
- → Current innovation projects

□ For information on the impact of business activities on society, the environment and the economy, also see pages 23ff
○ Also see www.evn.at/Nachhaltigkeitsbeirat (available in German only)
△ GRI indicator: GRI 102-31

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.

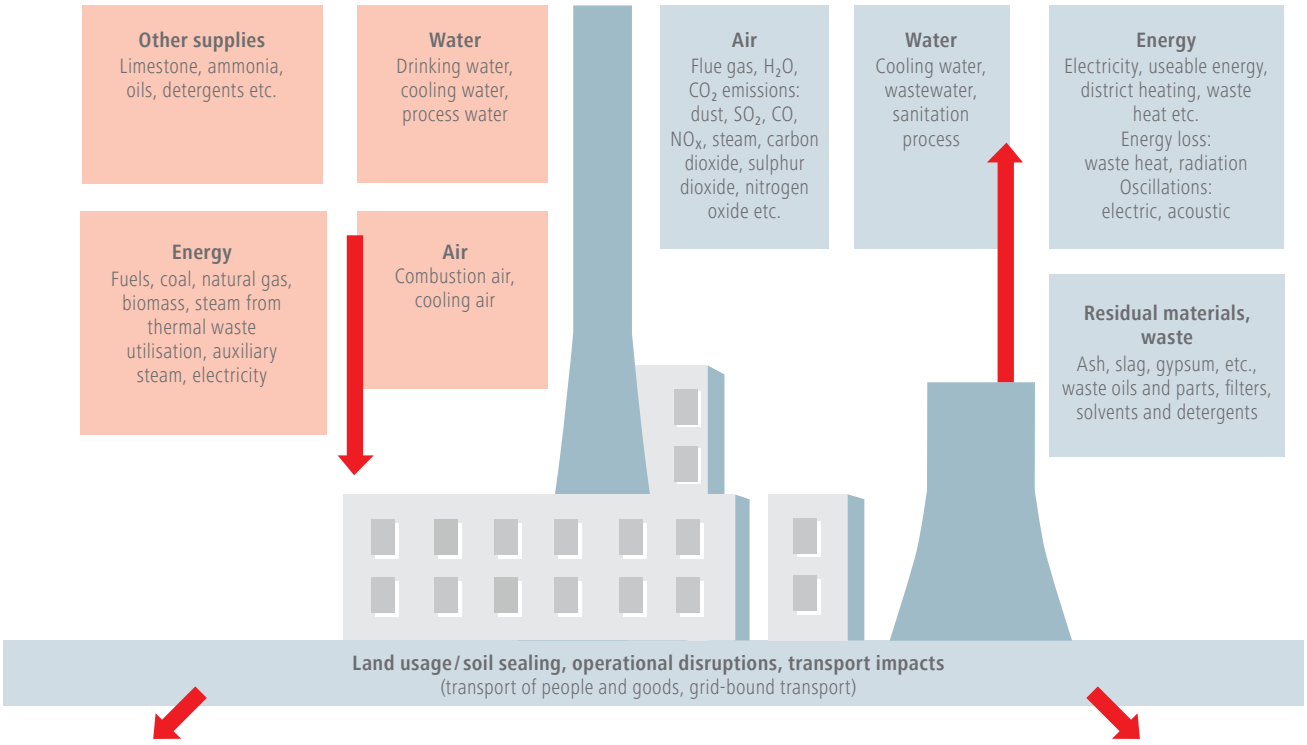
Direct impact

The most important direct environmental impact of our plants arises from the emission of the following air pollutants: CO_2, NO_x, SO_2, dust and CO. We use state-of-the-art burners and efficient flue gas cleaning equipment to minimise the environmental impact of our power plants through NO_x and SO_2 emissions.

In our plants, we also use water as a heat transfer medium and for cooling purposes. The cooling water drawn from the Danube River is returned to the river in accordance with all applicable environmental regulations. Other environmentally relevant processes include the treatment of raw water and boiler water. 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

Input-output analysis of thermal power plants



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.

Indirect impact

The indirect environmental impact is related primarily to the delivery of the primary energy carriers used by EVN. In order to avoid unnecessary waste and conserve resources, we include ecological factors in the procurement processes for the required operating products.

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

Responsible use of energy and resources

As an energy and environmental services company, we are well aware of our special responsibility for climate and environmental protection. We therefore use our extensive know-how to conserve resources, protect the environment and use energy efficiently 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 21.09 MWh of primary energy for each gigawatt hour of electricity sold in 2020/21 (previous year: 16.96 MWh). The use of new technologies and

Material utilisation – network construction in Lower Austria[1)]		2020/21	2019/20	2018/19
Additional power lines	km	310	334	251
Additional/less natural gas pipelines	km	–6	–30	25
Additional heating lines	km	11	10	14

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

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2020/21	2019/20	2018/19
Renewable energy carriers				
Biomass[1]	terajoule[2]	4,372	4,357	5,991
Non-renewable energy carriers				
Fossil fuels[3]	terajoule[2]	17,693	15,199	30,646
Non-renewable materials				
Limestone[4]	t	12,554	14,337	26,458
Lime hydrate	t	611	419	340
Ammonia	t	337	243	897
Ammonia water	t	1,652	1,856	2,136
Demineralised water	m³	174,799	156,147	175,937
Lubricating oils	t	14	4	7
Hydrochloric acid[4]	t	364	388	219
Sodium hydroxide[4]	t	179	187	67
Dosing media	t	6	9	10
Rock salt	t	128	106	131
Precipitants[5]	t	938	1,113	1,222
Flocculating agents[5]	t	194	235	238
Urea	t	1	1	15
Other energy carriers				
Waste[6]	terajoule[2]	5,748	5,501	5,581

1) Adjustment of prior year information due to a re-validation of the lower caloric value and a change in the calculations relating to dry fuel for improved comparability in the 2019/20 financial year.
2) Information provided in terajoules because of the different fuel qualities.
3) Natural gas, hard coal, heating oil
4) Change in the previous year's figures due to the addition of amounts from the EVN thermal power plants
5) The prior year values were adjusted to reflect the investment in the Zagreb wastewater treatment plant project.
6) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

△ GRI indicator: GRI 301-1

continuous optimisation measures, also in connection with additional voluntary targets 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. As an energy supplier in Austria, we have also been legally required to implement energy savings measures for end customers at an amount equal to 0.6% of the previous year's energy sales volumes since 1 January 2015. The target for the 2020 calendar year was 44.9 GWh, which we met with a wide variety of measures such as the exchange of old heating equipment for new, more efficient heating systems and the replacement of inefficient road lighting with new, energy-saving LED products as well as energy advising.

△ GRI indicator: GRI 302-5

EVN's direct and indirect own energy consumption by primary energy sources		2020/21	2019/20	2018/19
Non-renewable energy carriers	MWh	5,845	5,347	5,516
thereof natural gas	MWh	5,699	4,947	5,198
thereof heating oil[1]	MWh	146	400	317
Renewable energy carriers	MWh	–	–	–
Electricity, heating and cooling energy[2]	MWh	376,321	367,463	516,817
Total[2]	MWh	382,166	372,810	522,333

1) Heating oil is used in North Macedonia and Bulgaria only.
2) The prior year values were adjusted to reflect the investment in the Zagreb wastewater treatment plant project.

EVN CLIMATE INITIATIVE

The development of our Strategy 2030 during the past year reflects the significant influence of current political and social discussions surrounding the subject of climate protection and the related goals. This strategy underscores our commitment to making an active contribution to the reduction of greenhouse gas emissions and the containment of global warming.

End of coal-based electricity generation, substantial re-dimensioning of natural gas

In addition to the continuous expansion of generation from renewable energy sources, our activities in recent years have also included the adjustment of our thermal generation portfolio – also due to the price trends for CO_2 emission certificates – with a corresponding positive effect on our CO_2 footprint:

- → In October 2018, substantial parts of the capacity in the Theiss (280 MW) and Korneuburg (150 MW) power plants were deactivated.
- → Today we use natural gas exclusively in cogeneration and combined heat and power plants in Austria (18.5 MW) and Bulgaria (80 MW). In addition, the Theiss gas-fired power plant (net output of 485 MW) is holding 470 MW as contracted capacity in reserve for the Austrian transmission network operator.
- → Following the premature termination of production at the hard coal-fired power plant in Dürnrohr during August 2019, we finalised EVN's exit from coal-based generation on 30 September 2021 with the sale of our 49% investment in the Walsum 10 coal-fired power plant and the end of electricity purchases from this source.

These measures alone reduced our CO_2 emissions from energy production by three-fourths. In line with our Strategy 2030, we will also make massive investments to expand our renewable generation capacity over the current decade.

Our Strategy 2030 also created the foundation for the development of the EVN Climate Initiative in 2020/21. It consists of three cornerstones and underscores our commitment to climate protection with concrete measures, goals and projects:

Science Based Targets Initiative (SBTi)

EVN joined the Science Based Targets Initiative (SBTi) in summer 2021. This initiative was founded and is headed by four international organisations – the Carbon Disclosure Project, UN Global Compact, World Resources Institute and World Wide Fund for Nature. Its objective is to enable 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. Verification by the SBTi increases the credibility, measurability and comparability of the goals and, consequently, leads to greater international acceptance.

In light of 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.

Climate neutrality in selected subsidiaries

A further contribution by EVN to climate protection includes the goal to make selected subsidiaries climate-neutral in the future. This process also follows internationally recognised standards and will be certified accordingly. In this connection, EVN experts are currently participating in an external working group that will develop the new climate neutrality norm "ISO 14068". The goal is to ensure external certification under this new norm for all subsidiaries designated for climate-neutral operations in the future. Until the development of ISO 14068 is finalised, we will work to achieve certification according to the internationally recognised British certification procedure PAS 2060.

EVN Wasser started a pilot project in autumn 2021 that is expected to make it the first EVN subsidiary to receive climate-neutral certification under PAS 2060. The basis will be formed by targeted energy efficiency measures, the use of CO_2-free energy for internal consumption and the conversion of the company fleet to electric vehicles. The successful conclusion of this pilot project will be followed by similar efforts in other Group companies.

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 support 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 pages 60ff

Measures to reduce energy consumption

We are working constantly to reduce our own energy consumption, among others through the following steps taken in 2020/21:

- At the energy supply centre in Ybbs, we installed a summer network pump with a lower connection value and reduced electricity consumption during the months from May to September by an average of 15%.
- The district heating networks in Mödling and Baden were optimised through better regulation of the transformer stations and a reduction in the return flow temperature.
- Photovoltaic equipment was installed at various district heating plants in Lower Austria, in operating facilities and at the new headquarters in North Macedonia to partially cover internal electricity requirements.

These projects helped us to realise annual savings of at least 13,000 MWh in 2020/21.

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 22,569 GWh in 2020/21 (previous year: 22,343 GWh).

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

E-MOBILITY: CHARGING INFRASTRUCTURE FOR BULGARIA AND NORTH MACEDONIA

In Bulgaria and North Macedonia, EVN is also involved in the expansion of the charging infrastructure for e-mobility. Charging stations are currently under construction in both countries, primarily in the major population centres.

The three charging stations operated by EVN Bulgaria in Plovdiv have been operated with certified green electricity since May 2021 and can be used free of charge up to the end of 2021. This limited offer is designed to support e-mobility in the region. In agreement with this objective, we plan to install roughly a dozen additional stations in and around Plovdiv during the coming months.

E-mobility is also becoming increasingly popular in North Macedonia. In cooperation with public agencies, we have set up over 40 charging stations in 17 cities throughout the country. They were not only installed at public areas in the capital city of Skopje, but also at heavily frequented places like hotels, restaurants and shopping centres.

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 emissions. The focus here is placed, not least, on the transformation of the energy system towards climate-neutral generation – and, above all, on the expansion of our wind power and photovoltaic capacity. We finalised EVN's exit from coal-based generation in 2020/21 with the sale of our investment in the Walsum 10 hard coal-fired power plant and the termination of electricity purchases from this source. Our Strategy 2030 also formed the basis for the development of the EVN Climate Initiative, which is based on three cornerstones:

- → Development of science based targets
- → Climate neutrality in selected subsidiaries
- → EVN's contribution to climate protection through research and development

❑ Also see our core strategies on pages 19ff
❑ For the EVN Climate Initiative, see page 92

Direct and indirect greenhouse gas emissions

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

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:

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

In accordance with the method prescribed by the GHG Protocol, our Scope 2 emissions are reported under a location-based and a market-based approach. We calculate the emissions for the market-based approach with the CO_2 factors that reflect the respective country-specific market mix. The location-based approach relies on the country-specific CO_2 factors defined by ecoinvent.

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

- → Electricity sales to end customers (calculation similar to the market-based approach under Scope 2)
- → 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

In order to standardise the factors and improve data quality, we introduced the use of CO_2 factors from the ecoinvent database to calculate the location-based Scope 2 emissions and upstream Scope 3 emissions beginning with the 2020/21 financial year. The calculation of the Scope 3 emissions

Scope 1 – Direct GHG emissions[1]		2020/21	2019/20
Austria	t CO_2e	852,233	793,299
Germany	t CO_2e	874,125	611,621
Bulgaria	t CO_2e	146,945	157,900
North Macedonia	t CO_2e	2,076	2,068
Croatia	t CO_2e	57	58
Russia, Slovenia	t CO_2e	10	626
Total	t CO_2e	**1,875,446**	**1,565,571**
	t CO_2e/GWh	**357.22**	**301.87**

1) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95

Scope 2 (location-based) – Indirect GHG emissions[1]		2020/21	2019/20
Austria	t CO_2e	176,086	159,345
Germany	t CO_2e	8,600	10,117
Bulgaria	t CO_2e	419,916	400,299
North Macedonia	t CO_2e	926,392	860,789
Croatia	t CO_2e	1,069	11,713
Russia	t CO_2e	–	11,464
Cyprus and Slovenia	t CO_2e	12,323	11,213
Total	t CO_2e	**1,544,386**	**1,464,940**
	t CO_2e/GWh	**101.4**	**97.6**

1) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95

Scope 2 (market-based) – Indirect GHG emissions[1]		2020/21	2019/20
Austria	t CO_2e	126,094	116,608
Germany	t CO_2e	9,343	10,992
Bulgaria	t CO_2e	417,924	398,472
North Macedonia	t CO_2e	926,392	860,789
Croatia	t CO_2e	975	10,678
Russia	t CO_2e	–	11,464
Cyprus and Slovenia	t CO_2e	8,114	7,402
Total	t CO_2e	**1,488,842**	**1,416,404**
	t CO_2e/GWh	**97.8**	**94.4**

1) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95

Other indirect GHG emissions (Scope 3)[1]		2020/21	2019/20
Total	t CO_2e	**8,557,930**	**8,538,601**
	t CO_2e/GWh	**379.5**	**382.5**

1) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95

Intensity of GHG emissions[1] [2]		2020/21	2019/20
Total CO_2 emissions	t CO_2e/GWh	**528.7**	**516.0**

1) Adjustment of prior year data to reflect a change in the calculation method, see the explanation on page 95
2) Specific CO_2 emissions based on the total of Scope 1–3 based on sales volumes of electricity and natural gas (19,813 GWh electricity and 4,957 GWh natural gas for 2020/21)

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

from customer flows are based on available data from the 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 1,875,446 t CO_2 in 2020/21 and was 19.8% higher than the previous year (1,565,571 t).

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.

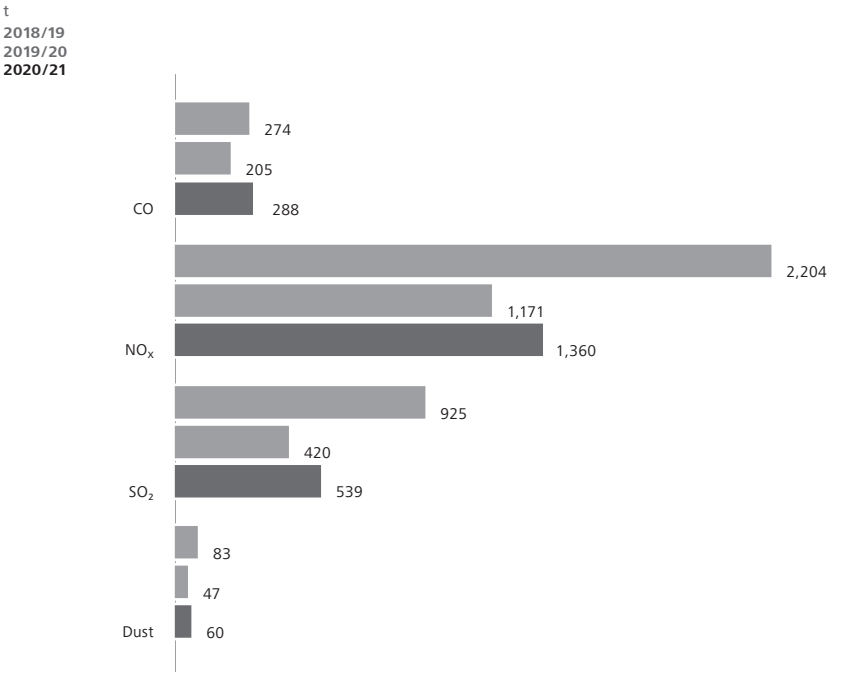
Assuming conditions are appropriate, we plan to expand our wind power capacity to 750 MW by 2030. The installed capacity in our wind parks increased to 394 MW in 2020/21 and was responsible for annual CO_2e savings (Scope 1) of approximately 32,000 t. Reaching the expansion target of 750 MW will result in CO_2e savings (Scope 1) of approximately 900,000 t.[1)]

1) Calculation based on the 2021 emission factor from fossil energy generation in Austria

Electricity production at the hard coal-fired power plant in Dürnrohr was terminated earlier than originally planned in August 2019. This step – to terminate operations before the end of the plant's technical useful life in 2025 – will prevent roughly 3.6m t of CO_2e emissions (Scope 1) and make an important contribution to climate protection. September 2021 marked the closing of the contracts for EVN's exit from the Walsum 10 coal-fired power plant and the end of our involvement in coal-fired electricity generation. This led to a sustainable reduction in the CO_2 emissions from our energy production in line with the consequent implementation of our Strategy 2030.

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 emissions from electricity production.

GRI indicator: GRI 305-7

CO_2 emission certificates

The CO_2 emissions of all EVN thermal power plants and seven of our district heating plants are recorded under the EU Emissions Trading System.

The gas-fired power plant in Theiss was under contract during the 2020/21 financial year to provide the Austrian transmission network operator with 430 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 for the volumes drawn by the Austrian transmission network operator to support network stability and in the Walsum 10 hard coal-fired power plant (in line with our 49.0% investment). We purchased 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 EnergieAllianz Austria.

In line with the EU Emissions Trading System, EVN needed 1,085,990 CO_2 emission certificates in the calendar year 2020, whereby 15% were allocated free of charge.

GRI indicator: GRI EU5

PHOTOVOLTAICS. WIDE-RANGING POTENTIAL FOR CLEAN ENERGY

Photovoltaics is one of the central cornerstones of a sustainable, CO_2-neutral energy future. Hardly any other renewable energy carrier offers a greater potential than the power of the sun. EVN's activities in the area of photovoltaics are, therefore, also wide-ranging, starting with the operation of several large facilities in Lower Austria, Bulgaria and North Macedonia, which currently have a combined installed capacity of 12 MW. A power plant commissioned in North Macedonia in December 2020 relies on one of the world's most advanced technologies for utilising solar energy. It produces electricity from both direct solar radiation and reflected light. The power plant's dual-sided solar panels absorb light from all directions: On the front side, they generate electricity from direct sunlight and, on the rear side, from light that is reflected by a special material below the solar cells. With 280 sun days per year, North Macedonia enjoys an excellent position to produce solar electricity.

Photovoltaics on EVN buildings

At the same time, we are outfitting our own buildings with photovoltaic modules – including, for example, locations operated by EVN Wasser and EVN Wärme. 13 operating branches, well fields and natural filter plants operated by EVN Wasser and twelve rooftops on biomass heating plants operated by EVN Wärme were equipped with solar panels during the past financial year. The installation of photovoltaic equipment on five additional biomass heating plants is scheduled for 2021/22. The consequent use of suitable roof areas for the production of electricity from solar energy provides substantial support for our climate and energy goals.

Wide-ranging solutions for our customers

For many years, we have also successfully realised individual photovoltaic projects for our customers. We provide support for the construction of this equipment on single-family houses, for community installations and pilot projects for energy communities as well as large-scale photovoltaic equipment for industrial firms. Our larger customers are increasingly interested in covering their own electricity requirements in an ecologically sustainable way or even generating this energy internally. Many of the local hospitals in Lower Austria produce their own solar electricity today thanks to a strategic partnership with EVN. Alone over the last two years, we have realised more than 1,000 such projects, where we offer all-inclusive services that also include, among others, the entire subsidy paperwork. More than 46,000 large and small photovoltaic facilities with a total installed capacity of 480 MW feed electricity into EVN's network.

Offers for municipalities

The EVN Solar Initiative gives municipalities an attractive opportunity to utilise the expansion potential for solar equipment on public buildings. The municipality makes a suitable rooftop available, and EVN takes charge of the planning, construction, financing and operation of the photovoltaic equipment for at least 20 years. Over the past three years, we have realised more than 50 of these models with a total capacity of approximately 540 kW in cooperation with Lower Austrian municipalities. A number of citizens' participation models for photovoltaic power plants have also been realised: For example, the "Sonnenkraftwerk Zwentendorf" started in 2012 and further projects have followed in the Lower Austrian municipalities of Sonntagberg and Wiener Neustadt. Citizens can participate through the purchase of individual panels and, in this way, play an active role in the transformation to new sustainable energy supplies.

Cooperation for research and development

In order to remain on the cutting edge of technical developments, we have operated a photovoltaic research centre in Zwentendorf together with the Vienna University of Technology since 2010. The projects are carried out under real environmental conditions to evaluate the efficiency, practical suitability and investment and operating costs of photovoltaic modules, solar tracking systems, solar converters and auxiliary equipment.

Ambitious expansion goals

We have also set ambitious expansion goals for our photovoltaic activities in the coming years, consistent with our Strategy 2030. Assuming the framework conditions are appropriate, we plan to increase the installed capacity in EVN's photovoltaic power plants by up to 300 MW by 2030. Bulgaria and North Macedonia are particularly interesting for photovoltaic projects due to their geographic location and – in comparison with Austria – higher number of sun hours. The focus here is on projects at existing power plants where we can use previously installed network connections. Our activities also include the regular evaluation of opportunities to combine photovoltaic equipment with wind power projects that are currently in operation or under development to ensure the sustainable and reasonable use of land to generate clean energy from the sun.

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. In addition, our material and equipment suppliers as well as disposal partners are selected according to ecological criteria.

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 2020/21.

We utilise all flue ash and coarse ash, while roughly one-half of the biomass ash from district heat production is transferred to disposal firms and then utilised. The remaining amounts are deposited in a landfill in accordance with the applicable regulations. All environmentally relevant incidents are recorded in a standardised reporting system that covers the plants in Austria, Germany, Bulgaria and North Macedonia. Our company registered no environmentally relevant incidents in 2020/21.

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 2020/21, the cooling water flow rate at our Lower Austrian plants totalled 75.7m m³ (previous year: 153.1m m³). This corresponds to 0.13% 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

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 contain detailed provisions for 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

Development of waste quantities[1)]		**2020/21**	2019/20	2018/19
Hazardous waste and residual materials	t	**17,489**	17,107	19,600
Non-hazardous waste and residual materials[2)]	t	**157,678**	225,141	236,174
Export of hazardous waste				
Hazardous waste	t	**0**	0	0

1) Without construction residue or power plant by-products
2) The prior year values were adjusted to reflect the investment in the Zagreb wastewater treatment plant project.

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 our German subsidiary WTE Wassertechnik 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. Another new business area involves sewage sludge management.

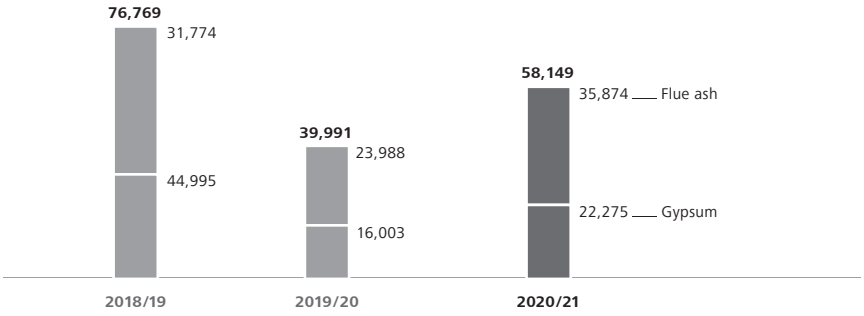
In the area of wastewater disposal, the EVN Group treated 66.8m m³ of wastewater in its plants during 2020/21 with a mean purification performance of 78.3%[1] (previous year: 76.6%; 65.4m m³). Wastewater treatment results in sewage sludge, which can be utilised. In addition to ground-based applications (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 phosphorous. The per cent value represents the quantity of pollutants removed.

△ GRI indicators: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-5

Utilised quantities of power plant by-products – Walsum 10 power plant[1]

t/year



1) Due to the early termination of electricity generation from coal at the Dürnrohr power plant at the beginning of August 2019, there have been no more power plant by-products in Austria since 2019/20. The 49% investment in the Walsum 10 power plant was sold as of 30 September 2021 and, consequently, EVN will record no further power plant by-products beginning with the 2021/22 financial year.

△ GRI indicators: GRI 306-3, GRI 306-4

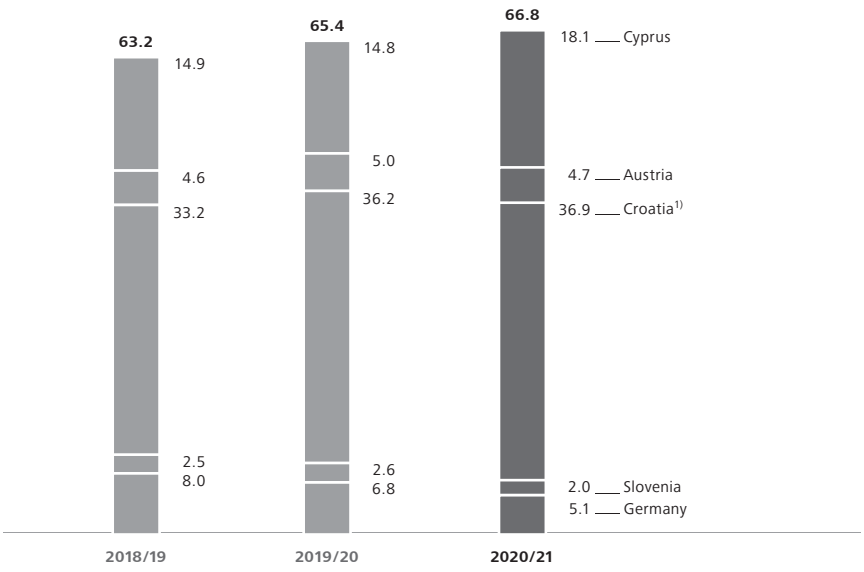
Thermal sludge utilisation

EVN's long-standing experience in wastewater treatment and thermal waste utilisation, which ranges from planning and construction to the operation of these plants, gives us a strategic advantage in a new field of business: sewage sludge utilisation.

EXPANSION OF THE WASTEWATER TREATMENT PLANT IN TULLN

EVN completed and commissioned the expansion of the wastewater treatment plant in Tulln during 2020/21. This mechanical-biological wastewater treatment plant now cleans approximately 10,700 m³ of wastewater on average per day. Pollutants are biologically degraded and mostly removed. The sewage sludge that accumulates in the secondary sedimentation basin is processed further and the resulting biogas is used for energy generation. The wastewater treatment plant is therefore capable of generating part of the energy required for its own operation. The remaining sewage sludge is converted into district heating at EVN's thermal waste utilisation plant in Dürnrohr.

Wastewater treated



1) The prior year values were adjusted to reflect the investment in the Zagreb wastewater treatment plant project.

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 microplastic, hormones, antibiotics and other drug residues contained in sewage sludge and, at the same time, recover valuable phosphorous. A recent legal requirement in Germany addresses these two utilisation aspects and has created a demand for projects involving sewage sludge utilisation.

WTE Wassertechnik was working on six projects for thermal sewage sludge utilisation in Germany, Lithuania and Bahrain during 2020/21. We are also planning to construct and operate a thermal sewage sludge utilisation plant at our Lower Austrian energy location in Dürnrohr.

Following successful boiler pressure trials and the installation of all plant components, the cold start-up of the thermal sewage sludge utilisation plant in Halle-Lochau started in mid-July 2021. sludge2energy GmbH, in which WTE Wassertechnik holds a 50% investment – was responsible for the planning and assembly of the plant, and WTE Betriebsgesellschaft will be responsible for future operations. The utilisation process is based on the latest technical standards and strict municipal requirements and makes an important contribution to environmental protection.

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:

Water[1)2)] m m³			2020/21	2019/20	2018/19
Water withdrawn[3)]	**Total**		**115.4**	**191.0**	**294.4**
	thereof by source	Surface water	78.8	155.1	259.7
		Groundwater	36.4	35.6	34.3
		Delivered water	0.3	0.3	0.3
Water released[3)]	**Total**		**80.6**	**157.6**	**262.2**
	thereof by destination	Surface water	78.8	155.2	259.7
		Water released to third parties (municipal wastewater treatment)	1.8	2.4	2.5
	thereof by treatment	No treatment	78.8	155.2	259.7
		Treatment level – wastewater purification (municipalities)	0.2	0.2	0.2
		Treatment level – wastewater purification (EVN Group)	1.7	2.2	2.3
Water consumption[4)]	**Total**		**34.8**	**33.4**	**32.2**

1) The treated water from our customers in the environmental services business is not included in the water balance.
2) The prior year values were adjusted to reflect the investment in the Zagreb wastewater treatment plant project.
3) All of the water withdrawn and released is fresh water (≤ 1,000 mg/l total dissolved solids).
4) Drinking water supplies from purified ground water by EVN Wasser

△ GRI-indicators: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-5

- → 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:

- → Cooperation with BirdLife Austria to insulate power poles as protection for the imperial eagle in the Laaer Basin
- → Participation in the LIFE EUROKITE project to protect the red kite in the northern region of Lower Austria
- → Joint project with the Association for the Protection of Great Bustards in Austria (continuation of the EU LIFE+ programme)
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir

FELLOWSHIPS AT EVN

On the occasion of EVN's upcoming 100th anniversary, the Group has announced its plans to award three one-year scientific fellowships. Young scientists who have completed a master or PhD programme will receive a scholarship for their research in the areas of culture and society, technology and business or the environment and climate.

EVN 100

PROTECTING DIVERSITY

EVN and its predecessor companies have long since recognised their responsibility for the flora and fauna in the areas surrounding their plants. All power plant and pipeline projects, past and present, regularly include accompanying measures to support biodiversity. Protection for fish waters, for example, was provided as early as the 1940s with the first fish bypasses in the rivers near EVN's hydropower plants. At our storage power plants on the Erlauf, we coordinate with experts to develop a management concept for the river that is adapted each year to reflect current conditions. Protective measures for birds and bats in the areas near our wind power projects represent another focal point of our activities, e. g. in the form of unused land or deactivation at certain times, temperatures and wind speeds. EVN has also cooperated with NGOs like BirdLife for many years and is involved, among others, in measures to protect the great bustard, white stork and red kite.

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
- → Joint project with the Bulgarian Association for Bird Protection to protect the imperial eagle (EU LIFE+ programme)
- → Joint project with Green Balkans, a Bulgarian environmental protection association, to protect the black vulture (EU LIFE+ programme)
- → Joint project with the Bulgarian Association for Bird Protection to protect birds from overhead power lines (EU LIFE programme)
- → Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants, cable shafts and transformer stations in North Macedonia

△ GRI indicator: GRI 304-4

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 2020

Category	Animals	Plants
Critically endangered	55	7
Endangered	83	20
Vulnerable	155	25
Near threatened	153	19
Least concern	1,429	728
Total	1,875	799

We integrate a wide variety of interests

Barbara Roller, administration and construction
Michael Kovarik, information and communication
Lina Hofer, innovation, sustainability and environmental protection
Heike Maier-Rieper, information and communication

The consequent inclusion of stakeholders' interests in our business activities allows us to not only meet the needs and concerns of our environment. It also broadens our own horizon. The findings from EVN's materiality analysis serve as an orientation line for decision-making and strategic directions. And we also use this information as a source of new ideas and possible solutions. However, we never lose sight of our social responsibility.

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 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 activities.

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 increased planning quality and security, the proactive inclusion of NGOs and interest groups often leads to more

EVN's stakeholders and the type of inclusion (Extract)	Survey (employee and customer surveys at regular intervals, stakeholder surveys etc.)	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	+	+	+	+	+

intensive and professional communications with neighbouring residents and local initiatives. The experience with previous projects also plays an important role here.

Project communications is institutionalised at EVN. 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. This extensive dialogue is intended, in particular, to support the following goals:

- → High acceptance by internal and external 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

Ecological and social aspects are included in the development of all our projects and the related due diligence audits from the very beginning. These audits, which are conducted before the start of every project, form the basis for the decision processes of the Executive Board and, for certain large-scale projects, the approval of the Supervisory Board.

△ GRI indicator: GRI 102-29

Responsible handling of local stakeholder interests

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
- → Professional, structured and proactive communications with all local stakeholders
- → Transparent and extensive presentation of all relevant project information with the use of modern communication formats

→ Coordination of communications with political decision-makers, support for municipalities in their communications and mediation in conflict situations

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, this is also possible over the EVN service telephone or via e-mail (info@evn.at).

△ GRI indicator: GRI 413-1

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 risk scenarios that also affect the population. 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. The emergency staff receive regular training, while duty personnel take part in annual training courses and all employees attend annual security training. Crisis management systems have also been installed at our operations in Bulgaria and North Macedonia.

△ GRI indicator: GRI 404-2

Support for interest groups and initiatives

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, we are a member, on a voluntary or legally required basis, of numerous national and international organisations and interest groups. The examples include Oesterreichs Energie and Eurelectric as industry associations as well as the UN Global Compact and respACT as social and ecological initiatives. All activities involved with 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 tangible and intangible basis. This includes high transparency and an open approach to dialogue, inside and outside our company.

Consequently, we have 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 the support of 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.

In cooperation with the EVN School Service, kabelplus has been holding free-of-charge workshops for schools since March 2020. External experts use these opportunities to explain the safe use of digital media and, in this way, strengthen the students' digital competence.

○ Also see www.young.evn.at and www.kabelplus.at/onlinesicher

We spent a total of TEUR 357.8 in these three countries during 2020/21 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).

EVN Junior Ranger Programme: After a corona-related interruption in 2020, we again organised the "EVN Junior Ranger" training programme this year. On two Saturdays, 16 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 projects. Recent campaigns involved donations, among others, for families particularly hard hit by the corona crisis, animal protection associations and volunteer fire-fighting brigades.

EVN School service: on the scene for decades with lectures ...

... and insights into everyday work and very popular with the children

EVN 100

FOCUS ON THE CUSTOMERS OF TOMORROW

As part of its social responsibility, EVN also takes its mission to educate society's youngest members very seriously. The EVN School Service has been active for many decades in preparing and distributing a broad range of age-appropriate information on the subject of energy. The safe handling of electricity and natural gas plays just an important role as the careful use of these resources. EVN provides a wide variety of educational materials and science kits for classroom use, while additional events include school visits by EVN technicians or a specially designed performance for nursery schools.

EVN Social Fund: The EVN Social Fund, which has an annual endowment of roughly EUR 100,000, 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 2020/21, this fund supported 14 projects with a total of TEUR 120.

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

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.

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Goals: Supply security		
Maintain high network quality and low disruption times (despite rising volume of volatile generation)		
→ Regular monitoring of networks; future-oriented dimensioning and quality assurance for network expansion; implementation of an information security management system to protect network operations against cyberattacks	→ Ongoing measures	→ SDG 9 Industry, innovation and infrastructure
→ Continued concentration on maximum availability of supplies and services; investments in network expansion (in particular, to integrate renewable generation and focus the networks on the demands created by rising e-mobility) → Support for alternative gaseous energy carriers (green gas, hydrogen etc.)	→ Ongoing measures; annual investments of roughly EUR 200m in network infrastructure by Netz Niederösterreich GmbH	→ SDG 9 Industry, innovation and infrastructure
For information on electricity disruptions, also see page 52		
Group coverage ratio at 30% of electricity sales through increase in renewable generation (based on Strategy 2030)		
→ Increase in wind power capacity from the current level of 394 MW to 750 MW by 2030 (projects planned in Austria and Bulgaria); expansion of 300 MW in photovoltaic capacity by 2030 (projects planned in Austria, Bulgaria and North Macedonia)	→ Ongoing measures; numerous wind parks and photovoltaic plants in planning and under construction	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 13 Climate action

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Protection of supply security and quality for drinking water		
→ Expansion of cross-regional drinking water networks: investments of EUR 165m in new transport and connecting pipelines; roughly 300 km of additional transport pipelines (by 2030); construction of a 60 km transport pipeline from Krems to Zwettl	→ Ongoing measures; commissioning of first section (approx. 25 km) of the transport pipeline from Krems to Zwettl in autumn 2021; completion of entire transport pipeline plus three elevated tanks and four pressure rising plants by 2025	→ SDG 6 Clean water and sanitation (6.3)
→ Quality improvement through water softening; continued focus on construction of natural filter plants to reduce the water hardness by natural means	→ Ongoing measures; commissioning of the fifth natural filter plant (in Petronell) in winter 2021/22; start of installation for the sixth plant (in Bisamberg) in autumn 2021 (commissioning planned for winter 2022/23); planning and construction of further natural filter	→ SDG 6 Clean water and sanitation (6.3)
Goals: Environmental protection		
Protection of the red kite in the Weinviertel region		
→ Participation in LIFE EUROKITE project; underground installation of power lines in areas inhabited by red kites	→ Project start: summer 2020; realisation by 2023	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Protection of endangered bird species in the region surrounding Burgas, Bulgaria		
→ Participation in EU Life+ project starting in autumn 2021; including underground installation of 52 km of power lines	→ Project application filed; realisation from 2021 to 2026	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Reduction of landfilled material from pipeline construction		
→ Recycling of soil when shafts are closed	→ Ongoing measures	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Environmental protection measures at the thermal waste utilisation plant in Dürnrohr		
→ Improvement of plant efficiency through continuous process optimisation (e. g. optimisation of furnace capacity controls)	→ Ongoing measures	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Improvement of energy efficiency through reduction in compressed air requirements and pressure losses	→ In implementation; finalisation of measures in FY 2021/22	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Focus on environmental management systems		
→ Certified environmental management systems in all generation units; internal environmental management in other areas	→ Ongoing measures; expansion in heat business; continuation in power plants despite operational interruptions	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Reduction of emissions by the district heating plants		
→ Installation of primary recirculation equipment in Hagenbrunn, Leopoldsdorf and Korneuburg	→ In planning	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Reduction of emissions from the household sector		
→ Construction of new biomass heating plants to support district heating supplies	→ Ongoing measures; biomass cogeneration plant in Krems under construction and biomass district heating plant in Langenlebarn in planning	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
Goals: Climate protection		
Increase in generation capacity from the wind and sun (based on Strategy 2030)		
→ Increase in wind power capacity from the current level of 394 MW to 750 MW by 2030 (projects planned in Austria and Bulgaria); expansion of 300 MW in photovoltaic capacity by 2030 (projects planned in Austria, Bulgaria and North Macedonia)	→ Ongoing measures; numerous wind parks and photovoltaic plants in planning and under construction	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 13 Climate action

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Wide-ranging installation of conventional and non-conventional photovoltaic capacity		
→ Implementation of EVN Solar Initiative: introduction of a photovoltaic contracting model for municipalities; development of a photovoltaic citizens' participation model → Planned testing of floating photovoltaics as part of a joint research project by evn naturkraft and Ökowind	→ Ongoing measures; 34 plants already constructed; citizens' participation model developed in 2020; evn naturkraft: seven contracting plants on hospitals in Lower Austria → Floating photovoltaic project Grafenwörth in implementation; 18 further plants in the planning stage	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 11 Sustainable cities and communities → SDG 13 Climate action
Revitalisation of small hydropower plants		
→ Revitalisation of Brandstatt power plant; threefold increase in generation capacity of the small hydropower plant in Scheibbs	→ Start of construction in April 2020; commissioning planned for October 2021	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 11 Sustainable cities and communities → SDG 13 Climate action
Support for emission-free mobility		
→ Development of broad-based Austrian charging station system with many regional energy suppliers; increased cooperation with Austrian Federal Association for Electric Mobility	→ Ongoing measures; over 670 EVN loading stations with 1,735 online loading points; use of over 7,000 online loading points across Austria with the EVN fuel card – and the trend is increasing; EVN Charge & Pay as an easy payment method with ATM or credit card at EVN loading points	→ SDG 13 Climate action → SDG 17 Partnerships for the goals
→ Successive expansion of the EVN fleet towards e-mobility	→ EVN's fleet currently has 70 e-vehicles; additional e-autos planned for FY 2021/22	→ SDG 13 Climate action → SDG 17 Partnerships for the goals

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Energy efficiency measures at EVN Wärme		
→ Coverage of own electricity requirements with photovoltaics	→ Ongoing measures; installation of photovoltaic equipment at several locations completed in FY 2020/21; additional biomass heating plants equipped with photovoltaics; further expansion in planning	→ SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land
→ Improved use of heat in district heating plants	→ Ongoing measures; measures at Mödling and Baden district heating plants (e. g. network optimisation, reduction of return flow temperature etc.); measures at Baden district heating plant completed, measures in Mödling still in implementation; measures planned for further district heating plants	→ SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land
→ Reduction in pump current	→ Ongoing measures; upgrading of differential pressure measurements	→ SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land
Reduction of emissions at the thermal waste utilisation plant in Dürnrohr		
→ Purchase of new lorries with more efficient emission values	→ In implementation; finalisation of measures planned for FY 2021/22	→ SDG 9 Industry, innovation and infrastructure
Goals: Sustainable increase in corporate value		
Create greater awareness for compliance issues throughout the EVN Group		
→ Revision of compliance training programme; international roll-out of compliance guideline; modification of whistle-blowing procedures	→ Ongoing measures; preparations completed; ongoing implementation throughout the Group	→ SDG 16 Peace, justice and strong institutions
Focus of all EVN procurement processes on sustainability		
→ Survey of sustainability among the EVN Group's top suppliers; evaluation of sustainability along the supply chain to identify any risky product groups	→ Analysis of sustainability among the EVN Group's top suppliers completed in FY 2020/21; measures in development	→ SDG 8 Decent work and economic growth
Sustainable financing of projects for the transformation of the energy system to renewable generation		
→ Issue of a 15-year, green bond with bullet repayment; financing purpose: network expansion to support integration of renewable generation	→ Completed in FY 2020/21	→ SDG 7 Affordable and clean energy

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Goals: Innovation and digitalisation		
Focus of research and development activities on digital innovation to support the system transformation towards renewable energies		
→ Further development of the Green Energy Lab; innovation laboratory in which EVN, as one of over 200 participants from research, industry and the public sector, is involved in interdisciplinary R&D projects in the test region 'Eastern Austria' which are focused on sustainable energy systems → Projects to link several thousand decentralised consumers, renewable energy producers and storage facilities as well as their integration in a virtual power plant	→ Ongoing measures; implementation as part of two Green Energy Lab projects "Open Data Platform" and "Regional Renewable Energy Cells" by October 2021 resp. May 2022	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure
→ Research and development project to support network stabilisation through the marketing of internal and external reserve capacity	→ Ongoing measures; plans include start of test operations Phase 1 in February 2022 and operational start beginning in April 2022	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure
❑ For information on the Green Energy Lab, also see page 61ff		
Digitalisation of product and service offering and internal and external processes in customer contacts		
→ Establishment of an online panel (customer database for the digital, flexible and targeted collection of customer opinions on new products and services prior to market introduction)	→ In implementation	→ SDG 9 Industry, innovation and infrastructure
→ Optimisation and/or redesign of key customer processes (e. g. analysis of customer-related processes with regard to possible digitalisation; expansion of payment options both online and in the EVN Service Centres)	→ Ongoing measures; in implementation	→ SDG 9 Industry, innovation and infrastructure
❑ Also see page 59		
Increase in stakeholders' digital expertise		
→ Online courses for customers on the "safe use of the Internet" by kabelplus	→ Completed in FY 2020/21	→ SDG 9 Industry, innovation and infrastructure
→ Free workshops for schools by EVN's School Service together with kabelplus on the following subjects: "safe use of the Internet", "netiquette and cyberbullying", "fake news" and "internet use and energy consumption"	→ Ongoing measures	→ SDG 9 Industry, innovation and infrastructure → SDG 17 Partnerships for the goals

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Goals: Customer orientation		
Establish measures to strengthen the "focus on customers"		
→ Create greater awareness among all employees for the content of EVN's customer orientation; regularly expand and broaden this awareness with new content	→ Ongoing measures; organisation of customer service week in October 2021	→ SDG 17 Partnerships for the goals
Focus on data protection in customer contact management		
→ Documentation of consent and inclusion in marketing campaigns → Explanation of consumer rights where required	→ Ongoing measures	→ SDG 17 Partnerships for the goals
Goals: Stakeholder dialogue		
EVN Social Fund		
→ Support for projects directed to children and young people in Lower Austrian institutions as part of the EVN Social Fund (annual endowment: roughly EUR 10,000)	→ Ongoing measures	→ SDG 17 Partnerships for the goals
Redesign of EVN's stakeholder dialogue on sustainability		
→ Further development of existing stakeholder dialogue for the external evaluation of EVN's areas of activity	→ EVN's materiality matrix updated (project concluded in May 2021) based on an internal and external evaluation in April 2021 to determine the importance of the areas of activity	→ SDG 17 Partnerships for the goals
Goals: Attractive employer		
Digitalisation measures for crisis-safe working environment		
→ Further development of the mobile working time model	→ Completed in FY 2020/21	→ SDG 8 Decent work and economic growth
→ Introduction of the EVN mood barometer	→ Ongoing measures	→ SDG 8 Decent work and economic growth
Measures to improve the work-life balance		
→ Further development of the mobile working time model	→ Completed in FY 2020/21	→ SDG 8 Decent work and economic growth

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Programme "Women@EVN"		
→ Mentoring programme to prepare women for management positions	→ In implementation	→ SDG 8 Decent work
Digitalisation of training and continuing education programmes		
→ Focus on e-learning: implementation of an IT-based learning and seminar coordination platform in line with the "blended learning" approach	→ Implementation planned by end of 2021	→ SDG 8 Decent work
Prevention of work accidents and reduction of the Lost Time Injury Frequency Index		
→ Purchase of state-of-the-art protective clothing and work equipment	→ Ongoing measures	→ SDG 8 Decent work
→ Greater involvement of management (e. g. training, safety conferences)	→ Ongoing measures	→ SDG 8 Decent work
→ Specialist seminars	→ Ongoing measures	→ SDG 8 Decent work
→ Continuous improvement in awareness through regular internal communications (e. g. Intranet, employee newsletter)	→ Ongoing measures	→ SDG 8 Decent work
→ Accident prevention measures (e. g. protective equipment and training for involved employees)	→ Ongoing measures	→ SDG 8 Decent work
Implementation of regulation for electromagnetic fields		
→ Measurement and preparation of a zone plan	→ Ongoing measures; start in 2019; completed at Netz Niederösterreich GmbH, in implementation at all other companies	→ SDG 8 Decent work
Occupational safety during the Covid-19 pandemic		
→ Adaptation of rules and reorganisation of crisis staff	→ Completed in FY 2020/21	→ SDG 8 Decent work
→ Revision of Group directive on "Pandemic Protection" based on experience from the Covid-19 pandemic	→ Completed in FY 2020/21	→ SDG 8 Decent work
→ Creation of a central crisis storage point for protective clothing and material	→ Completed in FY 2020/21	→ SDG 8 Decent work
→ Purchase and distribution of necessary protective clothing (masks, gloves etc.)	→ Ongoing measures	→ SDG 8 Decent work

Specific targets and measures	Milestone and status as of 30 September 2021	Sustainable Development Goals (SDGs)
Nomination of representatives		
→ Creation of a central list of representatives for every company (e. g. planning and construction site coordinators, waste coordinators, fire control officers, occupational physicians, responsible works council or security officer for occupational safety)	→ Ongoing measures	→ SDG 8 Decent work
Occupational safety and smart meter installation		
→ Extensive training programme (also for third-party firms) in connection with changeover to smart meters	→ Ongoing measures	→ SDG 8 Decent work

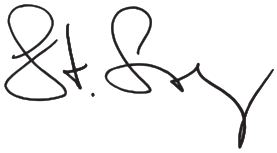
☐ For information on occupational safety, also see page 70f and 78ff

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.

☐ The EVN materiality matrix: see page 17
○ For information on the SDGs and the individual targets, also see https://sustainabledevelopment.un.org/sdgs

Maria Enzersdorf, 24 November 2021

EVN AG
The Executive Board



Stefan Szyszkowitz, MBA
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Independent assurance report on the non-financial reporting 2020/21

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 nonfinancial reporting 2020/21, 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 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 2020/21 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 nonfinancial report in accordance with the requirements pursuant to Section 267a UGB (Austrian Commercial Code) and the GRI Standards Option "Core".

The legal representative's responsibility includes the selection and application of appropriate non-financial reporting methods (in particular the selection of material topics) and the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances. An auditor's responsibility 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 2021 is not, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the GRI Standards (option "Core").

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 2020/21

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) applicable to such engagements. These standards require that we comply 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 North Macedonian site. All interviews were conducted virtually due to the ongoing Covid-19 pandemic and Corona protective measures.
- → 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 (option "Core") have been adequately addressed;
- → Critical assessment of the overall presentation of the disclosed non-financial information.

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 2020/21 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) and GRI Standards (option "Core").

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, 24 November 2021

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerhard Posautz
Auditor

Peter Bartos
Auditor

Report of the Supervisory Board

Ladies and Gentlemen,

At the beginning of the 2020/21 financial year, the Supervisory Board and EVN's management dealt with the Strategy 2030 in a day-long conference. This intensive and in-depth process involved a detailed analysis of the necessary framework conditions and the definition of corresponding strategic goals for EVN's medium-term orientation and positioning in the areas of energy, water and environmental services.

The Supervisory Board expressly supports the concrete projects and measures defined by the Executive Board during the reporting period, e. g. the EVN Climate Initiative, based on the Strategy 2030, and the realisation of major investment projects to protect and strengthen supply security and the expansion of renewable generation. The Executive Board received undivided approval for its plans to sell the 49% investment in the Walsum 10 power plant and, through this transaction, to complete the intended exit from coal-based electricity generation.

The Supervisory Board sees EVN in an excellent strategic position – with its integrated business model and broad customer base – to fulfil its responsibility to society for the design of an energy system that is based on renewable energy sources. EVN makes an important contribution to support the energy system conversion with its investments in renewable generation and in the supply infrastructure for energy and water. This focus will build the foundation for EVN's future success.

Fulfilment of duties

The Supervisory Board actively monitored and supported EVN's strategic steps as part of its designated responsibilities. Six plenary meetings and eight 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. The implementation of the January 2021 version of the Code by EVN was approved as of 1 March 2021. 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 2020/21, which was prepared by EVN AG 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 15 December 2021, 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 2 December 2021 and did not lead to any objections.

Remuneration policy and report

The 91st Annual General Meeting of EVN AG in January 2020 approved the principles of remuneration (remuneration policy) for the members of the Executive Board and Supervisory Board of EVN AG which were prepared by the Supervisory Board in accordance with §§ 78a and 98a of the Austrian Stock Corporation Act. Based on this, the Executive Board and Supervisory Board prepared a remuneration report for the 2020/21 financial year in accordance with §§ 78c and 98a of the Austrian Stock Corporation Act which will be presented to the 93rd 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 2020 to 30 September 2021. This firm examined the annual financial statements of EVN AG as of 30 September 2021, 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 2021 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 2021 were thereby approved in accordance with § 96 (4) of the Austrian Stock Corporation Act.

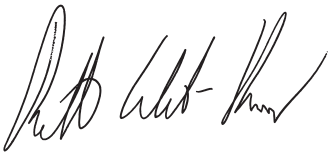
The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and also audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which issued an unqualified opinion. The Audit Committee reviewed the consolidated financial 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.

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 2020/21 financial year. These many men and women safeguarded the continuous operation of EVN's infrastructure and successfully addressed the concerns of customers with their strong commitment and in agreement with all necessary protective measures. 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, 15 December 2021

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.[1)]

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[2)]:

- 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.

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.

1) Legal sources are reproduced without change as far as possible. Against this formal background, gendering is not used to improve readability.
2) In order to improve readability, the rules in the following section are presented without reference to the ACGC.

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
Energie Burgenland AG	Vice-Chairman of the supervisory board

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. End of the current term of office: 30 September 2022.

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
Energie Burgenland AG	Member of the supervisory board
RAG Austria AG	Member of the supervisory board

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.

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

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 2021, 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 with 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 articles of incorporation 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 2021

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	Chairwoman of the management board of Casinos Austria Aktiengesellschaft; managing director of Österreichische Lotterien Gesellschaft m.b.H.; general council member of Oesterreichische Nationalbank	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; managing director of Alma-Kano Gesellschaft m.b.H.; 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; member of the supervisory board of Österreichisches Verkehrsbüro Aktiengesellschaft	No	No	Male born 1957 Austria
Willi Stiowicek 2nd Vice-Chairman	15.01.2009	Member of the supervisory board of NÖ.Regional.GmbH; formerly head of the presidential committee of the provincial capital St. Pölten	Yes	Yes	Male born 1956 Austria
Georg Bartmann (as of 21.01.2021)	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 (as of 21.01.2021)	21.01.2021	Member of the management board of Caressa Privatstiftung; investment in METAGRO Edelstahltechnik AG	Yes	Yes	Male born 1954 Austria
Philipp Gruber	21.01.2016	Administrative lawyer; chairman of the Akademie 2.1 association; chairman of the management board of Business Messen Wiener Neustadt Genossenschaft für Wirtschaftsförderung registrierte Genossenschaft mit beschränkter Haftung; member of the Wiener Neustadt town council	Yes	Yes	Male born 1979 Austria
Maria Patek (as of 21.01.2021)	21.01.2021	Head of the section for forestry and sustainability 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 Wirtschafts-agentur 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 (as of 21.01.2021)	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 and B&F Wien – Bestatttung & Friedhöfe Wien; member of the supervisory board of VERBUND AG and Burgenland Holding Aktiengesellschaft	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
Shareholder representatives (resigned)[6]					
Dieter Lutz (up to 21.01.2021)	12.01.2006	Shareholder of IMMRE-LUTZ GmbH in Liqu.	No	Yes	Male born 1954 Austria
Reinhard Meißl (up to 21.01.2021)	12.01.2006	Former head of the financial group in the provincial government of Lower Austria	No	No	Male born 1959 Austria
Susanne Scharnhorst (up to 21.01.2021)	21.01.2016	Management consultant; head of human resources and legal affairs at TOG (Theater- und Orchester GmbH of the province of Upper Austria)	Yes	Yes	Female born 1961 Austria
Johannes Zügel (up to 21.01.2021)	19.01.2017	Head of investment management at EnBW Energie Baden-Württemberg AG	Yes	Yes	Male born 1966 Germany

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) Independent of the company and the Executive Board
4) Independence criterion: no representation of the interests of shareholder with an investment of more than 10%
5) Diversity factors include gender, year of birth and citizenship.
6) Date of resignation from the Supervisory Board

Contracts requiring the approval of the Supervisory Board (L-Rule 48): EVN concluded a group and tax settlement agreement with NÖ Landes-Beteiligungsholding GmbH and WIENER STADTWERKE GmbH. This contract defines the allocation of EVN's taxable result to the contract partners. It does not call for the payment of any fees, and EVN pays a tax charge to its contract partners based on the allocated taxable result. All contract partners participate proportionally in positive tax effects on a reciprocal basis and independent of their own taxable result. Since Supervisory Board member Georg Bartmann has a material economic interest in NÖ Landes-Beteiligungsholding GmbH and Supervisory Board member Peter Weinelt has a material economic interest in WIENER STADTWERKE GmbH, Supervisory Board approval was requested and obtained before the group and tax settlement agreement was concluded. These two Supervisory Board members 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 the tasks and duties required by legal regulations and the company's by-laws. 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 Supervisory Board approval. Specific issues included the approval of a new strategy together with a climate initiative based on scientific targets, the installation of a Sustainability Advisory Board, the conclusion of a group and tax settlement agreement and the exit from the Walsum 10 power plant project as well numerous operational transactions, in particular involving water and heating supplies.

In addition to the formal meetings, the members of the Supervisory Board are provided with training and information at elective events.

The average attendance at Supervisory Board meetings equalled 98.89% in 2020/21. 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 2020/21. 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
Reinhard Meißl (up to 21.01.2021)	Member
Georg Bartmann (as of 21.01.2021)	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 2020/21 financial year. Discussions centred on projects involving electricity marketing and heat supplies as well as the acquisition of an investment.

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 twice in 2020/21. Discussions focused, above all, on 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, reports on remuneration issues and the modification of a contract.

Nominating Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiowicek	Member
Reinhard Meißl (up to 21.01.2021)	Member
Georg Bartmann (as of 21.01.2021)	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 once in 2020/21, where discussions focused on elections to the Supervisory Board.

Audit Committee

Name	Function
Georg Bartmann (as of 21.01.2021)	Chairman[1], financial expert[1]
Norbert Griesmayr	Chairman[2]
Bettina Glatz-Kremsner	Member
Willi Stiowicek	Member
Reinhard Meißl (up to 21.01.2021)	Member; financial expert[2]
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

1) As of 21.01.2021
2) Up to 21.01.2021

The responsibilities of the Audit Committee are as follows:

- monitoring the accounting process and issuing recommendations or suggestions to ensure 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 consolidated 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 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 2020/21 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 2020, including the related reports, the recommendation for the use of profits and

the internal control, audit, risk and compliance management system. Further activities involved the receipt of 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) and approved non-audit services by the auditor. Valuation services by the future auditor, which have an immaterial effect on the financial statements, were also approved through a circular resolution.

Measures to support women and diversity concept[1)]

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 23.0% in 2020/21, 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.

Twelve 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 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 principle of equal opportunity applies to all EVN 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.

Following the elections by the 92nd Annual General Meeting in January 2021, 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 also given to creating and maintaining a balance between continuity and change: Four of the ten shareholder representatives were elected to this body for the first time.

EVN's Supervisory Board included five women in 2020/21: three shareholder representatives and two employee representatives. Bettina Glatz-Kremsner has served as chairwoman of the Supervisory Board. 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 42 to 71 years; the average age is 57.8 years.

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

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.

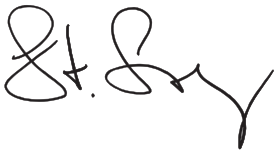
Furthermore, the Supervisory Board is required by § 96 of the Austrian Stock Corporation Act to inform the Annual General Meeting whether, and if so, which sections of the consolidated corporate governance report were examined and indicate whether the final results of this examination provided any grounds 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 2020/21, including compliance with the C-Rules of the ACGC.

Schönherr Rechtsanwälte GmbH evaluated EVN's consolidated corporate governance report for 2020/21 in agreement with C-Rule 62 of the ACGC 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 2020/21 with two justified exceptions.

Changes after the balance sheet date

No reportable changes occurred between the balance sheet date on 30 September 2021 and the preparation of this consolidated corporate governance report.

Maria Enzersdorf, 24 November 2021



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Management report

Energy policy environment

European energy and climate policy

The European Commission presented an extensive package of legislative measures for the energy sector under the title "Fit for 55" in July 2021 and announced the publication of a further section on decarbonisation in the natural gas sector in December 2021. The package includes – as a milestone on the way to meeting the Paris climate targets by 2030 – a reduction of at least 55% below the 1990 level in net greenhouse gas emissions in the European Union. The Commission sees this as a decisive step to make Europe the first climate-neutral continent by 2050.

These recommendations by the European Commission must now pass through the prescribed legislative procedures. However, a conclusion is unlikely before 2023 due to the expected difficult negotiations between the EU Parliament, Council and Commission. The most relevant points for EVN's business activities are 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 energy saving obligations based on energy consumption
- → Revision of the energy taxation directive that shall tax fuels based on their energy content and environmental performance

The European Union 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.

Energy price trends

The European Union presented a "toolbox" for measures in October 2021 with which the member states could potentially ease the burden of rapidly rising energy prices on consumers and businesses. Examples of these short-term instruments are emergency income support for households, financial assistance for companies and the temporary reduction of taxes and duties. At the suggestion of several member states, longer-term price stabilisation measures should also be evaluated, e.g. the expansion of energy storage capacity or the joint procurement of natural gas reserves.

Austrian climate and energy goals

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 ranging up to EUR 1bn per year will be provided over the next decade to support the expansion of renewable generation capacity.

On 7 July 2021 the Austrian Parliament passed the new Renewable Energy Expansion Act, which defines the necessary framework conditions for the attainment of Austria's energy and climate goals. This act 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 per cent 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 expected outcome will be a substantial increase in connections of decentralised renewable energy equipment. In combination with the rising power requirements that result from an all-electricity approach (e-mobility, heat pumps etc.), this will lead to a greater burden on electricity networks from the transport of higher and more volatile feed-in volumes. EVN is responding to this challenge with extensive investments in its network infrastructure.

Following the enactment of the Renewable Energy Expansion Act by the Austrian Parliament, the Austrian electricity industry is now waiting for specific regulations on roughly 30 subject areas which must be prepared by different ministries and are essential for the concrete application of this act. The official notification of the Renewable Energy Expansion Act by the European Commission is also outstanding, whereby there have already been indications of necessary changes on individual points. In order to ensure the legally compliant design of the subsidy mechanisms contained in the Renewable Energy Expansion Act, a new resolution by the Austrian Parliament will apparently be required.

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 subsidiary Netz Niederösterreich GmbH. 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.

Bulgaria

Commercial customers in Bulgaria have followed industrial customers as part of the free market since October 2020. EVN Trading SEE serves as the supplier for customers in the liberalised 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. 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 2021. The end customer prices for household customers in EVN's supply area were increased by 3.6% on average for electricity (previous year: average increase of 4.2% for electricity as of 1 July 2020).

The new three-year regulation period for the electricity network in Bulgaria began on 1 July 2021. The regulatory method for this network 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 that covers planned future investments. EP Yug is responsible for the operation of the electricity distribution networks in EVN's Bulgarian supply area.

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.

The North Macedonian regulatory authority raised the end customer electricity prices for the household customers of EVN Home DOO by roughly 12.4% as of 1 July 2021 (previous year: average increase of 7.4% as of 1 August 2020) – 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, which brought an improvement in the recognition of operating expenses. Similar to the framework in Bulgaria, the regulatory method for the electricity network defines a revenue cap which covers recognised operating expenses, amortisation and depreciation as well as an adequate return on the regulatory asset base.

Croatia

The liberalisation of the Croatian natural gas market was also nearly completed for household customers in 2021. The market for commercial and industrial customers has been liberalised since 2012 and has been characterised by an increase in competition among the natural gas suppliers active in the country. Natural gas supplies in this country will be further diversified following the commissioning of the new LNG terminal near the island of Krk on 1 January 2021. The substantial fluctuation in natural gas prices during the reporting period and the resulting changes in suppliers' offering structure lead to expectations of further consolidation on the Croatian natural gas market.

General business environment

The Covid-19 pandemic and the measures to contain its spread triggered a dramatic downward spiral in the global economy during individual months in 2020 and continue to influence the current economic climate and outlook today. The global economy contracted noticeably in the first half of 2020 but has since regained substantial momentum. The easing of corona-related measures sparked a strong recovery, especially in the industrial countries, that was reinforced by the expansive monetary policies of many central banks. Global economic output has already exceeded a level last seen before the pandemic. This also applies to developments in the eurozone: After a sharp drop of approximately 6.3% in 2020, real GDP is expected to rise by 4.9% in 2021 and by 4.5% in 2022.

The Austrian economy has followed a corona-related drop of 6.7% in 2020 with increasing growth since the second quarter of 2021 and, by mid-year, had already reached the pre-crisis level. This upward trend was supported, above all, by the significant easing of containment measures and the improvement in the international economy. Private consumption, which was stimulated by the recall of corona restrictions, could also become a growth driver. Negative factors include current supply shortages and the related substantial price increase as well as the ongoing insecurity over the further course of the pandemic. Economic output is projected to range from 3.8% to 4.5% in 2021 and from 4.5% to 4.9% in 2022.

In Bulgaria, the outbreak of the Covid-19 pandemic was responsible for a 4.4% decline in economic output in 2020. It was followed, however, by the start of recovery during the second quarter of 2021. The reasons can be found, on the one hand, in the generally positive development of the European single market and, on the other hand, in the increase in employment and the accompanying growth in private consumption. Leading institutions expect a continuation of the economic upturn despite the very low vaccination rate in European comparison and the recent tightening of corona-related restrictions. Forecasts show a GDP increase of 2.6% to 4.3% in 2021 and 3.3% to 4.3% in 2022.

Croatia was hard hit in 2020, not only by the Covid-19 pandemic but also by two devastating earthquakes which, in total, were responsible for an 8.0% drop in economic output. The economy has, however, recovered faster than was expected at the beginning of 2021 due to robust foreign demand for Croatian products and a healthy tourism sector. At the same time, investments and – thanks to the sound trend on the employment market – private consumption have increased substantially. GDP forecasts point to an increase of 6.3% to 8.1% in 2021 and 4.3% to 5.8% in 2022.

The negative effects of Covid-19 on the Republic of North Macedonia were severe, as is illustrated by the 4.5% decline in economic output in 2020. The initial difficulties in obtaining vaccines have since been overcome. Over the medium term, economic growth in North Macedonia should become stronger – also due to the acceleration of structural reforms in preparation for EU membership. The region will also benefit from the economic and investment plan recently approved by the EU, which provides funding to support competitiveness and integrative growth as well as a green and digital transformation. The economy is expected to grow by 3.6% to 4.0% in 2021 and by 3.5% to 4.2% in 2022.

GDP growth	%	2022f	2021e	2020	2019	2018
EU-28[1)2)5)]		4.3 to 4.5	4.8 to 5.0	−6.3 to −6.4	1.5	1.9
Austria[1)2)3)5)]		4.5 to 4.9	3.8 to 4.5	−6.2 to −6.7	1.5	2.6
Bulgaria[1)2)4)]		3.3 to 4.3	2.6 to 4.3	−4.2 to −4.4	3.7	3.1
Croatia[1)2)5)]		4.3 to 5.8	6.3 to 8.1	−8.0	2.9	2.8
North Macedonia[4)5)]		3.5 to 4.2	3.6 to 4.0	−4.5	3.2	2.9

1) Source: "European Economic Forecast, Autumn 2020", EU-Commission, November 2021
2) Source: "Herbst-Prognose der österreichischen Wirtschaft 2021–2022", IHS, October 2021
3) Source: "Prognose für 2021 und 2022: Vierte COVID-19-Welle bremst kräftigen Aufschwung", WIFO, October 2021
4) Source: "Global Economic Prospects", World Bank, June 2021
5) Source: "World Economic Outlook", International Monetary Fund, October 2021

Energy sector environment

EVN's energy business is significantly influenced by external factors: The weather plays a key role in the demand for electricity, natural gas and heat by household customers, while the general business environment represents a main driver for the energy requirements of industrial customers.

Temperatures in EVN's three core markets were clearly lower year-on-year in 2020/21. In Austria, the heating degree total – which defines the temperature-related demand for energy – was 14.6 percentage points higher than the previous year and 10.1 percentage points above the long-term average. The heating degree total in Bulgaria and North Macedonia also clearly exceeded the previous year (plus 14.0 percentage points and 12.9 percentage points, respectively). The heating degree total was slightly below the long-term average in Bulgaria and slightly higher in North Macedonia.

The cooling degree total, which measures the temperature-related demand for cooling energy, rose substantially by 13.8% in Austria and by 39.4% in North Macedonia during 2020/21. In Bulgaria, it remained nearly unchanged at the prior year level.

The average EEX price for natural gas tripled during the 2020/21 financial year from EUR 9.1 per MWh to nearly EUR 26.2 per MWh. This sharp rise resulted primarily from the generally higher demand for natural gas and low natural gas storage volumes in Europe and the economic restart after the Covid-19-related decline in demand during 2020, above all in the Asian region. The shortage of natural gas and strong demand from China due to droughts and delivery bottlenecks also led to an increase of 72.5% in the price of hard coal to an average of EUR 76.9 per tonne. The average price for CO_2 emission certificates followed a similar pattern – at EUR 40.7 per tonne, it was almost 70% higher than the previous year.

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 were nearly twice as high as the previous year at an average of EUR 64.9 per MWh and EUR 75.2 per MWh. The causes include a significant increase in primary energy prices as well as unfavourable wind flows. This trend was even more pronounced on the forward market: The average price for base load and peak load electricity equalled EUR 150.0 per MWh and EUR 180.5 per MWh as of 30 September 2021, which represents a year-on-year increase by a factor of 3.5.

Energy sector environment – indicators		**2020/21**	2019/20
Heating-related energy demand[1]	%		
Austria		110.1	95.5
Bulgaria		97.9	83.9
North Macedonia		101.6	88.7
Cooling-related energy demand[1]	%		
Austria		72.7	58.9
Bulgaria		107.2	105.4
North Macedonia		138.8	99.4
Primary energy and CO_2 emission certificates			
Crude oil – Brent	EUR/bbl	50.4	41.6
Natural gas – GIMP[2]	EUR/MWh	26.2	9.1
Hard coal – API#2[3]	EUR/t	76.9	44.6
CO_2 emission certificates	EUR/t	40.7	24.0
Electricity – EPEX spot market[4]			
Base load	EUR/MWh	64.9	32.5
Peak load	EUR/MWh	75.2	38.7

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 178f

Effects of the Covid-19 pandemic

The Covid-19 pandemic has held countries throughout the world firmly in its grip since 2020. It has caused governments to take wide-ranging steps to contain the coronavirus, which have had different effects in the involved companies. The most important effects of the Covid-19 pandemic on EVN's business development in the 2020/21 financial year are described in the following section:

- The closing required for the start of work on the Umm Al Hayman wastewater treatment project in Kuwait was only completed at the end of July 2020 due to the corona crisis; the earnings contribution expected for 2019/20 was therefore postponed to the following years. Further pandemic-related lockdowns in Kuwait during the 2020/21 financial year and the resulting restrictions on entering the country led to further postponements of parts of the expected earnings contributions to future periods.
- EVN calculates the impairment losses for trade receivables in accordance with IFRS 9B5.5.35 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 introduced in reaction to the Covid-19 pandemic. However, we expect the expiration of these government measures will be reflected in an increase in bankruptcies and in receivables defaults during the coming years. In preparation for such incidents, the EVN Group recognised a EUR 4.1m higher impairment loss allowance for trade receivables (previous year: increase of EUR 4.7m) for the 2020/21 financial year through the forward looking component (see the **Credit and default risk** under note **59. Risk management).**
- In 2019/20, the increase in the country risk premiums caused by the Covid-19 pandemic resulted in higher discount rates and the recognition of impairment losses. The country risk premiums have since declined substantially from the pre-pandemic levels. This was reflected in revaluations during 2020/21 (see the explanations under **34. Intangible assets** and **35. Property, plant and equipment).**
- A further effect of the Covid-19 crisis involved the market value of the securities in the R138 fund, which are carried at fair value through profit or loss. The substantial losses recognised at the beginning of 2019/20 have now been recovered following a revival on the stock markets.

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 2019/20 and in 2020/21. 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.

The further course of the corona crisis and an increase in general uncertainty could, however, significantly influence EVN's results through the future development of electricity and primary energy prices as well as the cost of capital.

Statement of operations

Highlights 2020/21

- → Group net result above previous year
- → Non-cash, non-recurring effects from revaluations to previously impaired equity accounted investees
- → Improvement in operating earnings and positive valuation effects at EVN KG
- → Higher earnings contribution from the international project business through the start of construction on the wastewater treatment plant project in Kuwait
- → Final exit from coal-based electricity generation: Sale of the 49% investment in the Walsum 10 power plant

Results of operations

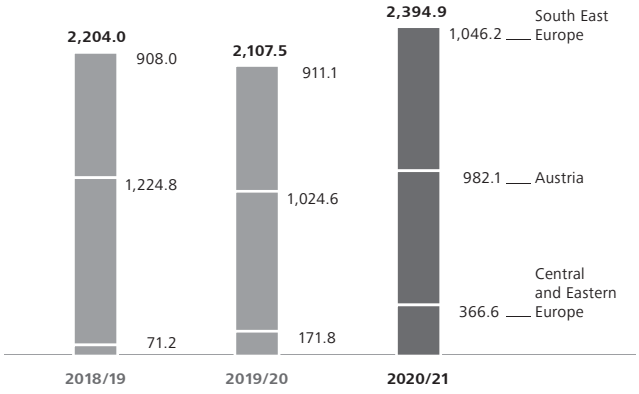
Revenue recorded by the EVN Group rose by 13.6% year-on-year to EUR 2,394.9m in 2020/21. This sound development was supported primarily by the international project business, in particular by the wastewater treatment project in Kuwait which started in summer 2020. Increased revenue was also recorded by the energy distribution business in South East Europe and by network operations: In addition to cooler weather in all three core markets, the higher network tariffs set by the Austrian E-Control as of 1 January 2021 had a positive effect. Revenue growth was also supported by an increase in electricity generation and by higher electricity prices. The lower valuation effects from electricity generation hedges represented a contrary factor.

The revenue generated by EVN outside Austria amounted to EUR 1,412.8m (previous year: EUR 1,082m). This represents an increase in the share of Group revenue from 51.4% in the previous year to 59.0% in 2020/21.

The increase in other operating income to EUR 250.1m (previous year: EUR 64.4m) resulted chiefly from effects related to the Walsum 10 power plant: A construction subsidy was released in the first quarter of 2020/21 and part of the compensation payment from the takeover of an additional electricity procurement right from the Walsum 10 power plant was recognised. Another positive factor for this position was the sale of the 49% investment in that power plant as of 30 September 2021.

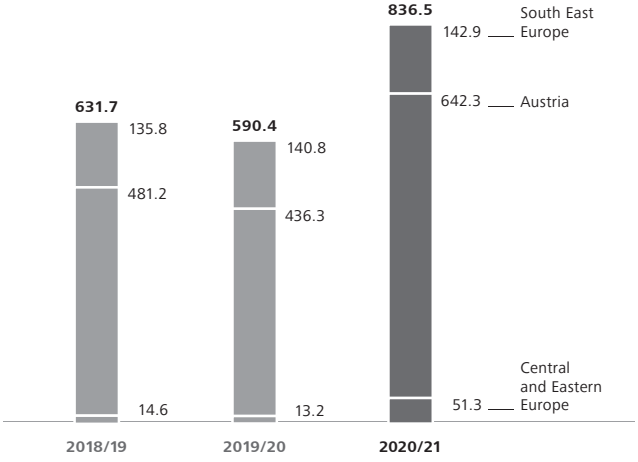
Revenue by region

EURm



EBITDA by region

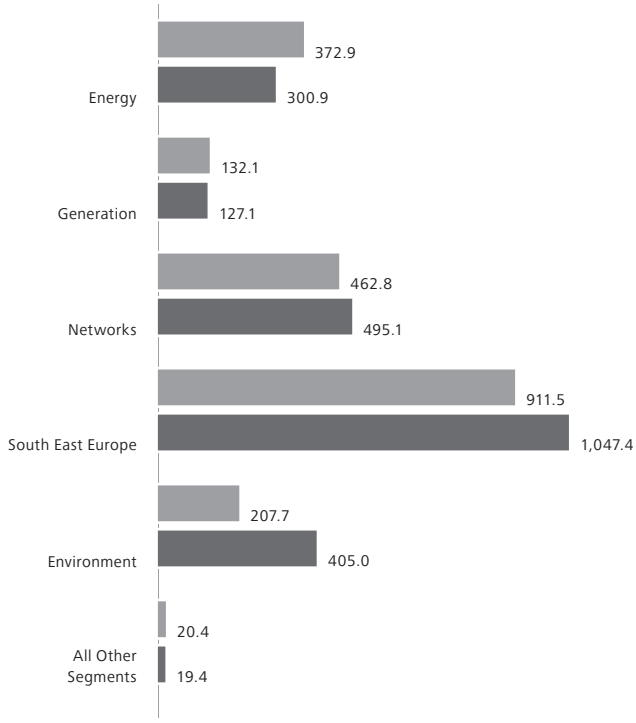
EURm



External revenue by segment

EURm

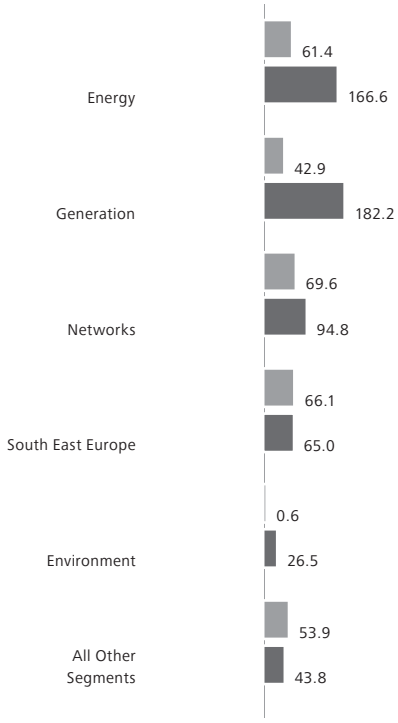
2019/20
2020/21



EBIT by segment

EURm

2019/20
2020/21



The cost of electricity purchases from third parties and primary energy expenses rose by 19.9% to EUR 1,064.7m. The main factors for this upward trend were higher energy procurement costs in South East Europe and at EVN Wärme, a higher volume of thermal generation and the related increased use of primary energy, and rising wholesale prices. Effects from the valuation of hedges led to a reduction of these costs.

The cost of materials and services increased by 60.7% to EUR 509.2m due to developments in the international project business.

Personnel expenses were 3.4% higher than the previous year at EUR 361.3m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the wastewater treatment project in Kuwait. The EVN Group had an average workforce of 7,126 in 2020/21 (previous year: 7,007 employees).

Other operating expenses were 6.7% below the previous year at EUR 113.0m. One reason for this decline was a reduction in receivables write-offs in North Macedonia.

The share of results from equity accounted investees with operational nature rose to EUR 239.6m (previous year: EUR 94.1m), chiefly due to the improvement in operating earnings and valuation effects from hedges held by EVN KG. In addition, the impairment losses recognised to Verbund Innkraftwerke GmbH and the Ashta hydropower plant in the previous year (EUR 20.7m, respectively EUR 4.9m) were offset in 2020/21 by revaluations of EUR 25.3m and EUR 23.8m, respectively. The revaluation at Verbund Innkraftwerke GmbH was based on an increase in electricity wholesale prices on the forward market, while the revaluation at the Ashta hydropower plant reflected the decline in the country risk premium after a Covid-19-related increase. EnergieAllianz returned to business at a normalised level after the negative effects of the corona crisis in the previous year, but the earnings contributions from RAG

Condensed consolidated statement of operations	2020/21 EURm	2019/20 EURm	+/– Nominal	+/– %	2018/19 EURm
Revenue	**2,394.9**	**2,107.5**	**287.4**	**13.6**	**2,204.0**
Other operating income	250.1	64.4	185.7	–	117.8
Electricity purchases and primary energy expenses	–1,064.7	–888.3	–176.4	–19.9	–1,081.3
Cost of materials and services	–509.2	–316.9	–192.3	–60.7	–280.3
Personnel expenses	–361.3	–349.3	–12.0	–3.4	–338.7
Other operating expenses	–113.0	–121.1	8.1	6.7	–120.2
Share of results from equity accounted investees with operational nature	239.6	94.1	145.5	–	130.5
EBITDA	**836.5**	**590.4**	**246.1**	**41.7**	**631.7**
Depreciation and amortisation	–337.7	–296.7	–41.0	–13.8	–269.8
Effects from impairment tests	–112.4	–20.6	–91.8	–	41.6
Results from operating activities (EBIT)	**386.4**	**273.1**	**113.3**	**41.5**	**403.5**
Financial results	**–20.0**	**–15.8**	**–4.2**	**–26.4**	**–29.9**
Result before income tax	**366.4**	**257.3**	**109.1**	**42.4**	**373.5**
Income tax	–14.7	–28.7	13.9	48.6	–46.7
Result for the period	**351.7**	**228.6**	**123.1**	**53.8**	**326.9**
thereof result attributable to EVN AG shareholders (Group net result)	325.3	199.8	125.6	62.9	302.4
thereof result attributable to non-controlling interests	26.4	28.9	–2.5	–8.7	24.5
Earnings per share in EUR[1]	**1.83**	**1.12**	**0.7**	**62.8**	**1.70**

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

and Energie Burgenland were lower due the absence of the positive non-recurring effects from 2019/20.

Based on these developments, EBITDA rose by 41.7% year-on-year to EUR 836.5m.

Higher investments and the amortisation of capitalised advance project costs for the project in Kuwait were responsible for an increase of 13.8% in scheduled depreciation and amortisation to EUR 337.7m. In addition, impairment losses of EUR 113.1m were recorded to the Walsum 10 power plant in the first quarter of 2020/21 following the takeover of an additional electricity procurement right. The effects of impairment testing also include impairment losses of EUR 1.8m and revaluations of EUR 2.5m to electricity generation equipment and district heating assets.

EBIT for the 2020/21 financial year totalled EUR 386.4m (previous year: EUR 273.1m).

Financial results declined to EUR –20.0m (previous year: EUR –15.8m) despite the better performance of the R138 fund and an increase in the dividend from Verbund AG to EUR 0.75 per share for the 2020 financial year (previous year: EUR 0.69). The reduction resulted from an interest rate hedge that was concluded for the entire term of the bank financing for the Walsum 10 power plant but was terminated prematurely following the sale of the investment in this power plant as of 30 September 2021.

The result before income tax rose by 42.4% year-on-year to EUR 366.4m. After the deduction of EUR 14.7m in income tax expense (previous year: EUR 28.7m) – which was positively influenced by the tax-free valuation of equity accounted investees and other investments – and the earnings attributable to non-controlling interests, Group net result for the 2020/21 financial year rose by 62.9% to EUR 325.3m.

Statement of financial position

Asset and financial position

EVN's balance sheet total rose by 33.2% over the level on 30 September 2020 to EUR 11,139.8m as of 30 September 2021. The increase was based, above all, on the development of the Verbund share and the resulting substantial rise in non-current assets (closing price of EUR 87.70 on 30 September 2021 versus EUR 46.68 on 30 September 2020). An increase was also recorded in the carrying amount of equity accounted investees with operational nature, with the main positive effects provided by a higher earnings contribution from EVN KG, valuations recognised directly in equity and the revaluation of Verbund Innkraftwerke GmbH and the

Ashta hydropower plant. A contrary factor was the decline in property, plant and equipment – in spite of the increase in investments – which was based on a first quarter impairment loss to the Walsum 10 power plant and the higher scheduled depreciation and amortisation which resulted, among others, from the amortisation of capitalised advance project costs for the project in Kuwait. Non-current assets increased by a total of 31.6% to EUR 9,772.6m.

Current assets rose by 45.7% to EUR 1,367.1m. The primary reasons included an increase in receivables from the energy and international project businesses as well as the higher valuation of CO_2 emission certificates as of 30 September 2021 and the resulting increase in inventories. The development of current assets was also influenced by higher investments in cash funds.

Equity totalled EUR 6,544.3m as of 30 September 2021 and was 44.0% higher than on 30 September 2020 despite the dividend paid in January 2021 for the 2019/20 financial year. This substantial increase was supported by the earnings generated in 2020/21 and, above all, by the positive effects of valuations recorded directly in equity. The most important factors here were the increase in the price of the Verbund share and the above-mentioned development of equity accounted investees. The equity ratio equalled 58.7% as of 30 September 2021 (30 September 2020: 54.3%).

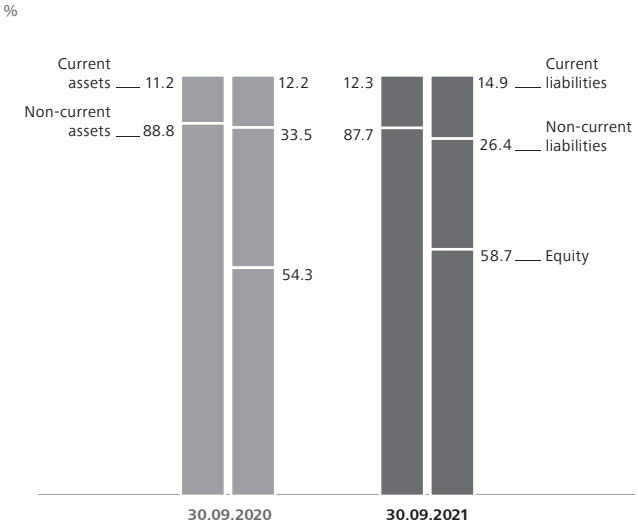
Non-current liabilities rose by 5.0% to EUR 2,937.9m as of 30 September 2021, chiefly due to the increase in non-current tax liabilities that resulted from the higher closing price of the Verbund share. Non-current financial liabilities were reduced by the reclassi-

Condensed consolidated statement of financial position	30.09.2021 EURm	30.09.2020 EURm	+/– Nominal	+/– %	30.09.2019 EURm
Assets					
Non-current assets					
Intangible assets and property, plant and equipment	3,908.6	3,920.3	–11.7	–0.3	3,798.0
Investments in equity accounted investees and other investments	5,607.0	3,170.9	2,436.2	76.8	3,297.5
Other non-current assets	257.0	336.4	–79.4	–23.6	235.4
	9,772.6	**7,427.6**	**2,345.0**	**31.6**	**7,330.9**
Current assets	**1,367.1**	**938.1**	**429.1**	**45.7**	**857.7**
Non-current assets held for sale	–	–	–	–	–
Total assets	**11,139.8**	**8,365.7**	**2,774.1**	**33.2**	**8,188.6**
Equity and liabilities					
Equity					
Issued capital and reserves attributable to shareholders of EVN AG	6,281.2	4,282.1	1,999.1	46.7	4,295.6
Non-controlling interests	263.2	261.2	1.9	0.7	256.5
	6,544.3	**4,543.3**	**2,001.0**	**44.0**	**4,552.1**
Non-current liabilities					
Non-current loans and borrowings	718.9	1,045.3	–326.4	–31.2	990.0
Deferred tax liabilities and non-current provisions	1,480.8	996.4	484.4	48.6	1,081.2
Deferred income from network subsidies and other non-current liabilities	738.2	756.6	–18.3	–2.4	661.9
	2,937.9	**2,798.3**	**139.6**	**5.0**	**2,733.2**
Current liabilities					
Current loans and borrowings	318.0	110.0	208.0	–	68.8
Other current liabilities	1,339.6	914.1	425.5	46.5	834.6
	1,657.6	**1,024.1**	**633.5**	**61.9**	**903.3**
Total equity and liabilities	**11,139.8**	**8,365.7**	**2,774.1**	**33.2**	**8,188.6**

fication to the current segment of loans and a bond maturing in April 2022 and increased by the issue of a green bond with bullet repayment (nominal value: EUR 101m; term: 15 years) through a private placement. A lower balance of employee-related provisions and the release of a provision for environmental and disposal risks, which was related to the sale of the 49% investment in the Walsum 10 power plant, led to a decline in non-current provisions.

Current liabilities rose by 61.9% over the level on 30 September 2020 to EUR 1,657.6m. The main drivers for this increase were the above-mentioned reclassification of financial liabilities and an increase in trade payables and other current liabilities, which were contrasted by a reduction in tax liabilities.

Balance sheet structure



Value analysis

The weighted average cost of capital (WACC) after tax – including EVN's specific company and country risks – was set at 5.5% for the purpose of corporate management. The operating return on capital employed (OpROCE) amounted to 6.5% for the reporting year (previous year: 6.2%). The economic value added (EVA®) generated in 2020/21 totalled EUR 46.4m (previous year: EUR 32.3m).

Liquidity position

EVN's net debt remains constant at a level of approximately EUR 1bn, with fluctuations as of the respective balance sheet dates (net debt including non-current employee-related provisions as of 30 September 2021: EUR 813.8m; previous year: EUR 1,037.7m). The gearing ratio declined from 22.8% to 12.4%.

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 approximately EUR 152.0m. These bilateral commitments were not drawn as of 30 September 2021 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 nine banks range up to four years. These solid liquidity reserves underscore the EVN Group's financial stability and flexibility.

Value analysis

		2020/21	2019/20	+/– %	2018/19
Average equity	EURm	5,543.8	4,547.7	21.9	4,322.4
WACC after income tax[1)2)]	%	5.5	5.5	0.0	6.3
Operating ROCE (OpROCE)[1)3)]	%	6.5	6.2	0.2	5.2
Average capital employed[3)]	EURm	4,842.5	4,405.7	9.9	4,135.4
Net operating profit after tax (NOPAT)[3)]	EURm	312.8	274.6	13.9	216.3
EVA®	EURm	46.4	32.3	43.7	–42.1

1) Changes reported in percentage points
2) The WACC given (exact value 2018/19: 6.25%) 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	30.09.2021 EURm	30.09.2020 EURm	+/– Nominal	+/– %	30.09.2019 EURm
Non-current loans and borrowings and leasing liabilities	773.9	1,118.1	–344.1	–30.8	993.9
Current loans and borrowings[1]	323.4	40.6	282.7	–	68.4
Cash and cash equivalents	–122.3	–140.0	17.7	12.6	–246.2
Non-current and current securities	–473.5	–325.8	–147.7	–45.4	–187.2
Non-current and current loans receivable	–39.6	–36.8	–2.8	–7.6	–36.8
Financial net debt	**461.9**	**656.2**	**–194.3**	**–29.6**	**592.0**
Net debt	**813.8**	**1,037.7**	**–223.9**	**–21.6**	**999.5**
Equity	**6,544.3**	**4,543.3**	**2,001.0**	**44.0**	**4,552.1**
Gearing (%)[2]	**12.4**	**22.8**	**–**	**–10.4**	**22.0**

1) Excluding bank overdrafts contained in cash and cash equivalents
2) Changes reported in percentage points

Statement of cash flows

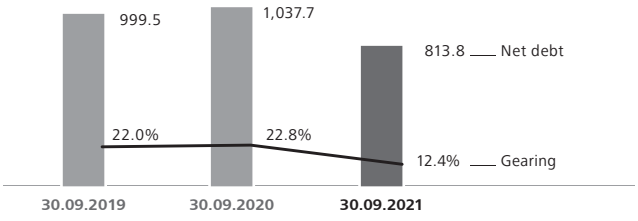
Gross cash flow totalled EUR 762.3m (previous year: EUR 497.1m) and includes adjustments for the non-cash valuation measures related to the takeover of an additional electricity procurement right from the Walsum 10 power plant in the first quarter of 2020/21. Specifically, these effects involve an impairment loss to the power plant, the premature release of a related construction subsidy and the creation of a provision for onerous contracts. The substantial year-on-year increase is therefore based on a compensation payment for the takeover of the electricity procurement right and higher dividends from equity accounted investees.

Under cash flow from operating activities, the year-on-year improvement in working capital offset the increase in income tax payments. The increase in cash flow from operating activities is therefore higher than in gross cash flow.

Cash flow from investing activities amounted to EUR –754.3m (previous year: EUR –428.6m). It includes an increase in the investments in property, plant and equipment and, above all, the compensation payment for the exit from the Walsum 10 power plant as well as the change in the investments in cash funds recorded under current financial investments. The previous year was influenced by the transfer of the equity contribution to the project company for the wastewater treatment project in Kuwait as well as a lower volume of securities invested in the R138 fund and the guarantee payment from the Republic of Montenegro for the wastewater treatment project in Budva.

Net debt and gearing

EURm and %



For additional information on the composition and terms of non-current financial liabilities, see page 216

Cash flow from financing activities amounted to EUR –53.0m (previous year: EUR –88.8m). This amount includes the dividend for the 2019/20 financial year to the shareholders of EVN AG and to non-controlling interests as well as the scheduled repayment of financial liabilities and the issue of a green bond (nominal value: EUR 101m) through a private placement.

In total, cash flow amounted to EUR –17.7m in 2020/21 and cash and cash equivalents equalled EUR 122.3m as of 30 September 2021. The EVN Group also had contractually agreed, undrawn credit lines of approximately EUR 552.0m at its disposal to service potential short-term financing requirements.

Investments

Capital expenditure was 12.8% higher year-on-year at EUR 415.0m in 2020/21. However, it should be noted that the first Covid-19 lockdown in spring 2020 led to delays on individual projects which were recovered during the reporting year. In line with its strategy, EVN's investments focused on the network infrastructure, renewable generation, natural heat and drinking water in Lower Austria.

Investments in the Energy Segment included, in particular, an increase in heating equipment and the expansion of the heating networks.

In the Generation Segment, investments were again directed to the expansion of wind power capacity in Lower Austria. The investment volume in this segment dropped by nearly half compared with the previous year due to the postponement of planned renewable generation projects. The delay resulted from amendment procedures on previously approved wind power projects and the still outstanding official notification by the European Commission of the subsidy mechanisms included in the new Austrian Renewable Energy Expansion Act.

Investments in the Lower Austrian network infrastructure were substantially higher in 2020/21 and continued to focus on integrating the steadily increasing volume of decentralised renewable electricity generation equipment. 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. Other reasons for the increase in the investment volume include the widespread installation of smart meters and the realisation of numerous digitalisation projects.

Condensed consolidated statement of cash flows	2020/21 EURm	2019/20 EURm	+/– Nominal	+/– %	2018/19 EURm
Result before income tax	366.4	257.3	109.1	42.4	373.5
Non-cash items	395.8	239.8	156.1	65.1	176.9
Gross cash flow	**762.3**	**497.1**	**265.2**	**53.3**	**550.5**
Changes in current and non-current balance sheet items	94.4	–40.7	135.1	–	–114.2
Income tax paid	–67.0	–44.3	–22.7	–51.2	–6.6
Net cash flow from operating activities	**789.6**	**412.0**	**377.6**	**91.6**	**429.7**
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	–605.9	–300.1	–305.9	–	–321.8
Changes in financial assets and other non-current assets	–0.3	34.0	–34.3	–	65.4
Changes in current securities	–148.1	–162.5	14.5	8.9	49.3
Net cash flow from investing activities	**–754.3**	**–428.6**	**–325.7**	**–76.0**	**–207.1**
Net cash flow from financing activities	**–53.0**	**–88.8**	**35.8**	**40.3**	**–191.0**
Net change in cash and cash equivalents	**–17.7**	**–105.4**	**87.7**	**83.2**	**31.5**
Cash and cash equivalents at the beginning of the period	**140.0**	**246.2**	**–106.3**	**–43.2**	**214.5**
Currency translation differences on cash and cash equivalents	0.0	–0.9	0.9	98.5	0.2
Cash and cash equivalents at the end of the period	**122.3**	**140.0**	**–17.7**	**–12.6**	**246.2**

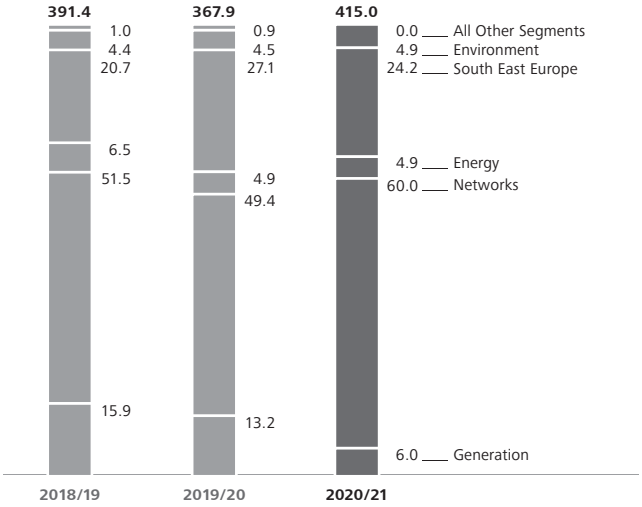
Investment priorities[1]	2020/21 EURm	2019/20 EURm	+/– Nominal	+/– %	2018/19 EURm
Energy	20.5	17.9	2.6	14.5	25.6
Generation	24.6	48.4	–23.8	–49.2	62.2
thereof renewable energy Lower Austria	18.9	17.8	1.1	6.1	51.7
thereof thermal power plants	5.6	30.3	–24.7	–81.5	10.5
Networks	249.0	181.8	67.1	36.9	201.7
thereof electricity networks	196.0	130.7	65.3	50.0	134.6
thereof natural gas networks	31.3	30.3	1.0	3.3	43.7
thereof cable TV and telecommunications networks	21.7	20.8	0.9	4.3	23.4
South East Europe	100.4	99.7	0.7	0.7	81.1
Environment	20.5	16.8	3.7	22.0	17.4
thereof cross-regional supply pipelines and local networks for drinking water	18.9	15.4	3.5	23.1	14.8
All Other Segments	0.1	3.3	–3.3	–98.2	3.5
Total	415.0	367.9	47.1	12.8	391.4

1) After consolidation

△ GRI indicator: GRI 203-1

Structure of investments

%, total in EURm



EVN's investments in South East Europe were slightly higher than the previous year. In addition to network investments to strengthen supply security, projects also included the construction of five warm water boilers by the Bulgarian district heating company TEZ Plovdiv and the construction of EVN's first two photovoltaic plants in North Macedonia with an installed capacity of 1.5 MW each.

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, e. g. the construction of a new 60 km transport pipeline from Krems to Zwettl to protect water supplies in the Waldviertel and Weinviertel regions. In addition to other pipeline projects, EVN is also investing in the construction of its fifth natural filter plant which will be commissioned in Petronell during January 2022.

Innovation, research and development

The areas of activity in the EVN materiality matrix also define the framework for our innovation, research and development activities. Our projects are focused primarily on 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 our customer service, for example with options for the digital ordering of network connections or inspection reports for natural gas equipment.

In 2020/21 EVN spent EUR 1.4m (previous year: EUR 2.0m) on innovation, research and development projects. Public subsidies were received for these projects and represent a subsidy quota of 17.7%. EVN also received a subsidy for a multi-year networks project.

The Green Energy Lab represented a key focal point of innovation, research and development activities in 2020/21. EVN is a founding member and active participant in this Austrian innovation project in support of green energy. It includes over 200 participating partners from research, business and the public sector – together with four energy supply companies, including EVN – which are developing customer- and demand-oriented scalable solutions from the prototype up to market maturity. EVN was responsible for the following three Green Energy Lab projects in 2020/21, which are directed to investigating the practical feasibility of tested technologies and applications:

NETSE project

- → (Further) development and optimisation of platforms for the simple and efficient operation of energy communities
- → Regional electricity supplies from energy communities require hardware and software interfaces between decentral producers, consumers, the network operator and the energy market (for balancing peak periods)

Hybrid LSC project

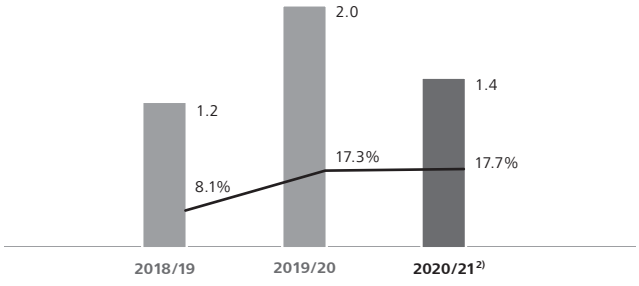
- → Multi-family houses and residential areas in Lower Austria as pilot projects for local sustainable communities (LSC)
- → Digitalisation platform for the sustainable use of all supply and disposal services in a community (energy, heat, cooling, water, e-mobility, waste disposal)

car2flex project

- → Practical testing of bidirectional charging technology in electric autos
- → Intermediate storage of electricity from decentral own generation in photovoltaic equipment
- → Integrated mobility solution to reduce network peaks

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 suitable 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 information on the most important effects of the Sustainability and Diversity Improvement Act, see page 23ff

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 breakdown"
- → 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 breakdown")

Potential risks from the Covid-19 pandemic

The uncertainties and effects of a pandemic can also be assigned to EVN's existing risk categories as interdisciplinary material. The risks identified in connection with the corona crisis were evaluated from qualitative and quantitative standpoints based on the risk categories shown on the following table.

A renewed assessment – especially in comparison with the beginning of the Covid-19 pandemic – has put the individual risks into perspective. The risk inventory carried out in 2020/21 identified the following issues as the major uncertainties for EVN from the corona crisis:

- → Quarantine or illness of key personnel: assigned to the category "workforce risks"
- → Deterioration in the credit standing of customers: assigned to the category "counterparty/credit risks" or "impairment risks"
- → Weak economic growth and a potential decline in sales volumes: assigned to the category "profit margin risk"
- → Interferences in the international project business (e. g. due to lockdowns, travel restrictions or problems in international supply chains): assigned to the category "project risk"

For information on the major effects of Covid-19 on EVN's business development in 2020/21, also see page 140

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. The annual risk inventory did not identify any future risks that could endanger EVN's continued existence.

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 an 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.

Risk assessment and control activities

Multi-stage control measures have been implemented to prevent material misstatements in the presentation of transactions in order

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 AG); 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

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 2021 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 2021, 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 2020/21 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 2021/22 financial year

The Strategy 2030 forms the framework for projects and investments in 2021/22. The EVN Climate Initiative and the commitment to a decarbonisation path by 2034 that was coordinated with the Science Based Targets initiative in autumn 2021 underscore our ambition to make a concrete contribution to realising the Paris climate goals. In addition to this, the share of EVN's renewable electricity generation will increase from the recent level of 57% to 75% alone through the complete exit from coal-fired electricity generation at the end of September 2021.

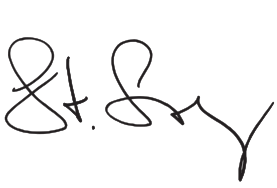
The autumn months in 2021 brought disproportionately strong distortions on the international energy markets which led to massive price increases for natural gas and electricity. In light of EVN's diversified and integrated business model, these price trends will have different effects in the individual segments. The further development of the energy markets is difficult to predict at the present time, and that reduces the planning capability for business activities – apart from the usual uncertainties that affect EVN's activities, like wind and water flows or the temperature-related energy demand. From the current perspective, the development of generation activities is expected to be positive – but below-average wind or water flows could reduce the positive effects of increased electricity market prices. Price increases on the wholesale markets, in contrast, have a negative effect on energy sales. In cases where energy procurement prices are not hedged over the long term, higher procurement costs are gradually passed on to customers.

The distortions on the energy markets in South East Europe represent a major challenge for regulatory mechanisms and for our activities in these markets. Higher costs to cover network losses are expected to have a substantial negative influence on the development of earnings in Bulgaria and North Macedonia in 2021/22. Based on the current regulatory framework, however, this should be offset through tariff adjustments in the following years.

In the international project business, EVN intends to concentrate on existing contracts – especially the large-scale project in Kuwait. Positive earnings development can be expected in the Environment Segment if projects proceed as scheduled. However, a further intensification of the corona crisis could lead to additional project delays through lockdowns, travel restrictions and the interruption of international supply chains and, in turn, to a decline in earnings.

EVN expects Group net result to range from approximately EUR 200m to EUR 240m for the 2021/22 financial year. However, stronger or longer distortions on the energy markets could have a negative impact on expected earnings. Investments will increase to approximately EUR 500m and will be focused, above all, on the regulated and stable business areas of network infrastructure, renewable generation and drinking water supplies. These activities are intended to protect EVN's solid business foundation and support continued growth.

Maria Enzersdorf, 24 November 2021



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

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	→ 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 GmbH[1)] → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)[1)]
	Generation	→ 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	→ 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 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 Austria AG (RAG)[1)] → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG[1)] → 12.63% investment in Verbund AG[3)] → 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 was accounted for as a joint operation in 2020/21 and deconsolidated as of 30 September 2021 following the divestment of EVN's 49%-stake.
3) Dividends are included under financial results.

Key energy business indicators	GWh	2020/21	2019/20	+/– Nominal	+/– %	2018/19
Electricity generation volumes		**3,997**	**3,785**	**213**	**5.6**	**5,594**
thereof renewable energy sources		2,283	2,250	33	1.5	2,315
thereof thermal energy sources		1,715	1,535	180	11.7	3,279
Network distribution volumes						
Electricity		23,257	22,154	1,103	5.0	22,734
Natural gas[1)]		16,184	15,228	956	6.3	16,080
Energy sales volumes to end customers						
Electricity		**20,207**	**19,813**	**394**	**2.0**	**19,924**
thereof Central and Western Europe[2)]		8,717	8,463	254	3.0	7,941
thereof South East Europe		11,490	11,351	139	1.2	11,983
Natural gas		**5,412**	**4,957**	**455**	**9.2**	**5,083**
Heat		**2,545**	**2,303**	**242**	**10.5**	**2,196**
thereof Central and Western Europe[2)]		2,342	2,111	230	10.9	1,987
thereof South East Europe		203	192	11	5.8	209

1) Incl. network distribution volumes to EVN power plants
2) Covers Austria and Germany.

Energy

Highlights 2020/21

- → Energy sales volumes above previous year; cooler weather and normalisation of demand after the corona-related decline in the previous year as main factors
- → Valuation effects from hedges and provisions related to the marketing of EVN's electricity production
- → Improvement in operating earnings and positive valuation effects from EVN KG
- → EBITDA, EBIT and result before income tax above previous year

Development of energy sales volumes

Sales volumes to end customers in EVN's three products groups – electricity, natural gas and heat – increased during 2020/21. In the electricity business, this development was the result of rising demand by private customers, while sales volumes to industrial customers were also higher than the Covid-19-related previous year. Sales volumes of natural gas and heat were positively influenced by the cooler weather. The electricity and natural gas sales volumes recorded by EVN KG and ENERGIEALLIANZ Austria GmbH in Austria and Germany rose by 3.0% to 8,717 GWh and by 8.7% to 5,259 GWh. EVN Wärme registered an increase of 10.9% in sales volumes to 2,342 GWh.

Revenue development

The development of revenue in the Energy Segment is dependent primarily on the marketing of the electricity generated in EVN's power plants. Electricity generation volumes were higher than the previous year in 2020/21 due to better water flows and the increased use of the Walsum 10 power plant. Revenue growth was supported by these positive volume effects as well as by rising wholesale prices. EVN Wärme also benefited from favourable volume and price effects. In spite of these positive developments, revenue in the Energy Segment fell by 18.8% to EUR 311.4m in 2020/21. The main reason was a substantial year-on-year change in the valuation effects from hedges which, however, also led to a reduction in operating expenses.

Operating expenses

Operating expenses were 28.1% lower at EUR 243.8m. This decline was the result of contrary developments: The cost of electricity purchases from third parties and energy carriers increased parallel to the year-on-year rise in the sale of electricity from thermal generation and higher energy procurement costs at EVN Wärme. In contrast, operating expenses were reduced by the valuation of hedges for primary energy carriers and CO_2 emission

Key indicators – Energy		2020/21	2019/20	+/– Nominal	+/– %	2018/19
Key energy business indicators	GWh					
Electricity sales volumes[1]		8,717	8,463	254	3.0	7,941
Natural gas sales volumes[1]		5,259	4,839	420	8.7	4,974
Heat sales volumes		2,342	2,111	230	10.9	1,987
Key financial indicators	EURm					
External revenue		300.9	372.9	–72.0	–19.3	569.4
Internal revenue		10.6	10.7	–0.2	–1.5	4.1
Total revenue		**311.4**	**383.6**	**–72.2**	**–18.8**	**573.5**
Operating expenses		–243.8	–339.3	95.5	28.1	–625.8
Share of results from equity accounted investees with operational nature		120.9	39.4	81.5	–	–32.7
EBITDA		**188.6**	**83.8**	**104.8**	–	**–85.0**
Depreciation and amortisation including effects from impairment tests		–22.0	–22.3	0.3	1.4	–12.2
Results from operating activities (EBIT)		**166.6**	**61.4**	**105.1**	–	**–97.2**
Financial results		–2.1	–1.6	–0.5	–32.5	–2.2
Result before income tax		**164.5**	**59.9**	**104.6**	–	**–99.4**
Total assets		1,142.4	774.8	367.6	47.5	827.6
Total liabilities		604.3	641.9	–37.5	–5.8	696.5
Investments[2]		21.1	28.8	–7.6	–26.5	26.4

1) Consists mainly of sales volumes from EVN KG and ENERGIEALLIANZ Austria GmbH 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.
2) In intangible assets and property, plant and equipment

certificates as well as the use of provisions for onerous contracts from the marketing of EVN's own electricity production.

Results from equity accounted investees

The share of results from equity accounted investees with operational nature improved substantially to EUR 120.9m (previous year: EUR 39.4m), chiefly due to the improvement in operating earnings and a year-on-year increase in the valuation of hedges held by EVN KG at the end of the reporting year.

Operating results

EBITDA in the Energy Segment amounted to EUR 188.6m in 2020/21 (previous year: EUR 83.8m). Depreciation and amortisation, including the effects from impairment testing, nearly matched the previous year at EUR 22.0m. This amount also includes write-ups of EUR 0.3m and impairment losses to district heating plants of EUR 1.5m (previous year: impairment losses of EUR 1.7m). EBIT in this segment rose to EUR 166.6m in 2020/21 (previous year: EUR 61.4m).

Financial results and result before income tax

Financial results declined by 32.5% year-on-year to EUR –2.1m, and the result before income tax for 2020/21 amounted to EUR 164.5m (previous year: EUR 59.9m).

Investments

Investments in the Energy Segment were related entirely to the expansion of the heating plants and networks. At EUR 21.1m, they were 26.5% lower than the previous year.

Outlook

In addition to the development of business at EVN Wärme and the energy supply business which is included at equity, earnings in the Energy Segment are significantly influenced by the marketing of EVN's own electricity production. Future earnings will not consider any effects from the Walsum 10 power plant anymore because EVN transferred its 49% investment in this project at the end of September 2021 and has ended electricity purchases from this source.

Price increases on the wholesale markets are creating challenging conditions for EVN Wärme and for energy distribution. In cases where energy procurement prices are not hedged over the long-term, higher procurement costs in the energy distribution business will be gradually passed on to customers.

Excluding the non-recurring effects from the termination of onerous contracts, which had a positive effect at the segment level in 2020/21, segment results for 2021/22 are expected to be substantially lower than the previous year.

Generation

Highlights 2020/21

- → Expansion targets for renewable energy by 2030: wind power by 350 MW to 750 MW and photovoltaic by 300 MW
- → Final exit from coal-based electricity generation: sale of the 49% investment in the Walsum 10 power plant
- → EBITDA, EBIT and result before income tax above previous year, among others due to revaluations of at equity accounted investees

Development of power generation

EVN had an installed wind power capacity of 394 MW as of 30 September 2021 (previous year: 367 MW). The year-on-year increase resulted from the commissioning of the Kettlasbrunn II wind park (8.4 MW) in December 2020 and the acquisition of an existing wind park (18.5 MW) in Lower Austria as of 30 June 2021. In line with the Strategy 2030, EVN plans to increase the Group's

Key indicators – Generation		2020/21	2019/20	+/– Nominal	+/– %	2018/19
Key energy business indicators	GWh					
Electricity generation volumes		**3,314**	**3,083**	**231**	**7.5**	**4,850**
thereof renewable energy sources		1,921	1,888	32	1.7	1,941
thereof thermal energy sources		1,393	1,195	198	16.6	2,909
Key financial indicators	EURm					
External revenue		127.1	132.1	–4.9	–3.7	132.0
Internal revenue		202.2	161.8	40.3	24.9	204.7
Total revenue		**329.3**	**293.9**	**35.4**	**12.0**	**336.7**
Operating expenses		–119.0	–156.2	37.3	23.9	–178.2
Share of results from equity accounted investees with operational nature		52.1	–22.3	74.4	–	102.1
EBITDA		**262.5**	**115.4**	**147.1**	–	**260.6**
Depreciation and amortisation including effects from impairment tests		–80.3	–72.5	–7.8	–10.8	–42.3
Results from operating activities (EBIT)		**182.2**	**42.9**	**139.3**	–	**218.4**
Financial results		–20.2	–12.9	–7.3	–56.7	–15.4
Result before income tax		**162.0**	**30.0**	**132.0**	–	**203.0**
Total assets		828.4	1,123.4	–294.9	–26.3	1,169.7
Total liabilities		411.3	710.2	–298.9	–42.1	781.9
Investments[1)]		27.2	53.4	–26.2	–49.0	67.8

1) In intangible assets and property, plant and equipment

wind power capacity to 750 MW by 2030 if energy sector conditions are appropriate. This goal will be met through projects in Lower Austria and Bulgaria. Photovoltaic projects will also be realised in Lower Austria, Bulgaria and North Macedonia, with a Group-wide installed capacity of 300 MW.

In the Generation Segment, renewable electricity production rose by 1.7% to 1,921 GWh in 2020/21. A decline in wind flows compared with the previous year was offset by an increase in water flows. However, wind power production was lower year-on-year despite the expansion of capacity.

Thermal generation capacity reflected a further step towards the future reduction of CO_2 emissions: As of 30 September 2021, EVN sold its 49% investment in the Walsum 10 hard coal-fired power plant to the joint venture partner STEAG and ended electricity purchases from this source. That marked EVN's final exit from hard coal-based electricity generation. The Theiss gas-fired power plant remains operational to provide the Austrian network transmission operator with contractually agreed reserve capacity, which was used solely for network stabilisation in 2020/21. Reserve capacity of 470 MW has been contractually agreed for 2021/22.

Thermal electricity generation rose by 16.6% to 1,393 GWh in 2020/21 because the Walsum 10 power plant was more frequently called on than in 2019/20 and only removed from EVN's portfolio at the end of the reporting year.

Revenue development

Revenue in the Generation Segment rose by 12.0% to EUR 329.3m in line with the increase in electricity generation and higher electricity prices.

Operating expenses

Operating expenses declined by 23.9% to EUR 119.0m, above all due to effects related to the Walsum 10 power plant which are included under other operating income.

Results from equity accounted investees

The share of results from equity accounted investees with operational nature improved to EUR 52.1m (previous year: EUR –22.3m). The impairment losses recognised to Verbund Innkraftwerke GmbH and the Ashta hydropower plant in the previous year (EUR 20.7m, respectively EUR 4.9m) were contrasted in 2020/21 by revaluations of EUR 25.3m and EUR 23.8m. The revaluation at Verbund Innkraftwerke GmbH was based on the higher electricity wholesale prices on the forward market, while the revaluation at the Ashta hydropower plant reflected a decline in the country risk premium after the Covid-19-related increase.

Operating results

EBITDA in the Generation Segment rose to EUR 262.5m in 2020/21 (previous year: EUR 115.4m). Depreciation and amortisation, including the effects from impairment testing, was 10.8% higher than the previous year at EUR 80.3m due to the increase in investments. This amount also includes write-ups of EUR 2.1m (previous year: EUR 1.5m) and impairment losses of EUR 0.3m (previous year: EUR 2.8m) to electricity generation equipment. In total, EBIT equalled EUR 182.2m (previous year: EUR 42.9m).

Financial results

Financial results fell by 56.7% to EUR –20.2m. This decline was attributable to an interest rate hedge that was concluded for the entire term of the bank financing for the Walsum 10 power plant but was terminated prematurely following the sale of the 49% investment as of 30 September 2021. The result before income tax in this segment equalled EUR 162.0m (previous year: EUR 30.0m).

Investments

Investments in this segment dropped by nearly half to EUR 27.2m in 2020/21 due to the postponement of planned renewable generation projects. The delay resulted from amendment procedures on previously approved wind power projects and the still outstanding official notification by the European Commission of the subsidy mechanisms included in the new Austrian Renewable Energy Expansion Act.

Outlook

Segment results for the 2020/21 financial year were significantly influenced by positive non-recurring effects from revaluations at equity accounted investees and from the exit from the investment in the Walsum 10 power plant. Under the assumption that wind and water flows reflect the long-term average and excluding the positive non-recurring effects from 2020/21, earnings in this segment are expected to be below the previous year in 2021/22. However, higher electricity prices could moderate this decline.

Key indicators – Networks		2020/21	2019/20	+/– Nominal	+/– %	2018/19
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		8,789	8,411	378	4.5	8,511
Natural gas		15,871	14,967	904	6.0	15,838
Key financial indicators	EURm					
External revenue		495.1	462.8	32.3	7.0	470.8
Internal revenue		58.6	55.1	3.6	6.4	63.2
Total revenue		**553.8**	**517.9**	**35.8**	**6.9**	**534.0**
Operating expenses		–316.5	–318.0	1.5	0.5	–325.4
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**237.3**	**199.9**	**37.4**	**18.7**	**208.2**
Depreciation and amortisation including effects from impairment tests		–142.5	–130.3	–12.1	–9.3	–125.3
Results from operating activities (EBIT)		**94.8**	**69.6**	**25.2**	**36.3**	**82.9**
Financial results		–13.9	–12.6	–1.3	–10.3	–17.1
Result before income tax		**81.0**	**57.0**	**23.9**	**42.0**	**65.8**
Total assets		2,246.6	2,090.4	156.2	7.5	2,010.5
Total liabilities		1,448.0	1,457.2	–9.2	–0.6	1,410.9
Investments[1)]		249.0	181.8	67.1	36.9	202.2

1) In intangible assets and property, plant and equipment

Networks

Highlights 2020/21

- → Increase in electricity and natural gas network sales volumes
- → Revenue positively influenced by price and volume effects
- → EBITDA, EBIT and result before income tax above previous year
- → Substantial increase in investments

Development of network distribution volumes

Electricity network distribution volumes to household and commercial customers rose by a total of 4.5% to 8,789 GWh in 2020/21. Natural gas network distribution volumes increased by 6.0% to 15,871 GWh, above all due to a substantial year-on-year decline in temperatures. In both areas, the previous year's figures were influenced by the weaker demand that resulted from the Covid-19 measures implemented by the Austrian government.

Revenue development

As of 1 January 2021, the E-Control Commission raised the network tariffs for household customers by an average of 6.3% for electricity and by an average of 6.4% for natural gas. These tariff adjustments combined with higher network sales volumes led to an increase in revenue from the network business. The positive revenue development at kabelplus resulted from rising demand for higher-performance telecommunications services. Revenue in this segment rose by 6.9% to EUR 553.8m in 2020/21.

Operating expenses and operating results

Operating expenses declined slightly by 0.5% to EUR 316.5m, while EBITDA rose to EUR 237.3m (previous year: EUR 199.9m). Scheduled depreciation and amortisation increased by 9.3% to EUR 142.5m as the result of investments, and EBIT therefore rose by 36.3% year-on-year to EUR 94.8m.

Financial results and result before income tax

Financial results amounted to EUR –13.9m (previous year: EUR –12.6m). The Networks Segment generated result before income tax of EUR 81.0m in 2020/21 (previous year: EUR 57.0m).

Investments

EVN's investments in the Networks Segment rose by 36.9% year-on-year to EUR 249.0m in 2020/21. 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. EVN is thereby working to further expand renewable generation in its supply area in line with the Strategy 2030 and, in this way, contributes to meeting national and international climate goals. Other reasons for the increase in the investment volume include the widespread installation of smart meters and the realisation of numerous digitalisation projects.

Outlook

The development of earnings in the Networks Segment is determined by the Austrian regulatory methodology. Earnings in this segment are therefore expected to remain stable at the prior year level. Network sales volumes and, in turn, earnings for the year could be influenced by the weather-related demand for energy and economic developments as well as the extent to which the Theiss power plant is used for network stabilisation. However, volume-based fluctuations will be offset by the tariffs in subsequent periods in accordance with the applied regulatory methodology.

South East Europe

Highlights 2020/21

- → Network and energy sales volumes benefit from cooler weather and recovery of corona-related weaker demand
- → Increase in energy procurement costs
- → EBITDA and result before income tax above previous year

Energy sector and regulatory development

In South East Europe, the substantial year-on-year decline in temperatures was responsible for an increase in the demand for energy. A comparison with the previous financial year also shows that the demand for energy during the second six months – apart from the unusually mild temperatures – was also weakened by the corona crisis. Electricity network sales volumes rose by a total of 5.3% to 14,468 GWh and electricity sales volumes to end customers were 1.2% higher at 11,490 GWh. This comparatively lower increase is attributable, among others, to the intense competition that has followed the market liberalisation for commercial customers in Bulgaria. Heat sales in Bulgaria increased by 5.8% year-on-year to 203 GWh.

Electricity generation in South East Europe was characterised by different developments during the reporting year. Renewable generation – which rose by 9.2% to 140 GWh – benefited from better water flows at the small hydropower plants and the commissioning of the first of two new photovoltaic plants in North Macedonia. In contrast, thermal generation declined by 9.3% to 245 GWh due to lower production at the cogeneration plant in Plovdiv.

For information on the regulatory environment, see page 137f

Revenue development

Revenue in the South East Europe Segment rose by 14.9% year-on-year to EUR 1,048.1m in 2020/21, supported by an increase in energy sales and network operations.

Operating expenses and operating results

Operating expenses increased by 17.2% to EUR 909.0m due to higher energy procurement costs but were reduced by a decline in impairment losses to receivables in North Macedonia. EBITDA in the South East Europe Segment rose by 1.7% to EUR 139.0m.

Key indicators – South East Europe		2020/21	2019/20	+/– Nominal	+/– %	2018/19
Key energy business indicators	GWh					
Electricity generation volumes		**386**	**399**	**–13**	**–3.3**	**425**
thereof renewable energy		140	128	12	9.2	125
thereof thermal power plants		245	270	–25	–9.3	300
Network distribution volumes		**14,468**	**13,742**	**726**	**5.3**	**14,223**
Sales volumes to end customers		**11,846**	**11,661**	**185**	**1.6**	**12,302**
thereof electricity		11,490	11,351	139	1.2	11,983
thereof natural gas		153	118	35	29.6	109
thereof heat		203	192	11	5.8	209
Key financial indicators	EURm					
External revenue		1,047.4	911.5	135.9	14.9	909.9
Internal revenue		0.7	0.7	0.0	–	0.8
Total revenue		**1,048.1**	**912.2**	**135.9**	**14.9**	**910.7**
Operating expenses		–909.0	–775.5	–133.5	–17.2	–779.6
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**139.0**	**136.7**	**2.3**	**1.7**	**131.1**
Depreciation and amortisation including effects from impairment tests		–74.0	–70.6	–3.4	–4.7	–35.2
Results from operating activities (EBIT)		**65.0**	**66.1**	**–1.0**	**–1.6**	**95.9**
Financial results		–15.7	–20.4	4.7	23.0	–20.6
Result before income tax		**49.4**	**45.7**	**3.6**	**8.0**	**75.3**
Total assets		1,242.6	1,219.2	23.4	1.9	1,211.6
Total liabilities		869.0	893.7	–24.7	–2.8	913.1
Investments[1)]		100.4	99.7	0.7	0.7	81.1

1) In intangible assets and property, plant and equipment

Depreciation and amortisation, including the results from impairment testing, amounted to EUR 74.0m and were 4.7% higher than the previous year. EBIT remained nearly unchanged at EUR 65.0m (previous year: EUR 66.1m).

Financial results and result before income tax

Financial results in this segment improved by 23.0% to EUR –15.7m, and the result before income tax amounted to EUR 49.4m (previous year: EUR 45.7m).

Investments

EVN's investments in South East Europe were slightly higher than the previous year at EUR 100.4m (2019/20: EUR 99.7m). In addition to network investments to strengthen supply security, projects also included the construction of five warm water boilers by the Bulgarian distance heating company TEZ Plovdiv and the construction of EVN's first two photovoltaic plants in North Macedonia with an installed capacity of 1.5 MW each.

Outlook

The current distortions on the energy markets are expected to have a substantial negative influence on earnings in the South East Europe Segment during the 2021/22 financial year. Based on the applicable regulatory framework conditions, negative effects should be offset by higher costs for the coverage of network losses through higher tariffs – but this compensation will only take place in later years.

Key financial indicators – Environment	EURm	2020/21	2019/20	+/– Nominal	+/– %	2018/19
External revenue		405.0	207.7	197.2	95.0	104.7
Internal revenue		0.5	0.4	0.1	26.5	0.5
Total revenue		**405.5**	**208.1**	**197.4**	**94.8**	**105.1**
Operating expenses		–355.1	–204.2	–150.9	–73.9	–94.6
Share of results from equity accounted investees with operational nature		13.6	13.3	0.3	1.9	16.2
EBITDA		**64.0**	**17.3**	**46.7**	–	**26.8**
Depreciation and amortisation including effects from impairment tests		–37.5	–16.7	–20.8	–	–11.6
Results from operating activities (EBIT)		**26.5**	**0.6**	**25.9**	–	**15.2**
Financial results		–10.1	–5.9	–4.2	–71.6	–11.7
Result before income tax		**16.4**	**–5.3**	**21.7**	–	**3.5**
Total assets		979.3	862.0	117.3	13.6	682.0
Total liabilities		771.9	716.9	55.0	7.7	530.1
Investments[1)]		20.7	17.1	3.6	21.1	17.4

1) In intangible assets and property, plant and equipment

Environment

Highlights 2020/21

- → Successful acquisitions in the international project business
  - – One contract in Poland and two contracts in Romania (contract value: EUR 10m to EUR 12m each)
- → Start of construction on the Umm Al Hayman wastewater treatment project in Kuwait
- → EBITDA, EBIT and result before income tax above previous year

International project business

As of 30 September 2021, WTE Wassertechnik was working on the planning and construction of 14 projects in Germany, Poland, Lithuania, Romania, Bahrain and Kuwait. Three contracts for thermal sludge utilisation plants in Hanover, Straubing and Halle-Lochau are also included in these orders. They are being realised by sludge2energy, a company in which WTE Wassertechnik holds an investment of 50%. The commissioning of the plant in Halle-Lochau started with trial operations in autumn 2021.

Covid-19-related lockdowns, travel restrictions and distortions in international supply chains created substantial difficulties for the international project business in 2020/21 and led, in part, to project delays. The result was the shift of earnings to future periods as well as additional costs. Work at the large-scale project in Kuwait, which started in summer 2020, is proceeding on the pipelines and pumping stations, although this project has also been affected by delays.

Revenue development

Revenue in the Environment Segment rose significantly to EUR 405.5m despite the corona-related interference (previous year: EUR 208.1m) and was primarily influenced by the wastewater treatment project in Kuwait. Moreover, the demand for drinking water remained at a high level.

Operating expenses

Operating expenses in this segment rose to EUR 355.1m (previous year: EUR 204.2m), generally in line with the development of revenue and primarily due to an increase in third-party services and other material costs. A positive non-recurring effect from the refund of an energy duty at EVN Wasser represented a contrary effect.

Results from equity accounted investees

The results from equity accounted investees generally reflected the previous year at EUR 13.6m (2019/20: EUR 13.3m). The largest component of the earnings contributions reported under this position is related to the wastewater treatment project in Zagreb.

Operating results

EBITDA in the Environment Segment rose to EUR 64.0m in 2020/21 (previous year: EUR 17.3m). Depreciation and amortisation, including the effects from impairment testing, increased to EUR 37.5m due to the amortisation of capitalised project costs for the project in Kuwait (previous year: EUR 16.7m). EBIT therefore increased to EUR 26.5m (previous year: EUR 0.6m).

Financial results and result before income tax

Financial results deteriorated by 71.6% to EUR –10.1m due to foreign exchange effects in the international project business. The result before income tax in this segment totalled EUR 16.4m (previous year: EUR –5.3m).

Investments

EVN's investments in the Environment Segment rose by 21.1% year-on-year to EUR 20.7m in 2020/21 and were chiefly related to drinking water supplies in Lower Austria. Projects focused on the expansion of cross-regional pipeline networks, e. g. construction of a new 60 km transport pipeline from Krems to Zwettl to protect water supplies in the Waldviertel and Weinviertel regions. In addition to other pipeline projects, EVN is also investing in the construction of its fifth natural filter plant. It will be commissioned in Petronell during January 2022 and shall supply ten communities east of Vienna International Airport with naturally softened drinking water.

Outlook

The development of earnings in the Environment Segment in 2021/22 will also be significantly influenced by the realisation of assignments in the international project business, above all the large-scale project in Kuwait. Assuming a decline in the interference from the corona pandemic, catch-up effects and the scheduled progress on projects should support an increase in segment earnings for 2021/22.

A renewed intensification of the corona crisis could, however, lead to further project delays through lockdowns, travel restrictions and disruptions in international supply chains with a resulting decline in earnings.

Key financial indicators – All Other Segments	EURm	2020/21	2019/20	+/– Nominal	+/– %	2018/19
External revenue		19.4	20.4	–1.0	–5.1	18.4
Internal revenue		75.2	69.0	6.2	9.0	64.3
Total revenue		**94.6**	**89.4**	**5.2**	**5.8**	**82.7**
Operating expenses		–101.5	–96.8	–4.7	–4.9	–93.2
Share of results from equity accounted investees with operational nature		53.0	63.6	–10.6	–16.7	44.8
EBITDA		**46.1**	**56.3**	**–10.2**	**–18.1**	**34.2**
Depreciation and amortisation including effects from impairment tests		–2.3	–2.4	0.1	2.1	–1.8
Results from operating activities (EBIT)		**43.8**	**53.9**	**–10.1**	**–18.8**	**32.4**
Financial results		56.9	53.3	3.7	6.9	52.2
Result before income tax		**100.7**	**107.2**	**–6.4**	**–6.0**	**84.6**
Total assets		6,528.8	4,600.0	1,928.8	41.9	4,586.5
Total liabilities		2,249.5	1,781.9	467.6	26.2	1,674.4
Investments[1)]		0.1	3.3	–3.3	–98.2	3.5

1) In intangible assets and property, plant and equipment

All Other Segments

Highlights 2020/21

- → Decline in share of results from equity accounted investees with operational nature
- → EBITDA, EBIT and result before income tax below previous year

Revenue, EBITDA and EBIT development

Revenue in this segment rose by 5.8% to EUR 94.6m in 2020/21, while operating expenses increased by 4.9% to EUR 101.5m.

The share of results from equity accounted investees with operational nature declined by 16.7% to EUR 53.0m. However, the earnings contributions from RAG and Energie Burgenland in the previous year were influenced by positive non-recurring effects.

In view of these developments, EBITDA in this segment fell by 18.1% to EUR 46.1m. Depreciation and amortisation, including the effects of impairment testing, were nearly stable year-on-year at EUR 2.3m, and EBIT amounted to EUR 43.8m (previous year: EUR 53.9m).

Financial results and result before income tax

Financial results rose by 6.9% year-on-year to EUR 56.9m, chiefly due to the dividend of EUR 0.75 per share distributed by Verbund AG on 10 May 2021 for the 2020 financial year (previous year: EUR 0.69 per share) and by the positive performance of the R138 fund.

The result before income tax in this segment was 6.0% below the previous year at EUR 100.7m.

Outlook

Results in this segment are projected to exceed the previous year due to an expected increase in the dividend from Verbund AG. Stable earnings development is forecasted for RAG and Energie Burgenland.

Consolidated financial statements for 2020/21

According to International Financial Reporting Standards

Consolidated statement of operations

EURm	Note	2020/21	2019/20
Revenue	24	2,394.9	2,107.5
Other operating income	25	250.1	64.4
Cost of materials and services	26	–1,573.9	–1,205.2
Personnel expenses	27	–361.3	–349.3
Other operating expenses	28	–113.0	–121.1
Share of results from equity accounted investees with operational nature	29	239.6	94.1
EBITDA		**836.5**	**590.4**
Depreciation and amortisation	30	–337.7	–296.7
Effects from impairment tests	30	–112.4	–20.6
Results from operating activities (EBIT)		**386.4**	**273.1**
Results from other investments		37.6	33.3
Interest income		6.1	4.5
Interest expense		–59.4	–47.0
Other financial results		–4.3	–6.7
Financial results	31	**–20.0**	**–15.8**
Result before income tax		**366.4**	**257.3**
Income tax	32	–14.7	–28.7
Result for the period		**351.7**	**228.6**
thereof result attributable to EVN AG shareholders (Group net result)		325.3	199.8
thereof result attributable to non-controlling interests		26.4	28.9
Earnings per share in EUR[1)]	33	1.83	1.12
Dividend per share in EUR		0.52[2)]	0.49

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	2020/21	2019/20
Result for the period		351.7	228.6
Other comprehensive income from			
Items that will not be reclassified to profit or loss		1,408.7	–112.0
Remeasurements IAS 19	45	12.4	10.2
Investments in equity accounted investees	45	4.3	–2.2
Shares and other equity instruments measured at fair value and reported in other comprehensive income[1)]		1,860.3	–156.5
Thereon apportionable income tax expense	45	–468.4	36.5
Items that may be reclassified to profit or loss		352.4	–14.8
Currency translation differences	5	5.4	–3.8
Cash flow hedges	45	–0.4	2.8
Investments in equity accounted investees	45	462.1	–14.1
Thereon apportionable income tax expense	45	–114.6	0.3
Total other comprehensive income after tax		1,761.1	–126.8
Comprehensive income for the period		2,112.8	101.8
thereof income attributable to EVN AG shareholders		2,085.5	74.5
thereof income attributable to non-controlling interests		27.2	27.3

1) See note 61. Reporting on financial instruments

Consolidated statement of financial position

EURm	Note	30.09.2021	30.09.2020
Assets			
Non-current assets			
Intangible assets	34	216.5	216.9
Property, plant and equipment	35	3,692.1	3,703.4
Investments in equity accounted investees	36	1,577.5	1,002.1
Other investments	37	4,029.5	2,168.7
Deferred tax assets	49	57.0	75.4
Other non-current assets	38	200.0	261.0
		9,772.6	**7,427.6**
Current assets			
Inventories	39	95.7	66.6
Trade and other receivables	40	749.9	403.2
Securities and other current financial investments	41	399.1	253.8
Cash and cash equivalents	59	122.5	214.6
		1,367.1	**938.1**
Total assets		**11,139.8**	**8,365.7**
Equity and liabilities			
Equity			
Issued capital and reserves attributable to shareholders of EVN AG	42–46	6,281.2	4,282.1
Non-controlling interests	47	263.2	261.2
		6,544.3	**4,543.3**
Non-current liabilities			
Non-current loans and borrowings	48	718.9	1,045.3
Deferred tax liabilities	49	1,035.4	490.0
Non-current provisions	50	445.3	506.4
Deferred income from network subsidies	51	622.2	619.1
Other non-current liabilities	52	116.0	137.5
		2,937.9	**2,798.3**
Current liabilities			
Current loans and borrowings	53	318.0	110.0
Taxes payable and levies		44.8	75.5
Trade payables	54	331.7	298.4
Current provisions	55	124.8	96.2
Other current liabilities	56	838.2	444.0
		1,657.6	**1,024.1**
Total equity and liabilities		**11,139.8**	**8,365.7**

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 30.09.2019	**330.0**	**253.6**	**2,514.2**	**1,226.8**	**–9.3**	**–19.7**	**4,295.6**	**256.5**	**4,552.1**
Comprehensive income	–	–	199.8	–121.1	–4.2	–	74.5	27.3	101.8
Dividends 2018/19	–	–	–89.0	–	–	–	–89.0	–22.6	–111.6
Change in treasury shares	–	0.2	–	–	–	0.8	1.0	–	1.0
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**
Note	42	43	44	45	5	46		47	

Consolidated statement of cash flows

EURm	Note	2020/21	2019/20
Result before income tax		**366.4**	**257.3**
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment and other non-current assets	30	450.1	317.3
– Results of equity accounted investees and other investments	36, 37	–277.2	–127.5
+ Dividends from equity accounted investees and other investments		166.9	113.3
+ Interest expense		59.4	47.0
– Interest paid		–42.6	–40.2
– Interest income		–6.1	–4.5
+ Interest received		5.5	3.8
+ Losses/– gains from foreign exchange translations		5.8	4.1
+/– Other non-cash financial results		0.1	0.7
– Release of deferred income from network subsidies	58	–70.4	–52.1
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment		0.8	–0.7
– Gains from deconsolidations	25	–25.6	–
– Decrease/+ increase in non-current provisions	50	129.2	–21.4
Gross cash flow		**762.3**	**497.1**
+ Decrease/– increase in inventories and receivables		–398.3	–127.7
+ Increase/– decrease in current provisions		28.7	5.8
+ Increase/– decrease in trade payables and other liabilities		464.0	81.2
– Income tax paid		–67.0	–44.3
Net cash flow from operating activities		**789.6**	**412.0**
+ Proceeds from the disposal of intangible assets and property, plant and equipment		7.3	6.7
+ Proceeds from network subsidies		77.3	60.7
+ Proceeds from the disposal of financial assets and other non-current assets		6.4	65.5
+ Proceeds from the disposal of current securities and other current financial investments		108.3	89.4
– Acquisition of intangible assets and property, plant and equipment		–415.4	–367.5
– Outflows in connection with deconsolidations	25	–275.2	–
– Acquisition of financial assets and other non-current assets		–6.7	–31.5
– Acquisition of current securities other current financial investments		–256.4	–251.9
Net cash flow from investing activities		**–754.3**	**–428.6**
– Dividends paid to EVN AG shareholders	44	–87.3	–89.0
– Dividends paid to non-controlling interests		–25.3	–22.6
+ Sales of treasury shares		0.9	1.0
+ Increase in financial liabilities	58	101.0	100.0
– Decrease in financial liabilities	58	–34.5	–72.7
– Decrease in leasing liabilities	58	–7.8	–5.5
Net cash flow from financing activities		**–53.0**	**–88.8**
Net change in cash and cash equivalents		**–17.7**	**–105.4**
Net change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period[1)]	58	140.0	246.2
Currency translation differences on cash and cash equivalents		0.0	–0.9
Cash and cash equivalents at the end of the period[1)]		122.3	140.0
Net change in cash and cash equivalents		**–17.7**	**–105.4**

1) The addition of bank overdrafts results in cash and cash equivalents as reported on the consolidated statement of financial position.

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.

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 IFRSs 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 2020/21 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			
IFRS 3	Definition of a Business	01.01.2020	None
IAS 39, IFRS 7, IFRS 9	Interest Rate Benchmark Reform	01.01.2020	None
IAS 1, IAS 8	Definition of Material	01.01.2020	None
IFRS 16	Covid-19-Related Rent Concessions	01.06.2020	None
Several	Amendments to References to the Conceptual Framework	01.01.2020	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.

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

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. No adjustment to the cash flow hedge reserve was required in either the 2019/20 or 2020/21 financial years as no impact was 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.

Standards and interpretations already adopted by the EU, but not yet compulsory		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
IFRS 3	Reference to the Conceptual Framework	01.01.2022	None
IAS 16	Proceeds before Intended Use	01.01.2022	None
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	01.01.2022	None
Several	Annual Improvements to IFRS 2018–2020	01.01.2022	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 2021, 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
New standards and interpretations			
IFRS 17	Insurance Contracts	01.01.2023	None
Revised standards and interpretations			
IAS 1	Classification of Liabilities as Current or Non-Current	01.01.2023	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

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 **34. Intangible assets** and **21. 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, 26 domestic and 29 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2021 (previous year: 28 domestic and 32 foreign subsidiaries). A total of 11 subsidiaries (previous year: 13) 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 Austria GmbH (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 253. Notes **47. Non-controlling interests** and **62. 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
30.09.2019	**61**	**1**	**16**	**78**
Initial consolidation	2	–	1	3
Deconsolidation	–1	–	–	–1
Reorganisation[1)]	–2	–	–	–2
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

1) Internal reorganisation

The following companies were previously included in EVN's consolidated financial statements through full consolidation but were no longer included in 2020/21 for materiality reasons.

Company, headquarters	Date
WTE Abwicklungsgesellschaft Russland mbH, Essen, Germany	31.12.2020
EVN WEEV Beteiligungs GmbH in Liqu., Maria Enzersdorf, Austria	31.12.2020
EVN Trading d.o.o. Beograd, Belgrade, Serbia	31.03.2021
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	30.09.2021

EVN Finanzservice GmbH, Maria Enzersdorf, as the transferring company, was merged with Netz Niederösterreich GmbH, Maria Enzersdorf, as the acquiring company. The company was deleted from the company register on 7 March 2021.

The 49% investment in STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH was sold to the co-shareholder, STEAG Kraftwerksbeteiligungsgesellschaft mbH, on 30 September 2021 and, at the same time, the related contract for electricity purchases from this power plant was cancelled. The investment in the Walsum 10 power plant, which was proportionately accounted for as a joint operation, was therefore deconsolidated as of 30 September 2021.

The cancellation of the electricity procurement contract based on a compensation payment by EVN and the sale of the investment were concluded at the same time and treated as a single transaction. EVN paid fees totalling EUR 272.5m in connection with this transaction. The deconsolidation also led to a reduction of EUR 2.7m in cash and cash equivalents. This power plant company, which was previously included through proportionate consolidation, also held non-current assets of EUR 3.9m, current assets of EUR 57.7m (including the cash and cash equivalents), non-current liabilities of EUR 291.0m and current liabilities of EUR 68.3m as of the deconsolidation date. These amounts include recognised items from the electricity procurement contract. The residual amount therefore represents negative equity of EUR 298.1m. The balance sheet total of the deconsolidated joint operation amounted to EUR 61.3m on 30 September 2021 (see notes **25. Other operating income, 31. Financial results, 34. Intangible assets, 35. Property, plant and equipment, 45. Valuation reserves, 50. Non-current provisions, 57. Notes to segment reporting** and **58. Consolidated statement of cash flows).**

e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna, is a 50% subsidiary of EVN AG. The at equity consolidation of this company was terminated as of 31 December 2020 for materiality reasons.

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 5.4m in 2020/21 (previous year: EUR –3.8m). Of this amount, EUR –5.0m (previous year: EUR –1.2m) 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 **31. 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	**2020/21**		**2019/20**	
Currency	**Exchange rate on the balance sheet date**	**Average[1)]**	**Exchange rate on the balance sheet date**	**Average[1)]**
Albanian lek	121.54000	123.08462	124.05000	123.80231
Bulgarian lev[2)]	1.95583	1.95583	1.95583	1.95583
Bahrain dinar	0.43630	0.44876	0.4403	0.4228
Japanese yen	129.67000	128.46462	123.76000	120.74308
Croatian kuna	7.48890	7.53688	7.55650	7.50682
Kuwaiti dinar	0.34915	0.36128	0.35880	0.34429
Hungarian forint	360.19000	358.83769	365.53000	345.04385
North Macedonian denar	61.69480	61.64396	61.69500	61.63588
Polish zloty	4.61970	4.55238	4.54620	4.39806
Russian rouble	84.33910	89.42785	91.77630	78.32732
Serbian dinar	117.55950	117.57268	117.58030	117.56362
Czech koruna	25.49500	26.04769	27.23300	26.19492

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 **21. 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 **21. 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 **29. Share of results from equity accounted investees with operational nature, 31. Financial results** and **62. 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 IAS 17 and IFRS 16 to lease receivables is not applied.

EVN uses the practical expedient defined by IFRS 9B5.5.35 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 as well as changes related to electricity transactions.

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 part of the listed derivatives as hedges within the framework of hedge accounting. The requirements defined by IFRS 9 for this designation include, among others, 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.

The EVN Group designates certain derivatives as hedging instruments to hedge the fluctuations in cash flows arising from changes in foreign exchange rates or interest rates. 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 and records whether the changes in the cash flows of 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 **31. 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 9B5.5.35 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, wich consists 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. 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.

17. 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 **50. 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 NÖ. 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 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. 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.

18. 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 **48. 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 **19. 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.

19. 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.

20. 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

%	2020/21	2019/20
Country of residence		
Austria	25.0	25.0
Albania	15.0	15.0
Bulgaria	10.0	10.0
Germany – Environment	32.6	30.3
Germany – Generation	34.0	34.0
Estonia[1)]	20.0	20.0
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
Serbia	15.0	15.0
Slovenia	19.0	19.0
Czech Republic	19.0	19.0
Cyprus	12.5	12.5

1) Taxes on corporate profits are levied when dividends are paid to the shareholders. Retained earnings are not taxed.

EVN utilised the corporate tax group option as of 30 September 2021. 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 (previous year: corporate group with NÖ Landes-Beteiligungsholding GmbH as the head of the group). 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. The positive aggregated tax result is based on the allocation method (previous year: stand-alone 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 AG, which calls for a negative tax charge for this company if its taxable results is 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.

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 differences 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.

21. 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, wind parks, 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 generation 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 generation equipment, 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 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. In the 2020/21 financial year, the mapping of the country risk premiums was adjusted.

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.

22. 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 (wastewater treatment plant) and the large-scale project in Bahrain (expension 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 **19. Revenue recognition** and **24. 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 **21. 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: **34. Intangible assets, 35. Property, plant and equipment** and **36. 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 **37. Other investments.**

WTE Wassertechnik GmbH 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 35.3m, 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 **59. 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 **50. 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 **17. Provisions)** as well as estimates for other obligations and risks (see note **63. 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 **19. Revenue recognition).** These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

Effects of the Covid-19 pandemic

The Covid-19 pandemic that started in 2020 has led to actions by governments throughout the world to contain the corona virus. The effects of these measures on companies have varied. The most important effects of the Covid-19 pandemic on EVN's business development in the 2020/21 financial year are described in the following section:

- The closing for the start of work on the Umm Al Hayman wastewater treatment project in Kuwait was only completed at the end of July 2020 due to the corona crisis; the earnings contribution expected for 2019/20 was therefore postponed to the following years. Further pandemic-related lockdowns in Kuwait during 2020/21 and the related restrictions on entering the country led to the renewed postponement of earnings contributions to the following years.

- EVN determines the impairment losses for trade receivables in accordance with IFRS 9B5.5.25 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 introduced in reaction to the Covid-19 pandemic. 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 4.1m for the 2020/21 financial year (previous year: EUR 4.7m) through the forward-looking component (see the Credit and default risk under note **59. Risk management).**

- In 2019/20, the increase in the country risk premiums caused by the Covid-19 pandemic resulted in higher discount rates and the recognition of impairment losses. Country risk premiums have since declined substantially from the initial pandemic levels, a development which was reflected in revaluations during 2020/21 (see notes **34. Intangible assets** and **35. Property, plant and equipment).**

- The Covid-19 crisis also had an effect on the market value of the securities in the R138 fund, which are carried at fair value through profit or loss. The initially significant price losses at the beginning of the 2019/20 financial year could be recovered after an interim recovery on the stock exchanges.

EVN has successfully protected its high financial flexibility and solid liquidity reserves due to low net debt and a comfortable base of contractually committed, undrawn credit lines. In summary, the corona crisis had a selective negative influence on EVN's operating results in 2020/21, as in the previous year. Stabilising effects were provided, above all, by EVN's integrated business model and widely diversified customer base. The company is therefore expected to continue as a going concern in any case.

The further course of the corona crisis and rising uncertainty can have a material negative effect on earnings through the future development of electricity and primary energy prices as well as the cost of capital.

23. 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 IFRSs. 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 **57. Notes to segment reporting).**

Notes to the consolidated statement of operations

24. 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	2020/21	2019/20
Revenue from contracts with customers	2,515.3	2,091.5
Other revenue	–120.4	16.0
Total	**2,394.9**	**2,107.5**

Other revenue mainly relates to valuations effects in relation to electricity derivatives attributable to the Energy Segment. Positive and negative results from the valuation of these derivatives are netted.

The following table shows the revenue from contracts with customers classified by segment and product:

Revenue from contracts by segment and product

EURm	2020/21	2019/20
Electricity	203.6	152.1
Natural gas	41.0	40.8
Heat	144.0	136.1
Other	32.6	27.8
Energy	**421.3**	**356.9**
Electricity	69.0	71.0
Other	58.2	61.0
Generation	**127.1**	**132.1**
Electricity	310.6	291.4
Natural gas	107.2	96.3
Other	77.3	75.2
Networks	**495.1**	**462.8**
Electricity	1,027.3	894.2
Natural gas	6.4	5.3
Heat	9.2	8.8
Other	4.5	3.3
South East Europe	**1,047.4**	**911.5**
Environmental services	398.7	200.6
Electricity	5.0	5.7
Heat	1.3	1.5
Environment	**405.0**	**207.7**
Other	19.4	20.4
All Other Segments	**19.4**	**20.4**
Total	**2,515.3**	**2,091.5**

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 utili-

sation plant in Dürnrohr, where revenue is recognised at a specific point in time. The related revenue amounted to EUR 55.6m in 2020/21 (previous year: EUR 53.8m).

The increase in sales in the Environment Segment is mainly attributable to the international project business. In particular, the wastewater project in Kuwait launched in summer 2020 made a key contribution to this.

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 2021, mainly relate to network subsidies and the international project business.

In total, the remaining performance obligations amount to EUR 1,333.7m (previous year: EUR 1,663.1m) at the balance sheet date. Of this amount, EUR 1,272.5m (previous year: EUR 1,547.8m) 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 six years, depending on the project. The performance obligations from network subsidies and energy generation are shown in the following table

Transaction prices allocated to remaining performance obligations

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**

2019/20 financial year

EURm

	<1 year	1–5 years	>5 years
Network subsidies	7.2	30.7	39.6
Other performance obligations from energy generation	37.6	–	–
Total	**44.8**	**30.7**	**39.6**

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.

25. Other operating income

Other operating income

EURm	2020/21	2019/20
Income from the reversal of deferred income from network subsidies	64.8	45.6
Own work capitalised	33.3	23.6
Gains from deconsolidation	25.6	–
Change in work in progress	8.0	–26.5
Insurance compensation	7.8	4.8
Rental income	2.9	2.9
Income from the disposal of intangible assets, and property, plant and equipment	–0.8	0.7
Miscellaneous other operating income	108.5	13.2
Total	**250.1**	**64.4**

EVN took over an additional electricity procurement right for 150 MW from the Walsum 10 power plant in December 2020. A settlement payment was agreed as compensation for the transfer of this electricity procurement right and the related marketing risks. This additional electricity procurement right entitled EVN to purchase a total of 410 MW from the Walsum 10 power plant.

Part of the compensation payment was contrasted by a provision for onerous contracts which was recognised directly in equity. It 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 (EUR 93.2m) is recorded under other operating income with recognition through profit or loss. The EUR 17.9m network subsidies collected in the past and reported under non-current liabilities were subsequently released to profit or loss and are included under other operating income.

The sale of the 49% investment in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was proportionately 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 resulted in a deconsolidation gain of EUR 25.6m (see note **4. Scope of consolidation).** In addition, changes of EUR –12.3m recognised in connection with the interest rate swap were reclassified to the consolidated statement of operations (see note **31. Financial results).**

When a parent company loses control over a subsidiary, it must derecognise the subsidiary's assets and liabilities and recognise the gain or loss arising from the loss of control. IFRS 10.B97 lists several arrangements which lead to the loss of control over a subsidiary. The termination of the electricity procurement contract following a settlement payment by EVN and the sale of the investment took place at the same time and in contemplation of each other, and are therefore treated as a single transaction. The effects from the termination of the electricity procurement contract for the Walsum 10 power plant are therefore included in deconsolidation results.

Miscellaneous other operating income consists, above all, of bonuses, subsidies and services that are not related to business activities.

26. Cost of materials and services

Cost of materials and services EURm	2020/21	2019/20
Electricity procurement costs	948.8	771.8
Gas procurement costs	86.8	81.5
Other energy expenses	29.1	35.0
Electricity purchases from third parties and primary energy expenses	**1,064.7**	**888.3**
Third-party services and other materials and services	509.2	316.9
Total	**1,573.9**	**1,205.2**

The cost of materials includes valuation effects from derivative contracts in the energy sector. In the last business year, these resulted in an overall reduction in expenses of EUR 39.4m (previous year: increase in expenses of EUR 4.1m).

Other energy expenses include in particular biomass procurement costs and expenses for the use of purchased CO_2 emission certificates.

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.

27. Personnel expenses

Personnel expenses EURm	2020/21	2019/20
Salaries and wages	282.7	272.7
Severance payments	5.1	5.1
Pension costs	6.8	7.1
Compulsory social security contributions and payroll-related taxes	59.0	57.0
Other employee-related expenses	7.7	7.5
Total	**361.3**	**349.3**

Personnel expenses include contributions to the VBV Pensionskasse in the amount of EUR 7.1m (previous year: EUR 6.9m) and contributions to company employee provision funds in the amount of EUR 1.5m (previous year: EUR 1.4m). Due to the Pension Adjustment Act 2021, BGBl. 158/2020, and the amended provisions of § 744 ASVG there were fewer pension adjustments than in the past. This reduced pension expenses by EUR 2.2m.

The average number of employees was as follows:

Employees by segment[1)]	2020/21	2019/20
Generation	249	255
Networks	1,327	1,279
Energy	284	295
South East Europe	4,155	4,153
Environment	555	481
All Other Segments	555	544
Total	**7,126**	**7,007**

1) Average for the year

The average number of employees comprised 97.6% salaried and 2.4% wage employees (previous year: 97.7% salaried and 2.3% 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.

28. Other operating expenses

Other operating expenses EURm	2020/21	2019/20
Business operation taxes and duties	18.4	19.1
Insurance	11.7	9.9
Telecommunications and postage	11.0	10.2
Maintenance	10.5	8.6
Advertising expenses	10.4	11.8
Transportation and travelling expenses, automobile expenses	10.0	10.5
Legal and consulting fees, expenses related to process risks	9.7	8.9
Write-up/write-off of receivables	7.0	12.0
Rents	2.4	2.4
Employee training	1.6	2.1
Miscellaneous other operating expenses	20.4	25.6
Total	**113.0**	**121.1**

The position legal and consulting fees, expenses related to process risks also contains the change in the provision for process costs and risks. Rents also include the change in the provisions for network access fees in Bulgaria.

The decrease in write-off of receivables is mainly the result of lower allowances required in the South East Europe Segment. As in the previous year, Covid-19 effects were included in the impairments in the 2020/21 financial year (see note **59. Risk management).**

Miscellaneous other operating expenses include environmental protection expenses, fees for monetary transactions, licenses, membership fees and administrative and office expenses.

29. Share of results from equity accounted investees with operational nature

Share of results from equity accounted investees with operational nature EURm	2020/21	2019/20
EVN KG	117.2	39.5
RAG	40.4	42.9
Verbund Innkraftwerke	27.5	–19.0
Ashta	24.0	–4.3
Energie Burgenland	12.6	20.8
ZOV; ZOV UIP	12.1	12.6
Energieallianz Austria	2.2	–3.5
Other companies	3.6	5.1
Total	**239.6**	**94.1**

The share of results from equity accounted investees with operational nature (see note **62. 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 **36. Investments in equity accounted investees).**

The share of results from equity accounted investees with operational nature rose to EUR 239.6m in the 2020/21 financial year (previous year: EUR 94.1m). On the one hand, this resulted from a significant improvement in earnings at EVN KG. This company was able to achieve an improvement in its operating result, which was further strengthened by valuation effects of derivative financial instruments in the energy sector as of the balance sheet date. On the other hand, the increase is mainly due to write-ups of Verbund Innkraftwerke in the amount of EUR 25.3m and the hydropower plant Ashta in the amount of EUR 23.8m (see note **36. Investments in equity accounted investees).**

30. 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 **21. Procedures and effects of impairment tests.**

Depreciation and amortisation and effects from impairment tests by items of the consolidated statement of financial position

EURm	2020/21	2019/20
Intangible assets	24.5	19.3
Property, plant and equipment	402.5	294.9
Other non-current assets[1)]	25.5	4.5
Write-up of intangible assets	–0.1	–0.1
Write-up of property, plant and equipment	–2.4	–1.4
Total	**450.1**	**317.3**

1) Depreciation of capitalised contract costs

Depreciation and amortisation and effects from impairment tests

EURm	2020/21	2019/20
Scheduled depreciation and amortisation	337.7	296.7
Effects from impairment tests (impairment)[1)]	114.8	22.1
Effects from impairment tests (reversal of impairment)[1)]	–2.5	–1.5
Total	**450.1**	**317.3**

1) For details, see notes 34. Intangible assets and 35. Property, plant and equipment

31. Financial results

Financial results

EURm	2020/21	2019/20
Income from investments		
Dividend payments	37.3	33.4
thereof Verbund AG	32.9	30.3
thereof Verbund Hydro Power GmbH	2.4	1.7
thereof Wiener Börse AG	1.8	1.1
thereof other companies	0.2	0.2
Valuation results / disposals	0.3	–
Total income from investments	**37.6**	**33.4**
Interest results		
Interest income on financial assets	1.8	2.4
Other interest income	4.3	2.1
Total interest income	**6.1**	**4.5**
Interest expense on financial liabilities	–52.6	–39.0
Interest expense personnel provisions	–3.9	–3.2
Other interest expense	–2.8	–4.8
Total interest expense	**–59.4**	**–47.0**
Total interest results	**–53.3**	**–42.5**
Other financial results		
Results from changes in exchange rates and the disposal of non-current financial assets	2.7	–5.6
Results from changes in exchange rates and the disposal of current financial assets	–3.4	1.5
Currency gains/losses	–3.5	–1.9
Other financial results	–	–0.6
Total other financial results	**–4.3**	**–6.7**
Financial results	**–20.0**	**–15.8**

The share of results from equity accounted investees with financial nature (see note **62. Disclosures of interests in other entities)** is reported as part of financial results. In 2019/20 this was a small amount that was reported in the consolidated statement of operations. The corresponding company was deconsolidated in the 2020/21 financial year (see note **4. Scope of consolidation).**

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 3.3m (prior year: EUR 4.0m).

The interest expense on financial liabilities represents regular interest payments on issued bonds and bank loans. In accordance with IFRS 10.B99, the changes in the fair value of the interest rate swap which were previously recorded under other comprehensive income were reclassified to the consolidated statement of operations following the deconsolidation of the Walsum 10 joint operation. A total of EUR 12.3m was recorded under interest expense in this connection.

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 55.4m (previous year: EUR 43.3m).

32. Income tax expense

Income tax expense EURm	**2020/21**	**2019/20**
Current income tax income and expense	37.8	50.2
thereof Austrian companies	26.2	31.2
thereof foreign companies	11.6	19.0
Deferred tax income and expense	–23.1	–21.5
thereof Austrian companies	22.4	–9.9
thereof foreign companies	–45.4	–11.7
Total	**14.7**	**28.7**

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2021 (previous year: 25.0%) and the tax expense based on the Group net result reported on the consolidated statement of operations for the 2020/21 financial year:

Calculation of the effective tax rate	2020/21		2019/20	
	%	EURm	%	EURm
Result before income tax		366.4		257.3
Income tax rate/income tax expense at nominal tax rate	25.0	91.6	25.0	64.3
– Different corporate income tax rates in other countries	–2.6	–9.4	–3.4	–8.6
– Effect of tax rate change	–	–	–	–
– Tax-free income from investments	–12.7	–46.5	–7.9	–20.2
+ Revaluation of deferred taxes	0.6	2.1	–1.9	–5.0
+/– Tax share valuations and impairment on Group receivables	–3.9	–14.2	–2.7	–6.9
+ Non-deductible expenses	0.4	1.3	1.6	4.1
– Other tax-free income	–0.4	–1.5	–0.5	–1.4
+ Aperiodic tax increases	–0.3	–1.0	0.6	1.6
–/+ Other items	–2.1	–7.7	0.3	0.7
Effective tax rate/effective income tax expense	4.0	14.7	11.1	28.7

The position "other items" consists primarily of the contractual reduction of the tax charge, which is based on the distribution method.

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 participation OOO EVN Umwelt Service, wich was carried out with tax implications in the financial year under review, (previous year: OOO EVN Umwelt Service).

The effective tax burden on EVN for the 2020/21 financial year amounts to 4.0% of earnings before taxes (previous year: 11.1%). The effective tax rate is a weighted average of the effective local income tax rates of all consolidated subsidiaries (see note **49. Deferred taxes).**

33. 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 2020/21, i. e. 178,144,937 (previous year: 178,079,704) (see note **46. 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 325.3m for the 2020/21 financial year (previous year: EUR 199.8m), earnings per share equalled EUR 1.83 (previous year: EUR 1.12).

Notes to the consolidated statement of financial position

Assets

34. 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

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**

2019/20 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2019	**216.7**	**420.1**	**72.5**	**709.3**
Additions	–	17.5	–0.1	17.4
Disposals	–	–2.2	–6.6	–8.8
Transfers	–	0.4	–0.1	0.4
Gross value 30.09.2020	**216.7**	**435.8**	**65.8**	**718.3**
Accumulated amortisation 30.09.2019	**–160.9**	**–281.4**	**–48.5**	**–490.8**
Scheduled amortisation	–	–15.1	–4.2	–19.3
Impairment losses	–	–	–	–
Additions	–	0.1	–	0.1
Disposals	–	2.2	6.6	8.8
Reclassifications	–	–0.2	–	–0.2
Accumulated amortisation 30.09.2020	**–160.9**	**–294.4**	**–46.2**	**–501.4**
Net value 30.09.2019	**55.8**	**138.7**	**24.0**	**218.5**
Net value 30.09.2020	**55.8**	**141.4**	**19.7**	**216.9**

The rights include EVN's electricity procurement rights to the Danube power plants in Freudenau, Melk and Greifenstein. The carrying amount totalled EUR 45.5m as of 30 September 2021 and will be amortised over the expected remaining operating life of the power plants.

The carrying amount of goodwill is allocated as follows: EUR 52.9m to the CGU "international project business" and EUR 2.9m to the CGU "other CGUs".

The carrying amount of the net assets of the CGU "international project business" was EUR 297.1m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 551.7m. A WACC after tax of 3.47% (previous year: 3.88%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 4.12% (previous year: 4.25%). The recoverable amount of the CGU was thus 85.7% above its carrying amount. If the WACC had increased (decreased) by 0.5 percentage points, the net assets of the CGU would, ceteris paribus, have been EUR 117.8m higher in fiscal year 2020/21 (excess cover of EUR 325.0m). With a WACC after tax of 9.19%, the recoverable amount would correspond to the carrying amount.

In 2020/21, a total of EUR 1.3m (previous year: EUR 2.0m) was invested in research and development; a small amount of less than EUR 0.1m thereof was capitalised (previous year: small amount of less than EUR 0.1m).

35. Property, plant and equipment

Reconciliation of property, plant and equipment

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**

2019/20 financial year EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2019	**873.1**	**4,417.5**	**3,119.4**	**269.0**	**210.8**	**206.0**	**9,095.7**
Recognition of rights of use from initial application of IFRS 16	67.0	0.4	0.6	–	7.9	–	75.8
Gross value 01.10.2019, adjusted	**940.0**	**4,417.8**	**3,120.0**	**269.0**	**218.7**	**206.0**	**9,171.6**
Currency translation differences	–0.4	–1.3	–16.6	–0.2	–0.2	–0.4	–19.0
Additions	25.2	112.5	58.9	22.4	25.9	106.7	351.5
Disposals	–4.4	–11.7	–11.0	–11.5	–13.8	–1.5	–53.9
Transfers	10.9	50.0	33.2	3.6	2.8	–99.3	1.2
Gross value 30.09.2020	**971.3**	**4,567.4**	**3,184.6**	**283.3**	**233.3**	**211.6**	**9,451.4**
Accumulated amortisation 30.09.2019	**–522.8**	**–2,419.2**	**–2,263.1**	**–158.0**	**–143.8**	**–9.4**	**–5,516.2**
Currency translation differences	0.2	0.6	13.8	0.1	0.1	–	14.9
Scheduled depreciation	–26.5	–114.8	–91.7	–16.4	–23.4	–	–272.9
Impairment losses	–2.5	–0.9	–17.3	–	–0.1	–1.3	–22.1
Revaluation	0.3	0.3	0.8	–	–	–	1.4
Disposals	3.0	11.6	9.7	10.8	13.2	–	48.3
Reclassifications	–	–	–0.1	–	–	–1.4	–1.4
Accumulated amortisation 30.09.2020	**–548.2**	**–2,522.3**	**–2,347.9**	**–163.6**	**–153.9**	**–12.1**	**–5,748.0**
Net value 30.09.2019	**350.3**	**1,998.3**	**856.3**	**111.1**	**67.0**	**196.6**	**3,579.6**
Net value 30.09.2020	**423.0**	**2,045.1**	**836.7**	**119.7**	**79.4**	**199.5**	**3,703.4**

Land and buildings included land with a value of EUR 59.4m (previous year: EUR 62.7m). There was no maximum amount mortgage as of 30 September 2021.

As in the previous year, no property, plant and equipment or intangible assets were pledged as collateral as of 30 September 2021.

The impairment testing of assets in accordance with IAS 36 led to the recognition of the following impairment losses and write-ups in 2020/21:

EVN took over an additional electricity procurement right for 150 MW from the Walsum 10 power plant in December 2020. In view of the resulting additional marketing risks, the joint operation Walsum 10 power plant, which was proportionately included as a joint operation, was tested for impairment as of 31 December 2020 in accordance with IAS 36. The impairment test led to the recognition of an impairment loss[1)] of EUR 113.1m (previous year: EUR 19.3m). The recoverable amount was based on the value in use and amounted to EUR 0.0m. An after-tax WACC 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 resulted in any change. A 5% increase in the underlying electricity price assumptions, ceteris paribus, would have led to an impairment loss of EUR 107.0m in 2020/21. The changes in the scope of consolidation included the derecognition of the assets attributable to the Walsum 10 power plant as of 30 September 2021 (also see notes **4. Scope of consolidation** and **25. Other operating income).**

1) The impairment testing of the power plant component took place solely at the Group level. At the segment level, a provision was recognised for the marketing of EVN's own electricity production. The impairment loss is therefore reported in the transition column "consolidation".

In the Energy Segment, EVN Wärme tested various heating assets for impairment due to negative changes in the business environment. The calculations led to the recognition of impairment losses totalling EUR 1.4m for four plants and to a revaluation of EUR 0.3m to one heating plant. The recoverable amount was based on the value in use and totalled EUR 7.6m. An after-tax WACC ranging from 3.49% to 3.83% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 4.23% to 4.75%.

An improvement in forward electricity quotations and a reduction in the WACC led to the impairment testing of small hydropower plants owned by evn naturkraft. This led to revaluations of EUR 0.7m in total to two small hydropower plants in the Generation Segment. The recoverable amount was based on the value in use and totalled EUR 1.2m. An after-tax WACC of 3.82% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 3.82% to 6.22%. In addition, a reversal of an impairment loss of EUR 1. 5m on the Kavarna wind farm was recognised in the Generation segment on 30 June 2021 due to lower country risk premiums. The recoverable amount was determined on the basis of the value in use and amounted to EUR 12.7m (previous year: EUR 11.8m). A WACC after tax of 5.24% (previous year: 6.55%) was used as the discount rate for the regulated period and 5.30% (previous year: 6.62%) for the non-regulated period. This corresponds to an iteratively derived WACC before tax of 5.82% and 5.89% (previous year: 7.28% and 7.35%).

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 68.6m (previous year: EUR 80.3m) were contrasted by lease liabilities with a present value of EUR 60.6m (previous year: EUR 78.0m) as of 30 September 2021. The short-term portion of the lease liabilities equalled EUR 5.5m (previous year: EUR 5.2m).

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 2020/21 led to an addition of EUR 6.6m (previous year: EUR 10.1m). 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:

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

2019/20 financial year EURm	Land and buildings	Lines	Technical equipment	Other plants, tools and equipment	Total
Rights of use 30.09.2019	–	–	–	–	–
Recognition of rights of use from initial application of IFRS 16	67.0	0.4	0.6	7.9	75.8
Additions	3.7	6.4	–	–	10.1
Scheduled depreciation	–3.8	–0.2	–0.2	–1.3	–5.5
Other movements	–	–	–	–	–
Rights of use 30.09.2020	66.8	6.5	0.4	6.6	80.3

The determination of the rights of use and corresponding lease liabilities includes all sufficiently probable cash outflows. The cash outflows from leases totalled EUR 13.3m (previous year: EUR 11.2m) in 2020/21. The consolidated statement of operations contains EUR 2.3m (previous year: EUR 1.4m) 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 0.5m) in 2020/21. The difference between the cash outflows presented here and the payments for lease liabilities resulted primarily from advance rental payments made in 2020/21. 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.

The impairment loss of EUR 12.0m to the rights of use is related to the impairment of the Walsum 10 power plant as of 31 December 2020 and is included in the above-mentioned impairment loss of EUR 113.1m.

36. 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 253. Note **62. 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 statement.

Reconciliation of investments in equity accounted investees

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 of 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

2019/20 financial year

EURm

Gross value 30.09.2019	889.5
Additions	30.4
Disposals	–
Gross value 30.09.2020	919.9
Accumulated amortisation 30.09.2019	82.6
Currency translation differences	1.7
Impairments	–25.6
Proportional share of results	119.7
Dividends	–79.9
Changes recognised in other comprehensive income	–16.2
Accumulated amortisation 30.09.2020	82.3
Net value 30.09.2019	972.1
Net value 30.09.2020	1,002.1

In fiscal year 2020/21, a write-up of EUR 25.3m was made at Verbund Innkraftwerke due to improved electricity forward prices. The recoverable amount for EVN's share in Verbund Innkraftwerke was determined on the basis of the value in use and amounted to EUR 180.9m. The discount rate used was a WACC after tax of 3.68% (previous year: 3.93%), which corresponds to an iteratively derived pre-tax WACC of 5.05% (previous year: 5.10%) (see also note **29. Share of results from equity accounted investees with operational nature).** If the WACC had increased (decreased) by 0.5 percentage points, Verbund Innkraftwerke, which is accounted for using the equity method, would have recorded a write-up of EUR 15.6m (write-up of EUR 25.3m) ceteris paribus in fiscal year 2020/21. If the underlying electricity price assumptions had increased (decreased) by 5%, there would have been a write-up of EUR 25.3m (write-up of EUR 17.2m) in fiscal year 2020/21 ceteris paribus.

In addition, in connection with the Ashta hydropower plant at Ashta Beteiligungsverwaltung GmbH, a write-up of EUR 9.6m was recognised as of 31 March 2021, due to decreased country risk premiums. The recoverable amount for EVN's share in Ashta Beteiligungsverwaltung GmbH was determined based on the value in use and amounted to EUR 9.8m. A WACC after tax of 9.09% for the regulated period and 9.10% for the non-regulated period was used as the discount rate, which corresponds to an iteratively derived WACC before tax of 10.37% and 9.39% respectively. As a result of a further reduction in the WACC, a new impairment test was carried out as at 30 September 2021 and an additional write-up of EUR 14.2m was made. The recoverable amount for EVN's share in Ashta Beteiligungsverwaltung GmbH was determined on the basis of the value in use and amounted to EUR 24.2m. A WACC after tax of 7.51% for the regulated period and 7.69% for the non-regulated period was used as the discount rate, which corresponds to an iteratively derived WACC before tax of 7.77% (also see note **29. Share of results from equity accounted investees with operational nature).** In total, the at equity investment in the Ashta hydropower plant was written up by EUR 23.8m in the 2020/21 fiscal year.

The carrying amount of equity accounted investees rose by EUR 466.4m in 2020/21 (previous year: reduction of EUR –16.2m) based on the recognition of value changes directly in other comprehensive income. These changes resulted chiefly (EUR 454.3m) 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 Austria GmbH.

The shares in ZOV, whose pro-rata equity owned by EVN amounted to EUR 103.9m as of 30 September 2021 (previous year: EUR 104.9m), were assigned to the loan financing banks as collateral.

37. 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 4.1m in 2020/21 (previous year: EUR 4.5m). The other investments classified as FVOCI consist primarily of shares in Verbund AG with a value of EUR 3,848.4m (previous year: EUR 2,048.4m) and miscellaneous other investments of EUR 177.0m (previous year: EUR 115.9m). The valuation adjustments were recorded under other comprehensive income, the dividends were recorded in the consolidated statement of operations (also see note **31. Financial results).**

EVN AG and Wiener Stadtwerke Holding AG (WSTW) 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.

In 2020/21, the valuation of the investment in Wiener Börse AG based on the discounted cash flow method resulted in a write-up of EUR 9.1m. 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 28.6m. A WACC after tax of 5.61% 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.

The valuation of the investment in Verbund Hydro Power AG in 2020/21 based on the discounted cash flow method resulted in a write-up of EUR 47.4m. 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 140.8m. A WACC after tax of 3.82% 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 annuity without a growth rate.

The valuation of the investment in AGGM Austrian Gas Grid Management AG in 2020/21 based on the discounted cash flow method resulted in a write-up of EUR 3.7m. 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 6.6m. A WACC after tax of 3.60% 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 financial statements for 2017–2020 and a forecast for the 2021 financial year.

38. Other non-current assets

Other non-current assets

EURm	30.09.2021	30.09.2020
Non-current financial assets		
Securities	74.4	72.0
Loans receivable	35.4	32.9
Lease receivables	14.0	15.4
Receivables arising from derivative transactions	4.9	1.0
Trade receivables	10.8	10.9
Non-current other assets		
Contract assets	1.2	44.7
Contract costs	56.7	82.2
Primary energy reserves	0.7	0.7
Remaining other non-current assets	1.8	1.3
Total	200.0	261.0

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 30.09.2021			Remaining term to maturity as of 30.09.2020		
	Principal components	Interest components	Total	Principal components	Interest components	Total
<5 years	7.8	0.9	8.7	5.4	1.0	6.4
>5 years	6.2	0.2	6.5	9.9	0.3	10.2
Total	14.0	1.2	15.2	15.4	1.3	16.6

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 2020/21 were reported as interest income on non-current assets.

The receivables arising from derivative transactions include the positive market values of derivatives in the energy business.

Trade receivables include claims from North Macedonia which were reclassified as long-term based on instalment agreements with customers.

Contract assets consist primarily of the Group's claims to consideration for contract performance in the international project business, which was concluded but not yet invoiced as of 30 September 2021. Contract assets are reclassified to receivables when the related rights become unconditional. This generally occurs when the Group issues an invoice to the customer.

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 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 25.5m (previous year: EUR 4.5m) in the fiscal year 2020/21, the book value decreased to EUR 56.7m (previous year: EUR 82.2m; also see note **30. Depreciation and amortisation and effects from impairment tests).**

Current assets

39. Inventories

Inventories EURm	30.09.2021	30.09.2020
Primary energy inventories	8.9	26.2
CO_2 emission certificates	49.0	12.6
Raw materials, supplies, consumables and other inventories	26.8	25.6
Customer orders not yet invoiced	11.0	2.1
Total	**95.7**	**66.6**

Primary energy inventories consist primarily of natural gas. Part of the natural gas inventories have been measured according to the dealer-broker 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 12.4m) as of 30 September 2021. The decrease compared to the previous year is due to the disposal of gas inventories. Positive changes in the market value resulted in a revaluation through profit or loss of EUR 0.1m (previous year: EUR 5.3m) as of 30 September 2021.

The CO_2 emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act, which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note **55. Current provisions).**

Valuation allowances of EUR 0.9m were recognised to inventories in 2020/21 (previous year: EUR 1.4m) 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.

40. Trade and other receivables

Trade and other receivables EURm	30.09.2021	30.09.2020
Financial assets		
Trade accounts receivable	331.0	217.0
Receivables from investments in equity accounted investees	55.2	24.5
Receivables from non-consolidated subsidiaries	1.0	–
Receivables from employees	0.1	–
Receivables arising from derivative transactions	58.7	6.4
Lease receivables	1.4	3.0
Other receivables and assets	65.1	36.9
	512.3	**287.9**
Other receivables		
Taxes and levies receivable	27.2	24.6
Prepayments	152.4	90.2
Contract assets	58.0	0.5
	237.6	**115.3**
Total	**749.9**	**403.2**

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 **59. Risk management.** The increase in trade receivables is due on the one hand to project progress in the international project business and on the other hand to the sale of inventories.

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. The increase in prepayments resulted primarily from contract orders in the international project business. Impairment losses of EUR 0.0m were recognised to contract assets in 2020/21 (previous year: EUR 0.8m).

As of 30 September 2021, as in the previous year, no receivables were pledged as collateral for EVN's own liabilities.

41. Securities and other financial investments

Composition of securities and other financial investments EURm	30.09.2021	30.09.2020
Funds	383.0	236.4
thereof cash funds	382.8	236.2
thereof other fund products	0.2	0.2
Time deposits	16.1	17.4
Total	**399.1**	**253.8**

A write-down of EUR –3.5m through profit or loss was recorded in 2020/21 to reflect the decline in market prices (previous year: write-up of EUR 0.2m through profit or loss). The time deposits reported under this item have a maturity of more than three months.

Liabilities

Equity

The development of equity in 2020/21 and 2019/20 is shown on page 173.

42. 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.

43. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 204.4m (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.

44. Retained earnings

Retained earnings of EUR 2,863.0m (previous year: EUR 2,625.0m) 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	2020/21
Reported result for the period 2020/21	236.7
Retained earnings from the 2019/20 financial year	0.1
Less additions to voluntary reserves	–144.1
Distributable result for the period	92.7
Proposed dividend	–92.7
Retained earnings for the 2021/22 financial year	–

Liabilities do not include the dividend of EUR 0.52 per share for the 2020/21 financial year which will be proposed to the Annual General Meeting.

The 92nd Annual General Meeting on 21 January 2021 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 0.49 per share for the 2019/20 financial year. This resulted in a total dividend payment of EUR 87.3m. Ex-dividend day was 27 January 2021, dividend payment day was 29 January 2021.

45. 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 0.9m (previous year: EUR –1.5m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see **Consolidated statement of comprehensive income,** page 171).

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	30.09.2021 Before tax	 Tax	 After tax	30.09.2020 Before tax	 Tax	 After tax
Items recognised under other comprehensive income from						
Financial assets classified at fair value through other comprehensive income	3,563.8	–890.9	2,672.9	1,703.9	–425.9	1,278.0
Cash flow hedges	–22.4	6.3	–16.1	–22.0	7.3	–14.7
Remeasurements IAS 19	–151.0	37.1	–113.9	–163.5	40.4	–123.1
Investments in equity accounted investees	428.8	–111.1	317.7	–37.0	2.5	–34.5
Total	**3,819.2**	**–958.6**	**2,860.6**	**1,481.5**	**–375.8**	**1,105.7**

In 2020/21, cash flow hedges totalling EUR 13.7m (previous year: EUR 1.9m) were transferred from other comprehensive income to the consolidated statement of operations. The year-on-year change resulted, above all, from the deconsolidation of the Walsum 10 power plant. In this connection, EUR 12.3m was reclassified to the consolidated statement of operation (see note **31. Financial results).** Due to the ineffectiveness of the hedges an amount of EUR 0.0m (previous year: EUR 0.0m) was recognised in profit or loss.

46. Treasury shares

A total of 43,464 treasury shares were sold during the reporting year to permit their issue as a special payment in accordance with a company agreement (previous year: 69,587 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
30.09.2019	**179,878,402**	**–1,810,296**	**178,068,106**
Purchase of treasury shares	–	–	–
Disposal of treasury shares	–	69,587	69,587
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**

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 178,144,937 shares (previous year: 178,079,704 shares).

47. 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	30.09.2021			30.09.2020		
Subsidiaries	**RBG**	**BUHO**	**EVN Macedonia**	**RBG**	**BUHO**	**EVN Macedonia**
Non-controlling interests (%)	49.97	26.37	10.00	49.97	26.37	10.00
Carrying amount of non-controlling interests	191.2	40.4	31.3	193.0	39.5	28.5
Result attributable to non-controlling interests	20.2	3.4	2.8	21.4	5.5	2.7
Dividends attributable to non-controlling interests	22.6	2.7	–	20.0	2.6	–
Statement of financial position						
Non-current assets	382.2	190.6	375.0	385.7	186.6	368.6
Current assets	0.1	9.4	62.8	0.2	9.4	36.8
Non-current liabilities	–	1.0	97.8	–	0.6	97.3
Current liabilities	–	–	23.7	–	–	19.8
	2020/21			**2019/20**		
Statement of operations						
Revenue	–	–	–	–	–	–
Result after income tax	40.5	12.7	27.8	42.9	20.8	28.8
Net cash flows						
Net cash flow from operating activities	45.1	10.3	29.7	40.0	10.3	40.2
Net cash flow from investing activities	–	–	–26.4	–	–	–35.4
Net cash flow from financing activities	–45.2	–10.4	–0.2	–40.0	–9.8	–10.3

Non-current liabilities

48. Non-current loans and borrowings

Breakdown of non-current loans and borrowings

	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2021 EURm	Carrying amount 30.09.2020 EURm	Fair value 30.09.2021 EURm
Bonds				319.6	514.5	367.1
EUR bond[1)]	4.250	2011–2022	EUR 293.0m	–	290.7	–
JPY bond	3.130	2009–2024	JPY 12.0bn	95.4	100.9	98.4
EUR bond	4.125	2012–2032	EUR 100.0m	98.5	98.3	135.4
EUR bond	4.125	2012–2032	EUR 25.0m	24.7	24.7	33.8
EUR bond	0.850	2020–2035	EUR 101.0m	101.0	–	99.4
Bank loans (incl. promissory note loans)	0.00–4.99	until 2068	–	399.3	530.8	467.3
Total				**718.9**	**1,045.3**	**834.4**

1) In the 2020/21 financial year, a reclassification was made to current financial liabilities in the amount of EUR 292.2m.

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 30.09.2021 <5 years	>5 years	Total	Remaining term to maturity as of 30.09.2020 <5 years	>5 years	Total
Bonds	95.4	224.2	319.6	391.5	123.0	514.5
thereof fixed interest	–	224.2	224.2	290.7	123.0	413.7
thereof variable interest	95.4	–	95.4	100.9	–	100.9
Bank loans	79.5	319.7	399.3	161.2	369.6	530.8
thereof fixed interest	70.3	319.7	390.1	151.6	369.3	520.8
thereof variable interest	9.2	–	9.2	9.6	0.4	10.0
Total	**175.0**	**543.9**	**718.9**	**552.7**	**492.6**	**1,045.3**

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 in the carrying amount of bonds resulted, on the one hand, from the issue of a green bond with bullet repayment on maturity (nominal value: EUR 101.0m) in January 2021. On the other hand, a bond was reclassified (EUR 292.2m) to current financial liabilities during the reporting period because it is scheduled to mature within the next 12 months. The other changes resulted primarily from the change in 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 **61. Reporting on financial instruments).**

Bank loans

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

Accrued interest is reported under other current liabilities.

49. Deferred taxes

Deferred taxes EURm	30.09.2021	30.09.2020
Deferred tax assets		
Employee-related provisions	–48.0	–52.5
Tax loss carryforwards	–59.2	–53.1
Investment depreciation	–27.4	–16.2
Property, plant and equipment	–4.1	–52.4
Provisions	–3.2	–17.3
Financial instruments	–21.5	–
Other assets	–32.0	–30.9
Other liabilities	–10.9	–37.4
Deferred tax liabilities		
Property, plant and equipment	72.3	70.8
Intangible assets	2.3	2.7
Investments	1,023.9	435.9
Provisions	–	96.2
Financial instruments	15.9	1.8
Other assets	40.3	46.5
Other liabilities	17.8	20.5
Total	**978.5**	**414.6**
thereof deferred tax assets	–57.0	–75.4
thereof deferred tax liabilities	1,035.4	490.0

Deferred taxes developed as follows:

Changes in deferred taxes EURm	2020/21	2019/20
Deferred taxes on 01.10.	**414.6**	**471.6**
– Changes recognised directly in equity resulting from currency translation differences and other changes	4.1	1.3
– Changes in deferred taxes recognised through profit and loss	–23.1	–21.5
– Changes in deferred taxes recognised directly in equity from the valuation reserve	582.8	–36.8
Deferred taxes on 30.09.	**978.5**	**414.6**

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 86.9m (previous year: EUR 81.9m) related to loss carryforwards were not recognised because they are not expected to be used within the foreseeable future. Of this total, EUR 76.5m (previous year: EUR 76.5m) are attributable to EVN MVA 1. Of this total, EUR 1.9m will expire during the next five years (previous year: EUR 1.5m). The remaining loss carryforwards that were not capitalised can be carried forward for an indefinite period of time.

Deferred tax liabilities of EUR 111.3m (previous year: EUR 71.6m) on temporary differences of EUR 413.7m (previous year: EUR 277.4m) 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 485.3m; previous year: EUR –39.1m), associates (EUR 109.6m; previous year: EUR –1.2m) and employee-related provisions (EUR 3.3m; previous year: EUR 2.7m).

50. Non-current provisions

Non-current provisions EURm	30.09.2021	30.09.2020
Provisions for pensions	239.2	260.5
Provisions for pension-related obligations	28.1	28.6
Provisions for severance payments	84.6	92.4
Other non-current provisions	93.4	124.9
Total	**445.3**	**506.4**

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 1.1% as of 30 September 2021 (previous year: 1.0%). The provisions for severance payments were measured with a discount rate of 0.9% (previous year 0.7%). The different discount rates reflect the different duration of the provisions for severance payments.

The following parameters are applied:

- → Remuneration increases 2.00% p. a.; in subsequent years 2.00% p. a. (previous year: remuneration increases 2.00% p. a., in subsequent years 2.00% p. a.)
- → Pension increases 2.00% p. a.; in subsequent years 2.00% 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	2020/21	2019/20
Present value of pension obligations (DBO) as of 01.10.	**260.5**	**283.1**
+ Service costs	–0.1	–1.0
+ Interest costs	2.6	2.0
– Pension payments	–13.2	–14.1
+/– Actuarial loss/gain	–10.6	–9.5
thereof		
Financial assumptions	–2.8	–8.4
Assumptions based on experience	–7.8	–1.1
Present value of pension obligations (DBO) as of 30.09.	**239.2**	**260.5**

As of 30 September 2021, the weighted average remaining term equalled 14.1 years for the pension obligations (previous year: 14.1 years). Pension payments are expected to total EUR 13.2m in 2021/22 (previous year: EUR 14.3m).

Reconciliation of the provisions for pension-related obligations EURm	2020/21	2019/20
Present value of the provisions for pension-related obligations (DBO) as of 01.10.	**28.6**	**29.3**
+ Service costs	0.5	0.5
+ Interest costs	0.3	0.2
– Payments	–1.0	–0.9
+/– Actuarial loss/gain	–0.4	–0.5
thereof		
Financial assumptions	–0.5	–1.7
Assumptions based on experience	0.2	1.1
Present value of the provisions for pension-related obligations (DBO) as of 30.09.	**28.1**	**28.6**

As of 30 September 2021, the weighted average remaining term equalled 17.8 years for the pension-related obligations (previous year: 18.3 years). The payments for pension-related obligations are expected to total EUR 1.0m in 2021/22 (previous year: EUR 1.0m).

Reconciliation of the provision for severance payments

EURm	2020/21	2019/20
Present value of severance payment obligations (DBO) as of 01.10.	92.4	95.0
– Currency translation differences	–	–
+ Service costs	3.4	3.5
+ Interest costs	0.7	0.8
– Severance payments	–10.4	–6.7
+/– Actuarial loss/gain	–1.5	–0.2
thereof		
Financial assumptions	–1.0	0.1
Assumptions based on experience	–0.4	–0.3
Present value of severance payment obligations (DBO) as of 30.09.	84.6	92.4

As of 30 September 2021, the weighted average remaining term of the severance payment obligations equalled 9.0 years (previous year: 8.9 years). Severance payments are expected to total EUR 8.8m in 2021/22 (previous year: EUR 7.0m).

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

%		30.09.2021		30.09.2020	
	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	7.60	–6.73	7.63	–6.75
Remuneration increases	1.00	–2.68	2.91	–2.71	2.95
Pension increases	1.00	–11.00	13.53	–11.02	13.55
Remaining life expectancy	1 year	–5.00	5.12	–5.05	5.17

Sensitivity analysis for provision for pension-related obligations

%		30.09.2021		30.09.2020	
	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	9.69	–8.44	9.98	–8.66
Remuneration increases	1.00	–	–	–	–
Pension increases	1.00	–13.49	17.08	–13.62	17.26
Remaining life expectancy	1 year	–4.18	4.24	–4.21	4.27

Sensitivity analysis for provision for severance payments

%

		30.09.2021		30.09.2020	
	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	4.55	–4.26	4.66	–4.35
Remuneration increases	1.00	–8.41	9.41	–8.56	9.61

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 rights	Other non-current provisions	Total
Carrying amount 01.10.2020	25.2	6.5	6.9	82.5	3.7	124.9
Interest expense	0.3	–	0.4	–2.5	–	–1.8
Use	–1.6	–	–	–	–0.7	–2.2
Release	–	–0.6	–1.0	1.5	–0.4	–0.5
Additions	1.1	0.3	0.6	1.0	157.8	160.8
Reclassification	0.1	0.1	–2.3	–4.2	0.4	–5.9
Change in the scope of consolidation	–	–	–	–24.8	–157.0	–181.8
Carrying amount 30.09.2021	25.1	6.3	4.6	53.5	4.0	93.4

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 17 years.

In connection with the additional takeover of the electricity procurement right at the Walsum 10 power plant in December 2020, an addition of EUR 120.8m was recognised with no effect on profit or loss. Furthermore, as a result of deteriorating spreads, an additional provision was recognised in profit or loss during the year. Overall, a provision for impending losses of EUR 157.0m was allocated as a result of the onerous electricity purchase agreement. The changes in the scope of consolidation therefore relate to provisions from the electricity procurement agreement at the Walsum 10 power plant and dismantling obligations in connection with the deconsolidated assets (see notes **4. Scope of consolidation** and **25. Other operating income).**

51. 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 Netz NÖ.

Deferred income from network subsidies EURm	Network subsidies (IFRS 15)	Network subsidies (IAS 20)	Investment subsidies	Total
Carrying amount 01.10.2020	68.2	487.7	63.2	619.1
Additions	9.3	53.4	5.1	67.8
Reclassification	–22.5	–37.8	–4.5	–64.8
Carrying amount 30.09.2021	55.1	503.3	63.8	622.2

The reclassification of network subsidies totalling EUR 22.5m to the current segment includes EUR 17.9m from the takeover of an electricity procurement right to Walsum 10 in December 2020 (see notes **25. Other operating income** and **58. Consolidated statement of cash flows).**

52. Other non-current liabilities

Other non-current liabilities EURm	30.09.2021	30.09.2020
Accruals from financial transactions	–	0.1
Liabilities from derivative transactions	27.6	16.9
Leasing liabilities	55.1	72.8
Remaining other non-current liabilities	33.3	47.7
Total	116.0	137.5

The accruals from financial transactions involve present value advantages from lease and leaseback transactions in connection with electricity procurement rights from the Danube power plants.

The liabilities from derivative transactions include the negative fair values from contracts in the energy sector.

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 30.09.2021			Remaining term to maturity as of 30.09.2020		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Accruals from financial transactions	–	–	–	0.1	–	0.1
Liabilities from derivative transactions	27.6	–	27.6	15.5	1.4	16.9
Leasing liabilities	19.9	35.2	55.1	23.1	49.6	72.8
Remaining other non-current liabilities	30.7	2.6	33.3	43.1	4.7	47.7
Total	78.2	37.9	116.0	81.8	55.7	137.5

Current liabilities

53. 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	30.09.2021	30.09.2020
Bonds	292.2	–
Bank loans	25.6	35.4
Bank overdrafts and other current loans	0.2	74.6
Total	**318.0**	**110.0**

Bonds in the amount of EUR 292.2m (previous year: EUR 0.0m) and loans in the amount of EUR 25.6m (previous year: EUR 35.4m) were reclassified to current financial liabilities because they are now due within one year.

54. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 116.6m (previous year: EUR 100.8m).

55. Current provisions

Reconciliation of current provisions

EURm

	Personnel entitlements	Rents for network access	Process risks	Other current provisions	Total
Carrying amount 01.10.2020	**77.8**	**2.7**	**2.0**	**13.7**	**96.2**
Use	–10.9	–	–0.5	–1.9	–13.3
Release	–	–	–	–0.8	–0.9
Additions	14.4	–	–0.1	22.6	36.9
Reclassification	–	–0.1	2.3	3.7	5.9
Carrying amount 30.09.2021	**81.2**	**2.6**	**3.7**	**37.3**	**124.8**

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 8.1m as of the balance sheet date (previous year: EUR 7.2m). Provisions for contingent losses of EUR 22.0m (previous year: EUR 5.8m) were formed in connection with business activities in the context of the planning and construction of environmental infrastructure projects. The provisions result on the one hand from contractual obligations and on the other hand from negative exchange rate developments.

56. Other current liabilities

Other current liabilities EURm	30.09.2021	30.09.2020
Financial liabilities		
Liabilities to investments in equity accounted investees	342.5	108.6
Liabilities to non-consolidated subsidiaries	6.3	4.5
Deferred interest expenses	15.1	14.5
Liabilities arising from derivative transactions	151.7	8.8
Leasing liabilities	5.5	5.2
Other financial liabilities	47.7	75.5
	568.9	**217.1**
Other liabilities		
Contract liabilities	81.8	43.6
Prepayments received	47.2	38.7
Deferred income from network subsidies	54.3	54.5
Liabilities relating to social security	18.4	16.2
Energy taxes	32.2	37.1
Value added tax	21.1	20.8
Other taxes and duties	14.3	15.9
	269.4	**226.8**
Total	**838.2**	**444.0**

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 EAA for the distribution and procurement of electricity.

The liabilities arising from derivative transactions include, in particular, the negative market values of derivatives in the energy business.

Other financial liabilities include, in particular, liabilities related to capitalised contract costs, liabilities to employees and deposits received.

Contract liabilities mainly relate to advance payments received from customers in the international project business for which sales revenues were recognised over a certain period of time.

The contract liabilities reported in the previous year were fully recognised as sales revenues in fiscal year 2020/21.

Segment reporting

Segment reporting
EURm

	Energy		Generation		Networks		South East Europe	
	2020/21	2019/20	**2020/21**	2019/20	**2020/21**	2019/20	**2020/21**	2019/20
External revenue	300.9	372.9	127.1	132.1	495.1	462.8	1,047.4	911.5
Internal revenue (between segments)	10.6	10.7	202.2	161.8	58.6	55.1	0.7	0.7
Total revenue	**311.4**	**383.6**	**329.3**	**293.9**	**553.8**	**517.9**	**1,048.1**	**912.2**
Operating expenses	–243.8	–339.3	–119.0	–156.2	–316.5	–318.0	–909.0	–775.5
Share of results from equity accounted investees operational	120.9	39.4	52.1	–22.3	–	–	–	–
EBITDA	**188.6**	**83.8**	**262.5**	**115.4**	**237.3**	**199.9**	**139.0**	**136.7**
Depreciation and amortisation	–22.0	–22.3	–80.3	–72.5	–142.5	–130.3	–74.0	–70.6
thereof impairment losses	–1.5	–1.7	–0.3	–2.8	–	–	–	–0.1
thereof revaluation	0.3	–	2.1	1.5	–	–	–	–
Results from operating activities (EBIT)	**166.6**	**61.4**	**184.0**	**42.9**	**94.8**	**69.6**	**65.0**	**66.1**
EBIT margin (%)	53.5	16.0	55.3	14.6	17.1	13.4	6.2	7.2
Interest income	–	–	0.5	0.8	0.2	0.2	–	–
Interest expense	–2.2	–1.6	–20.9	–13.8	–14.2	–14.8	–15.8	–19.7
Financial results	–2.1	–1.6	–20.2	–12.9	–13.9	–12.6	–15.7	–20.4
Result before income tax	**164.5**	**59.9**	**162.0**	**30.0**	**81.0**	**57.0**	**49.4**	**45.7**
Goodwill	–	–	1.2	1.2	1.8	1.8	–	–
Carrying value of investments in equity accounted investees	656.2	137.9	200.5	150.7	–	–	–	–
Total assets	1,142.4	774.8	828.4	1,123.3	2,246.6	2,090.4	1,242.6	1,219.2
Total liabilities	604.3	641.9	411.2	710.1	1,448.0	1,457.2	869.0	893.7
Investments[1)]	21.1	28.8	27.2	53.4	249.0	181.8	100.4	99.7

1) In intangible assets and property, plant and equipment

Segment reporting

EURm	Environment		All Other Segments		Consolidation[1]		Total	
	2020/21	2019/20	**2020/21**	2019/20	**2020/21**	2019/20	**2020/21**	2019/20
External revenue	405.0	207.7	19.4	20.4	–	–	2,394.9	2,107.5
Internal revenue (between segments)	0.5	0.4	75.2	69.0	–347.8	–297.7	–	–
Total revenue	**405.5**	**208.1**	**94.6**	**89.4**	**–347.8**	**–297.7**	**2,394.9**	**2,107.5**
Operating expenses	–355.1	–204.2	–101.5	–96.8	246.8	278.7	–1,798.1	–1,611.3
Share of results from equity accounted investees operational	13.6	13.3	53.0	63.6	–	–	239.6	94.1
EBITDA	**64.0**	**17.3**	**46.1**	**56.3**	**–101.0**	**–19.0**	**836.5**	**590.4**
Depreciation and amortisation	–37.5	–16.7	–2.3	–2.4	–91.5	–2.4	–450.1	–317.3
thereof impairment losses	–	–0.6	–	–	–113.1	–16.8	–114.8	–22.1
thereof revaluation	–	–	–	–	–	–	2.5	1.5
Results from operating activities (EBIT)	**26.5**	**0.6**	**43.8**	**53.9**	**–192.5**	**–21.4**	**386.4**	**273.1**
EBIT margin (%)	6.5	0.3	46.3	60.3	–	–	16.1	13.0
Interest income	1.0	1.5	26.0	27.4	–21.7	–25.3	6.1	4.5
Interest expense	–8.2	–6.9	–19.7	–15.5	21.7	25.3	–59.4	–47.0
Financial results	–10.1	–5.9	56.9	53.3	–15.0	–15.8	–20.0	–15.8
Result before income tax	**16.4**	**–5.3**	**100.7**	**107.2**	**–207.5**	**–37.2**	**366.4**	**257.3**
Goodwill	52.9	52.9	–	–	–	–	55.8	55.8
Carrying value of investments in equity accounted investees	145.3	136.8	575.5	576.7	–	–	1,577.5	1.002.1
Total assets	979.3	862.0	6,528.8	4,600.0	–1,828.4	–2,304.1	11,139.8	8,365.7
Total liabilities	771.9	716.9	2,249.5	1,781.9	–1,758.6	–2,379.4	4,595.4	3,822.4
Investments[2]	20.7	17.1	0.1	3.3	–3.5	–16.1	415.0	367.9

1) Explained below in the notes to segment reporting

2) In intangible assets and property, plant and equipment

Segment information by product – revenue

EURm	2020/21	2019/20
Electricity	1,495.2	1,430.4
Natural gas	154.6	142.4
Heat	154.5	146.3
Environmental services	398.7	200.6
Others	192.0	187.8
Total	**2,394.9**	**2,107.5**

Segment information by country – revenue[1)]

EURm	2020/21	2019/20
Austria	982.1	1,024.6
Germany	333.3	133.5
Bulgaria	651.0	550.6
North Macedonia	395.2	360.4
Others	33.3	38.3
Total	**2,394.9**	**2,107.5**

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	30.09.2021		30.09.2020	
	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	136.7	2,773.8	129.9	2,704.7
Germany	41.3	12.0	44.5	122.5
Bulgaria	21.9	530.0	24.6	516.1
North Macedonia	16.6	337.6	17.9	322.3
Others	–	38.7	–	37.8
Total	**216.5**	**3,692.1**	**216.9**	**3,703.4**

1) The allocation of segment information by countries is based on the location of the companies.

57. 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 Austria GmbH[1)] → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)[1)]
	Generation	→ 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	→ 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 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 Austria AG (RAG)[1)] → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG[1)] → 12.63% investment in Verbund AG[3)] → 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 was shown as a proportionately consolidated company (joint operation) in the 2020/21 financial year and deconsolidated as of 30 September 2021 after EVN disposed of its 49% stake.
3) 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. Also included are transition amounts, which result from the difference between the viewpoints of the Generation and Energy 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 for the Walsum 10 power plant is required from the Group's point of view. In addition, the Walsum 10 power plant, which was included as a joint operation, was sold and deconsolidated as of 30 September 2021. These circumstances led to a transition of EUR –192.5m (previous year: EUR –21.4m) from the segment total to Group EBIT.

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

58. 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	30.09.2021	30.09.2020
Cash	122.5	214.5
thereof cash on hand	0.7	0.1
thereof cash at banks	121.8	214.4
Bank overdrafts	–0.2	–74.6
Total	**122.3**	**140.0**

Of the reported bank balances, EUR 0.1m (prior year: EUR 0.3m) are pledged.

Network subsidies from the regulated business are released to other operating income (see also note **25. Other operating income)**, and those from the non-regulated business to revenue.

Reversal of network and investment subsidies

EURm	2020/21	2019/20
Income from the reversal of network and investment subsidies (regulated business)	64.8	45.6
Revenue from the reversal of network subsidies (non-regulated business)	5.6	6.5
Total	**70.4**	**52.1**

The takeover of the electricity procurement right to Walsum 10 in December 2020 led to the release of previously collected network subsidies totalling EUR 17.9m. These subsidies were released to profit or loss through other operating income.

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

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

Cash flow from financing activities

2019/20 financial year EURm	Current financial liabilities	Non-current financial liabilities	Leasing liabilities	Total
Balance on 01.10.2019	68.8	990.0	79.7	1,138.5
Payments received	–	100.0	–	100.0
Payments made	–68.4	–4.3	–5.5	–78.2
Reclassification of liquid funds	74.2	–	–	74.2
Currency translation	–	–0.4	–	–0.4
Change in fair value	–	–6.8	–	–6.8
Change in costs for the procurement of funds	–	2.2	–	2.2
Other changes	–	–	3.8	3.8
Reclassifications	35.4	–35.4	–	–
Balance on 30.09.2020	110.0	1,045.3	78.0	1,233.3

59. 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 **61. 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 2.8m as of 30 September 2021 (previous year: EUR 3.8m). The decline noted here is essentially due to a continued calming of the markets and a reduction in the debt portfolio.

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 of 30 September 2021 to hedge foreign exchange risk (see notes **9. Financial instruments** and **48. Non-current loans and borrowings).**

Another material driver for foreign exchange risk is the Umm Al Hayman wastewater treatment project. 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 the 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 0.9m as of 30 September 2021 (previous year: EUR 0.5m) after the inclusion of hedging instruments. The increase is mainly due to the above-mentioned project.

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. The table on page 239 shows the outstanding contracts as of 30 September 2021 (also see note **61. Reporting on financial instruments).** An increase or decrease of 5% in the price would have resulted in an aggregated commodity price risk of EUR 4.1m for EVN as of 30 September 2021 (previous year: EUR 1.7m).

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 188.8m (previous year: EUR 143.4m), 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 stock market price of the shares of Verbund AG, which rose sharply 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 2021 comprised cash and cash equivalents of EUR 122.5m (previous year: EUR 214.5m), short-term time deposits of EUR 16.1m (previous year: EUR 17.4m) and current securities of EUR 383.0m (previous year: EUR 236.4m) 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 152.0m of contractually agreed and unused bilateral lines of credit (previous year: EUR 205.0m) as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 12.4% as of the balance sheet date (previous year: 22.8%) and underscores EVN's sound capital structure.

Expected occurrence of cash flows of loans and borrowings and other liabilities

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**

30.09.2020 EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows <1 year	1–5 years	>5 years
Bonds	514.5	612.5	20.9	432.5	159.1
Bank loans	566.2	672.4	47.4	203.7	421.3
Lease liabilities	78.0	86.6	5.9	21.7	59.0
Liabilities arising from derivative transactions[1)]	25.7	30.0	8.6	19.9	1.5
Liabilities from contract costs	69.3	69.3	42.0	27.3	–
Total	**1,253.7**	**1,470.8**	**124.8**	**705.1**	**640.9**

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 244 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

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	15.40	122.5	–

1) Assumed loss rate (for banks 60%, for corporates 80%)

2) Since the bank deposits are due on demand, the default probability was set at one day.

3) The impairment losses were not recorded because the related amounts are immaterial.

Major financial instruments covered by the ECL model

2019/20 financial year

EURm	Equivalent S&P	Default probability (%)[1]	Loans receivable	Lease receivables	Bank deposits[2]	Calculated impairment[3]
EVN rating class 1	AAA	–	–	–	214.5	–
EVN rating class 2	Up to AA–	0.03	19.8	7.1	–	–
EVN rating class 3	Up to A–	0.06	–	6.5	–	–
EVN rating class 4	Up to BBB–	0.25	14.5	–	–	–
EVN rating class 5a	Up to BB–	0.91	–	3.1	–	–
EVN rating class 5b	Up to B–	6.49	–	–	–	–
EVN rating class 5c	Up to D	27.08	–	–	–	–
No rating	–	–	2.5	1.7	–	–
Total			**36.7**	**18.4**	**214.5**	–

1) Assumed loss rate (for banks 60%, for corporates 80%)
2) Since the bank deposits are due on demand, the default probability was set at one day.
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 subsequent government support measures, EVN did not experience any sudden losses of receivables from customers. However, an increase in insolvencies is expected in the following years after the government measures have come to an end, and thus also a corresponding increase in bad debt losses. In this respect, the EVN Group has recognised a higher value adjustment of trade receivables of EUR 4.1m (previous year: EUR 4.7m) via a forward looking component for the 2020/21 financial year.

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 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 Austria 2019/20

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.1–1.0	0.1	43.2	43.2	–
Up to 89 days overdue	0.1–1.8	0.3	3.7	3.7	–
Up to 179 days overdue	4.5–50.4	14.2	0.8	0.7	0.1
Up to 359 days overdue	7.0–52.0	25.5	1.2	0.9	0.3
>360 days overdue	14.5–100.0	42.8	4.7	2.7	2.0
Total			**53.6**	**51.2**	**2.5**

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 Bulgaria 2019/20

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–1.1	0.2	44.7	44.6	0.1
Up to 89 days overdue	2.1–84.2	8.3	4.5	4.1	0.4
Up to 179 days overdue	3.4–55.6	47.3	1.0	0.5	0.5
Up to 359 days overdue	39.8–77.8	70.6	1.2	0.4	0.8
>360 days overdue	100.0	100.0	13.0	–	13.0
Total			**64.2**	**49.6**	**14.7**

Expected credit losses in North Macedonia 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.3–17.5	38.0	109.7	68.1	41.7
thereof of instalment agreements	15.1–100.0	72.8	54.2	14.7	39.5
thereof without instalment agreeements	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**

Expected credit losses in North Macedonia 2019/20

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–66.7	35.7	92.2	59.2	33.0
thereof instalment agreements	14.0–100.0	67.5	44.7	14.5	30.2
thereof without instalment agreements	0.0–66.7	5.8	47.5	44.7	2.8
Up to 89 days overdue	0.6–30.7	9.3	15.8	14.3	1.5
Up to 179 days overdue	82.3–93.5	82.9	5.7	1.0	4.7
Up to 359 days overdue	65.9–98.3	97.3	10.4	0.3	10.1
>360 days overdue	100.0	100.0	186.0	–	186.0
Total			**310.1**	**74.8**	**235.3**

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 102.7m (previous year: EUR 64.4m) 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 13.3m (previous year: EUR 12.1m) were recognised for two receivables with a gross carrying amount of EUR 38.8m that fall into Level 3.

In financial year 2020/21, impairments of EUR 7.0m (previous year: EUR 12.0m) were recognised for trade receivables. The impairments mainly resulted from expected credit losses under consideration of a provision matrix. In addition, contract assets were impaired in the amount of EUR 0.0m (previous year: EUR 0.9m).

The following table shows the development of impairment losses to trade receivables in 2020/21:

Impairment losses – trade receivables

EURm	2020/21	2019/20
Balance on 01.10.2020	264.6	256.7
Additions	7.0	12.0
Disposal	–16.6	–4.1
Balance on 30.09.2021	255.0	264.6

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2021 and 30 September 2020 reflect the carrying amounts shown in notes **38. Other non-current assets, 40. Trade and other receivables** and **41. Securities and other financial investments,** excluding financial guarantees.

The maximum default risk for derivative financial instruments equals the positive fair value (see note **61. Reporting on financial instruments).**

The maximum risk from financial guarantees is described in note **63. Other obligations and risks.**

60. 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 2021, the equity ratio equalled 58.7% (previous year: 54.3%). Net debt coverage, which represents the ratio of funds from operations to net debt, equalled 92.9% (previous year: 47.7%). 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 and plus non-current personnel provisions.

Capital management

EURm	30.09.2021	30.09.2020
Non-current loans and borrowings and leasing liabilities	773.9	1.118.1
Current loans and borrowings[1)]	323.4	40.6
Cash and cash equivalents	–122.3	–140.0
Non-current and current securities	–473.5	–325.8
Non-current and current loans receivable	–39.6	–36.8
Net financial debt	**461.9**	**656.2**
Non-current personnel provisions[2)]	351.9	381.5
Net debt	**813.8**	**1.037.7**
Funds from operations	**756.2**	**494.7**
Equity	**6,544.3**	**4,543.3**
Gearing (%)	**12.4**	**22.8**
Net debt coverage (%)	**92.9**	**47.7**

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.

61. 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)	30.09.2021 Carrying amount	30.09.2021 Fair value	30.09.2020 Carrying amount	30.09.2020 Fair value
Non-current assets						
Other investments[1]						
Investments	FVOCI	Level 3	177.0	177.0	115.9	115.9
Miscellaneous investments	FVOCI	Level 1	3,848.4	3,848.4	2,048.4	2,048.4
Other non-current assets						
Securities	FVTPL	Level 1	74.4	74.4	72.0	72.0
Loans reveivable	AC	Level 2	35.4	38.5	32.9	37.0
Lease receivables	AC	Level 2	14.0	15.2	15.4	15.7
Receivables arising from derivative transactions	FVTPL	Level 2	4.9	4.9	0.1	0.1
Receivables arising from derivative transactions	Hedging	Level 2	–	–	1.0	1.0
Trade and other receivables	AC		10.8	10.8	10.9	10.9
Current assets						
Current receivables and other current assets						
Trade and other receivables	AC		453.6	453.6	281.4	281.4
Receivables arising from derivative transactions	FVTPL	Level 2	58.7	58.7	6.4	6.4
Securities	FVTPL	Level 1	**399.1**	**399.1**	**253.8**	**253.8**
Cash and cash equivalents						
Cash on hand and cash at banks	AC		122.5	122.5	214.6	214.6
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	319.6	367.1	514.5	592.3
Bank loans	AC	Level 2	399.3	467.3	530.8	613.3
Other non-current liabilities						
Accruals of financial transactions	AC		–	–	0.1	0.1
Other liabilities	AC		33.3	33.3	47.7	47.7
Liabilities arising from derivative transactions	FVTPL	Level 2	11.6	11.6	0.7	0.7
Liabilities arising from derivative transactions	Hedging	Level 2	16.0	16.0	16.2	16.2
Current liabilities						
Current loans and borrowings	AC		**318.0**	**318.0**	**110.0**	**110.0**
Trade payables	AC		**331.7**	**331.7**	**298.4**	**298.4**
Other current liabilities						
Other financial liabilities	AC		417.2	417.2	208.3	208.3
Liabilities arising from derivative transactions	FVTPL	Level 2	141.9	141.9	4.3	4.3
Liabilities arising from derivative transactions	Hedging	Level 2	9.8	9.8	4.6	4.6
thereof aggregated to measurement categories						
Fair value through other comprehensive income	FVOCI		4,025.5	–	2,164.3	–
Financial assets designated at fair value through profit or loss	FVTPL		537.1	–	332.2	–
Financial assets and liabilities at amortised cost	AC		2,455.4	–	2,265.0	–
Financial liabilities designated at fair value through profit or loss	FVTPL		153.5	–	5.0	–

1) See note 10. Other investments

Net results by measurement category[1]

EURm

Classes	2020/21 Net result	2020/21 Of which impairment losses	2019/20 Net result	2019/20 Of which impairment losses
Fair value through other comprehensive income (FVOCI)	–	–	–	–
Financial assets at amortised cost (AC)	–15.6	–7.0	–13.5	–12.0
Financial assets and liabilities at fair value through profit or loss (FVTPL)	–92.2	–	–20.8	–
Financial assets and liabilities (hedging)	5.1	–	–5.8	–
Financial liabilities at amortised cost (AC)	5.5	–	6.5	–
Total	**–97.2**	**–7.0**	**–33.6**	**–12.0**

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

	30.09.2021 Nominal value[1] Purchases	30.09.2021 Nominal value[1] Disposals	30.09.2021 Fair values[2] Positive	30.09.2021 Fair values[2] Negative	30.09.2021 Fair values[2] Net	30.09.2020 Nominal value[1] Purchases	30.09.2020 Nominal value[1] Disposals	30.09.2020 Fair values[2] Positive	30.09.2020 Fair values[2] Negative	30.09.2020 Fair values[2] Net
Forward exchange transactions										
KWD[3]	–	89.5	–	–11.2	–11.2	–	87.8	0.3	–2.5	–2.2
USD[3]	–	174.7	–	–4.8	–4.8	–	174.7	–	–1.9	–1.9
Currency swaps										
JPYm (>5 years)[3]	10,000.0	–	–	–4.4	–4.4	10,000.0	–	0.8	–0.1	0.7
Interest rate swaps										
EURm (<5 years)[3]	10.6	–	–	–0.1	–0.1	13.2	–	–	–0.6	–0.6
EURm (>5 years)[3]	–	–	–	–	–	121.6	–	–	–15.8	–15.8
Derivatives energy										
Swaps	24.5	47.9	30.6	–7.2	23.5	11.3	–	0.2	–1.3	–1.1
Futures	–	–	–	–	–	6.2	1.7	4.8	–	4.8
Forwards	152.4	126.0	32.5	–141.6	–109.1	0.5	50.9	1.3	–3.5	–2.2
Forwards[3]	3.5	31.9	0.7	–10.3	–9.7	–	–	–	–	–

1) In m nominal currency
2) In EURm
3) Used as a hedging instrument in accordance with IFRS 9

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 **59. 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 **48. Non-current loans and borrowings)** and to hedge a loan from evn naturkraft and to hedge the currency risk from the Umm Al Hayman wastewater treatment project. In addition, derivative financial instruments were used for the first time in the 2020/21 business year 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 0.5m in 2020/21 (measurement of the bond EUR 5.6m and measurement of the swaps EUR –5.1m; previous year: earnings effect EUR –0.4m, including measurement of the bond EUR 5.4m and measurement of the swaps EUR –5.8m) 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 2021: EUR –0.5m and as of 30 September 2020: EUR –0.8m).

Walsum 10 and 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 (Walsum 10 and evn naturkraft loans), interest rate swaps are used to exchange variable for fixed interest. The sale of the investment in STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH led to the deconsolidation of the company as well as the derecognition of the interest rate swaps reported in EVN's consolidated financial statements (see notes **4. Scope of consolidation** and **31. Financial results).** All transactions are recorded and measured in the treasury management system, designated as a hedge and documented. All hedges connected with financial liabilities were classified as effective as of 30 September 2021.

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 – 30.09.2021 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 hedging instruments – 30.09.2020 EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	0.7	Other non-current assets	10.0[1)]	–5.8

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

Fair value hedge – underlying transaction 30.09.2020 EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	–84.1	–4.0	Non-current financial liabilities	10.0[1)]	5.4

1) JPYbn

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 balances/Contract assets (KWD)	102.4	Bank balances/Contract assets	35.8[1]	1.5
Bank balances (USD)	–43.0	Bank balances	–49.8[2]	–1.0
Purchase energy forwards	0.7	Other current/non-current liabilities	3.5	0.7
Sell energy forwards	–10.3	Other current/non-current liabilities	31.9	–10.3

1) Nominal amount in KWDm
2) Nominal amount in USDm

Cash flow hedging instruments – 30.09.2020

EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Interest rate swaps STEAG-EVN Walsum 10 Kraftwerksgesellschaft	–15.8	Other current/non-current liabilities	121.6	3.7[1]
Interest rate swaps ENK (French lease)	–0.6	Other current/non-current liabilities	13.2	0.6
FX-Forwards (KWD/EUR)	–2.2	Other current/non-current liabilities	87.8[2]	–2.2
FX-Forwards (USD/EUR)	–1.9	Other current/non-current liabilities	174.7[3]	–1.9

1) The difference to the change in the carrying amount of the interest rate swaps is attributable to the accrued interest which is included in the carrying amount.
2) Nominal amount in KWDm
3) Nominal amount in USDm

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
Proceeds from 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 energy forwards	0.7	0.7
Sell energy forwards	–10.3	–10.3

Cash flow hedges – underlying transactions 30.09.2020

EURm	Change in fair value	Reserve for measurement of cash flow hedges
Debt financing STEAG-EVN Walsum 10 Kraftwerksgesellschaft	–3.7	13.9
ENK (French lease)	–0.6	0.6
Proceeds from sales (Firm commitment)	2.2	1.9
Proceeds from sales (Firm commitment)	1.9	1.7

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 energy forwards	0.7	–	–	–	Revenue	–
Sell energy forwards	–10.3	–	–	–	Revenue	–

Effects on the statement of comprehensive income statement of financial position and statement of operations 30.09.2020 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	–3.7	–	Other financial results	–1.6	Interest expense	–
ENK (French lease)	–0.6	–	–	–	–	–
DBO project (KWD)	2.2	–	–	–0.3	Revenue	–
BOT project (USD)	1.9	–	–	–	Revenue	–0.2

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

Expected occurrence of cash flows from forward exchange transactions 30.09.2020 Million foreign currency or exchange rate	<1 year	>1 year
USD		
Nominal amount in USD	–	174.7
Average USD/EUR forward rate	–	1.2058
KWD		
Nominal amount in KWD	11.8	76.0
Average KWD/EUR forward rate	0.3652	0.3726

62. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 253 under **EVN's investments.**

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2020/21 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 based with operational nature:

Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2021 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 GmbH
Umm Al Hayman Wastewater Treatment Company KSPC
ZOV

Associates that were included at equity in the consolidated financial statements as of 30.09.2021 in accordance with IAS 28
Company
Energie Burgenland
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

	30.09.2021				30.09.2020			
Joint venture	**EVN KG**	**RAG**	**ZOV**	**EAA**	**EVN KG**	**RAG**	**ZOV**	**EAA**
Statement of financial position								
Non-current assets	39.4	600.4	179.6	13.5	4.9	629.5	194.9	7.1
Current assets	766.3	63.1	80.8	941.2	185.4	55.6	69.3	302.2
Non-current liabilities	0.3	324.0	–	220.8	0.1	376.7	7.9	5.7
Current liabilities	365.2	88.8	46.3	325.2	100.0	61.5	40.1	266.7
Reconciliation of the carrying amount of the share of EVN in the joint venture								
Net assets	440.2	250.7	214.1	408.7	90.2	246.9	216.2	36.9
Share of EVN in net assets (%)	100.00	100.00	48.50	45.00	100.00	100.00	48.50	45.00
Share of EVN in net assets	440.2	250.7	103.8	183.9	90.2	246.9	104.9	16.6
+/– Revaluations	–	139.1	–	–	–	146.4	–	–
Carrying amount of the share of EVN in the joint venture	440.2	389.8	103.8	183.9	90.2	393.3	104.9	16.6
	2020/21				**2019/20**			
Statement of operations								
Revenue	432.4	339.5	17.6	1,338.9	516.2	299.6	16.7	678.1
Scheduled depreciation and amortisation	–0.5	–40.5	–	–0.7	–0.2	–45.3	–	–0.8
Interest income	–	2.2	28.0	–	–	1.5	0.1	0.1
Interest expense	–	–1.6	–1.1	–0.8	–	–2.9	–2.6	–0.6
Income tax	–	–14.9	–5.0	–0.3	–	–15.9	–5.1	0.2
Result for the period	117.2	47.7	22.6	5.0	39.5	47.5	23.3	–7.7
Other comprehensive income	289.2	1.1	2.1	366.2	–4.5	2.2	–7.5	–0.7
Comprehensive income	406.4	48.8	24.7	371.2	35.1	49.7	15.8	–8.4
Dividends received by EVN	56.4	45.0	13.0	–	5.7	40.0	18.1	–

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

	2020/21	2019/20
Carrying value of the joint ventures as of the balance sheet date	103.5	85.9
Result for the period	3.9	2.3
Other comprehensive income	9.4	–0.3
Comprehensive income	13.3	2.0

The following table provides summarised financial information on each individually material associate included in the consolidated financial statements:

Financial information of material associates

EURm	30.09.2021			30.09.2020		
Associate	**Verbund IKW**	**ZOV UIP**	**Energie Burgenland**	**Verbund IKW**	**ZOV UIP**	**Energie Burgenland**
Statement of financial position						
Non-current assets	1,190.2	0.3	767.3	1,129.6	0.4	659.5
Current assets	3.8	8.2	189.8	22.4	4.3	247.3
Non-current liabilities	63.5	–	182.9	51.8	–	187.0
Current liabilities	25.9	5.2	427.3	12.4	1.2	375.5
Reconciliation of the carrying amount of the share of EVN in the associate						
Net assets	1,104.7	3.3	346.9	1,087.8	3.6	344.4
Share of EVN in net assets (%)	13.00	31.00	49.00	13.00	31.00	49.00
Share of EVN in net assets	143.6	1.0	170.0	141.4	29.00	168.8
+/– Revaluations	26.2	–	15.7	2.2	–	14.5
Carrying amount of the share of EVN in the associate	169.8	1.0	185.6	143.6	1.0	183.3
	2020/21			**2019/20**		
Statement of operations						
Revenue	96.2	14.9	336.3	90.7	14.4	339.3
Result for the period	27.3	4.2	20.5	27.1	4.4	39.2
Other comprehensive income	–	–	0.1	–	–0.1	–19.9
Comprehensive income	27.3	4.2	20.6	27.1	4.4	19.4
Dividends received by EVN	1.3	1.3	10.3	1.3	1.2	10.3

The consolidated financial statements include no associates that are individually immaterial.

63. Other obligations and risks

The commitments entered into by EVN and the related risks are as follows:

Other obligations and risks

EURm	30.09.2021	30.09.2020
Guarantees in connection with energy transactions	95.2	72.0
Guarantees in connection with projects in the Environment Segment	579.0	553.5
Guarantees related to the construction and operation of		
Energy networks	3.7	2.8
Power plants	98.4	119.7
Order obligations for investments in intangible assets and property, plant and equipment	191.0	131.2
Further obligations arising from guarantees or other contractual contingent liabilities	0.1	0.1
Total	**967.4**	**879.4**
thereof in connection with equity accounted investees	89.9	85.2

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 10.7m (previous year: EUR 8.3m).

Other obligations and risks increased by EUR 88.8m to EUR 967.4m compared to 30 September 2020. This change mainly resulted from an increase in scheduled orders for investments in intangible assets and property, plant and equipment, from an increase in guarantees for environmental projects as well as guarantees in connection with energy transactions. This was offset by a reduction in guarantees in connection with the construction and operation of power plants.

Contingent liabilities related to guarantees for subsidiaries in connection with energy transactions are recognised on the basis of the guarantees issued by EAA 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 26.2m as of 30 September 2021. The nominal volume of the guarantees underlying this assessment was EUR 282.0m. As of 31 October 2021, the market price risk was EUR 20.6m based on an underlying nominal volume of EUR 282.0m.

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.

64. 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 253 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 (previous year: group of companies with NÖ Landes-Beteiligungsholding GmbH as the group parent). 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 32.6m to NÖ Landes-Beteiligungsholding GmbH as of 30 September 2021 (previous year: EUR 66.0m). 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 **37. Other investments).**

Based on the group and tax equalisation agreement, there is a current liability to Wiener Stadtwerke GmbH of EUR 8.9m as of 30 September 2021 (previous year: EUR 0.0m). 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 charged a fee for electricity deliveries. The transaction volume totalled EUR 9.0m in the financial year 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.

ENERGIEALLIANZ Austria GmbH is a joint energy distribution company comprising Energie Burgenland AG, EVN AG and Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH. EVN AG holds 45% of the shares in ENERGIEALLIANZ Austria GmbH, which is responsible for the trading and sale of electricity, natural gas and energy-related services for industrial, large-scale and business customers.

EVN AG and Wiener Stadtwerke GmbH jointly operate the project company EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH & Co KG through their respective subsidiaries, evn naturkraft Erzeugungsgesellschaft m.b.H. 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 EAA 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 investments in equity accounted investees is as follows:

Transactions with joint ventures included at equity EURm	2020/21	2019/20
Revenue	252.4	190.5
Cost of services received	–28.4	–47.9
Trade accounts receivable	55.2	22.9
Other receivables	–	1.6
Trade accounts payable	18.7	14.6
Other liabilities	–	4.5
Loans	20.0	16.0
Liabilities from cash pooling	323.1	88.4
Interest income from loans	0.5	0.6

Transactions with associates included at equity EURm	2020/21	2019/20
Revenue	–	–
Cost of services received	–10.2	–9.7
Trade accounts receivable	–	–
Trade accounts payable	0.7	1.0

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 2020/21 totalled TEUR 1,225.4 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,245.4).

Remuneration of the active Executive Board TEUR	2020/21			2019/20		
	Fixed remuneration	Variable remuneration[1)]	Compensation in kind	Fixed remuneration	Variable remuneration[1)]	Compensation in kind
Stefan Szyszkowitz	434.8	129.3	3.3	426.7	153.5	2.9
Franz Mittermayer	405.8	111.7	14.0	398.2	125.8	13.9

1) Corresponds to the amounts paid in the 2020/21 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 2020/21 equalled TEUR 65.8 for Stefan Szyszkowitz (previous year: TEUR 64.7) and TEUR 60.8 for Franz Mittermayer (previous year: TEUR 59.7).

An addition of TEUR 49.3 (thereof TEUR 64.5 of interest expense and TEUR –245.6 of actuarial gains/losses) was made to the provision for pension obligations on behalf of Stefan Szyszkowitz in 2020/21. In the previous year, a change of TEUR –272.9 was recorded (thereof TEUR 47.2 of interest expense and TEUR –569.9 of actuarial gains/losses). The addition to the provision for pension obligations on behalf of Franz Mittermayer amounted to TEUR 164.9 (thereof TEUR 80.5 of interest expense and TEUR –193.1 of actuarial gains/losses). In the previous year, a change of TEUR –116.9 was recorded (thereof TEUR 57.3 of interest expense and TEUR –466.3 of actuarial gains/losses).

In 2020/21 contributions of TEUR 8.7 (previous year: TEUR 8.9) were made to an external employee fund on behalf of Stefan Szyszkowitz and TEUR 8.1 (previous year: TEUR 8.2) 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 1,159.3 in 2020/21 (previous year: TEUR 1,461.1).

Expenses for severance payments and pensions for active members of senior management totalled TEUR 445.5 in 2020/21 (thereof TEUR 28.7 of interest expense and TEUR 65.0 of actuarial gains/losses) and TEUR 144.8 in the previous year (thereof TEUR 22.8 of interest expense and TEUR –216.2 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 IFRS, actuarial gains and losses are recorded under other comprehensive income in keeping with IAS 19.

The Supervisory Board remuneration totalled TEUR 154.7 in 2020/21 (previous year: TEUR 156.5). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of TEUR 104.9 during the reporting year (previous year: TEUR 93.4).

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 2020/21. The resulting items outstanding as of 30 September 2021 are reported under trade accounts receivable.

65. Significant events after the balance sheet date

No significant events occurred between the balance sheet date on 30 September 2021 and the release for publication of the consolidated financial statements on 24 November 2021.

66. 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 (since 21.01.2021)
Gustav Dressler (since 21.01.2021)
Philipp Gruber
Dieter Lutz (until 21.01.2021)
Reinhard Meißl (until 21.01.2021)
Maria Patek. MBA (since 21.01.2021)
Susanne Scharnhorst (until 21.01.2021)
Angela Stransky
Peter Weinelt (since 21.01.2021)
Friedrich Zibuschka
Johannes Zügel (until 21.01.2021)

Employee representatives

Friedrich Bußlehner
Monika Fraißl
Paul Hofer
Uwe Mitter
Irene Pugl

67. Approval of the 2020/21 consolidated financial statements for publication

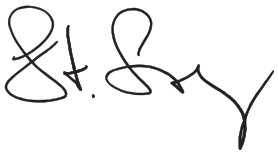
These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 15 December 2021 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

68. Auditing fees

EVN's consolidated financial statements and annual financial statements for the 2020/21 financial year were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The costs for BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, totalled EUR 0.3m and were distributed as follows: 76.6% for auditing services, 6.8% for audit-related services and 16.7% for other consulting services. Auditing and consulting fees for the Group amounted to EUR 0.5m for the reporting year, whereby 86.2% are attributable to auditing, 4.0% to audit-related services, 9.8% to other consulting services. All companies in the scope of consolidation were included. The audit of the annual financial statements and consolidated financial statements of EVN was performed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the financial year 2019/20.

Maria Enzersdorf, 24 November 2021

EVN AG
The Executive Board



Stefan Szyszkowitz, MBA
Spokesman of the Executive Board

Dipl.-Ing. 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 2021

1.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2020/21
Ashta Beteiligungsverwaltung GmbH ("Ashta"), Vienna	EVN Naturkraft	49.99	31.12.2020	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2021	E
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	31.12.2020	E
Elektrorazpredelenie Yug EAD ("EP Yug"), Plovdiv, Bulgaria	BG SN Holding	100.00	31.12.2020	V
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2021	E
EVN Bulgaria Elektrosnabdiavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	BG SV Holding	100.00	31.12.2020	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2020	V
EVN Bulgaria Fernwärme Holding GmbH ("BG FW Holding"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Bulgaria RES Holding GmbH ("EVN Bulgaria RES"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2021	V
EVN Bulgaria Stromerzeugung Holding GmbH ("BG SE Holding"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2021	V
EVN Bulgaria Stromnetz Holding GmbH ("BG SN Holding"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Bulgaria Stromvertrieb Holding GmbH ("BG SV Holding"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	BG FW Holding	100.00	31.12.2020	V
EVN Croatia Plin d.o.o. Zagreb, Croatia	Kroatien Holding	100.00	31.12.2020	V
ELEKTRODISTRIBUCIJA DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2020	V
EVN Energievertrieb GmbH & Co KG ("EVN EV"), Maria Enzersdorf	EVN	100.00	30.09.2021	E
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2021	V
EVN Home DOO, Skopje, North Macedonia	EVN Macedonia/ EVN Supply	100.00	31.12.2020	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Bulgaria RES	100.00	31.12.2020	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Kroatien Holding GmbH ("Kroatien Holding"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, North Macedonia	EVN Mazedonien	90.00	31.12.2020	V
EVN Macedonia Elektrani DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2020	V
EVN Macedonia Elektrosnabduvanje DOOEL ("EVN Supply"), Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2020	V
EVN Macedonia Holding DOOEL, Skopje, North Macedonia	EVN	100.00	31.12.2020	V
EVN Mazedonien GmbH ("EVN Mazedonien"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
evn naturkraft Erzeugungsgesellschaft m.b.H. ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Service Centre EOOD, Plovdiv, Bulgarien	EVN Bulgaria	100.00	31.12.2020	V
EVN Trading DOOEL, Skopje, North Macedonia	EVN Trading SEE	100.00	31.12.2020	V
EVN Trading South East Europe EAD ("EVN Trading SEE"), Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2020	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Wärmekraftwerke GmbH ("EVN Wärmekraftwerke"), Maria Enzersdorf	EVN/EVN Bet. 52	100.00	30.09.2021	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 2020/21
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2021	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2020	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2021	E
Hydro Power Company Gorna Arda AD, Sofia, Bulgaria	BG SE Holding	76.00	31.12.2020	V
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2021	V
Netz Niederösterreich GmbH ("Netz NÖ"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
Verbund Innkraftwerke GmbH ("Verbund Innkraftwerke"), Töging. Germany[1)]	EVN Naturkraft	13.00	31.12.2020	E
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2021	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 2020/21
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	765 (672)	93 (195)	31.12.2020 (31.12.2019)	NV
Energie Zukunft Niederösterreich GmbH, Heiligenkreuz	EVN	50.00	– (–)	– (–)	– (–)	NE
EVN-Ökowind Sonnenstromerzeugungs GmbH, Maria Enzersdorf	EVN Naturkraft	50.00	389 (–)	46 (–)	30.09.2021 (–)	NE
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH ("EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	36 (46)	1 (1)	30.09.2020 (30.09.2019)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	134 (25)	109 (110)	31.12.2020 (31.12.2019)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	47 (44)	3 (3)	31.12.2020 (31.12.2019)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	8,837 (8,486)	351 (549)	31.12.2020 (31.12.2019)	NE
Netz Niederösterreich Beteiligung 31 GmbH ("Netz Bet. 31"), Maria Enzersdorf	Netz NÖ	100.00	5,082 (5,058)	–3 (–1)	30.09.2021 (30.09.2020)	NV
Netz Niederösterreich Liegenschaftsbesitz 31 GmbH, Maria Enzersdorf	Netz Bet. 31	100.00	15,344 (5,088)	418 (37)	30.09.2021 (30.09.2020)	NV

2. EVN's investments in the environmental services business ≥20.0% as of 30 September 2021

2.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2020/21
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2021	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic	WTE Wassertechnik	35.00	31.12.2020	E
EVN Beteiligung 52 GmbH ("EVN Bet. 52"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2021	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/Utilitas	100.00	30.09.2021	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2021	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2021	V
EVN Wasser GmbH ("EVN Wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2021	V
OOO EVN Umwelt Service, Moskau, Russia	EVN UBS	100.00	31.12.2020	V
OOO EVN Umwelt, Moskau, Russia	EVN UBS	100.00	31.12.2020	V
sludge2energy GmbH, Berching, Germany	WTE Wassertechnik	50.00	31.12.2020	E
Storitveno podjetje Laško d.o.o., Laško, Slovenia	WTE Wassertechnik	100.00	30.09.2021	V
Umm Al Hayman Holding Company WLL, Kuwait City, Kuwait	WTE Wassertechnik	50.00	31.12.2020	E
WTE Abwicklungsgesellschaft Kuwait mbH, Essen, Germany	International	100.00	30.09.2021	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany[1)]	WTE Wassertechnik	100.00	30.09.2021	V
WTE International GmbH ("International"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2021	V
WTE O&M Kuwait Sewerage Treatment O.P.C., Kuwait City, Kuwait	International	100.00	30.09.2021	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE Wassertechnik	100.00	31.12.2020	V
WTE Projektna družba Bled d.o.o., Bled, Slovenia	WTE Wassertechnik	100.00	30.09.2021	V
WTE Wassertechnik GmbH ("WTE Wassertechnik"), Essen, Germany	EVN Bet. 52	100.00	30.09.2021	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warschau, Poland	WTE Wassertechnik	100.00	30.09.2021	V
Zagrebačke otpadne vode d.o.o. ("ZOV"), Zagreb, Croatia	WTE Wassertechnik	48.50	31.12.2020	E
Zagrebačke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Croatia	WTE Wassertechnik	29.00	31.12.2020	E

1) The relief options of § 264 para 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 2020/21
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	EVN Umwelt	26.00	234 (70)	164 (33)	31.12.2020 (31.12.2019)	NE
EVN Umwelt Finanz- und Service-GmbH ("EVN UFS"), Maria Enzersdorf	EVN Umwelt	100.00	40 (42)	–2 (–1)	30.09.2021 (30.09.2020)	NV
JV WTE Tecton Azmeel W.L.L. Al Seef (Manama), Bahrain	WTE Wassertechnik	50.00	87 (20)	41 (0)	30.09.2021 (30.09.2020)	NE
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Croatia	WTE Wassertechnik	50.00	505 (507)	–16 (–29)	31.12.2020 (31.12.2019)	NE
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbh, Buckow, Germany	WTE Wassertechnik	49.00	560 (556)	3 (3)	31.12.2020 (31.12.2019)	NE
Wiental-Sammelkanal Gesellschaft m.b.H., Untertullnerbach	EVN Wasser	50.00	866 (866)	0 (0)	31.12.2020 (31.12.2019)	NE
WTE Abwicklungsgesellschaft Russland mbH, Essen, Germany	International	100.00	25 (25)	0 (0)	30.09.2021 (30.09.2020)	NV
WTE Baltic UAB, Kaunas, Lithuania	WTE Wassertechnik	100.00	203 (187)	16 (34)	30.09.2021 (30.09.2020)	NV
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Betrieb	100.00	–646 (–632)	–13 (–16)	31.12.2020 (31.12.2019)	NV
WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany	EVN UFS/WTE Wassertechnik	100.00	25 (25)	0 (0)	30.09.2021 (30.09.2020)	NV

3. EVN's investments in other business activities ≥20.0% as of 30 September 2021

3.1. Included in the consolidated financial statements of EVN

Company. registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2020/21
Burgenland Holding Aktiengesellschaft ("Burgenland Holding" bzw. "BUHO"), Eisenstadt	EVN	73.63	30.09.2021	V
Energie Burgenland AG, Eisenstadt	BUHO	49.00	30.09.2021	E
EVN Business Service GmbH ("EVN Business"), Maria Enzersdorf	Utilitas	100.00	30.09.2021	V
R138 Fonds, Vienna	EVN/Netz NÖ/ EVN Wasser	100.00	30.09.2021	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2021	V
RAG Austria AG ("RAG"), Vienna	RBG	100.00	31.12.2020	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H ("Utilitas"), Maria Enzersdorf	EVN	100.00	30.09.2021	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 2020/21
EVN Beteiligung 60 GmbH ("EVN Bet. 60"), Maria Enzersdorf	Utilitas	100.00	2,295 (1,831)	464 (–2)	30.09.2021 (30.09.2020)	NV
EVN Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf	EVN Bet. 60	100.00	2,257 (1,790)	468 (2)	30.09.2021 (30.09.2020)	NV
EVN WEEV Beteiligungs GmbH in Liqu. ("EVN WEEV"), Maria Enzersdorf	EVN	100.00	36 (38)	–3 (–1)	31.08.2021 (31.08.2020)	NV
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	298 (284)	68 (43)	30.09.2021 (30.09.2020)	NE

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, 2021, and the consolidated statement of operations, consolidated statement of comprehensive income, consolidated statement of changes in equity and 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, 2021 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 Company 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.

OTHER MATTER

The consolidated financial statements for the year ended September 30, 2020 were audited by a different auditor and given an unqualified audit opinion on November 17, 2020.

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
- → Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees

Accounting of the large-scale project Umm Al Hayman

Facts ands references to further information

With a contract volume of more than EUR 1,2 Billion 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. The relevant contracts have been signed in the previous fiscal year. Contract costs have been capitalized and will be amortized based on the project progress.

Revenue is recognized over the construction period, 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 instead of Euro, 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 19 (Revenue recognition) of the Accounting policies. Further information to this project can be found in section 22 Discretionary decisions and forward-looking statements, in section 38 Other noncurrent assets regarding costs for obtaining contracts and in section 59 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 5,486 million account for 49% of total assets of the Group as of September 30, 2021.

At each reporting date, the Company assesses 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 recognised 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 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 with management 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. The assumptions used for determining the interest rates were assessed for appropriateness by comparing them to industry- and market-specific reference values. 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 management. We agreed the respective carrying amounts to the fixed assets sub ledger.

Reference to further information
The procedures and effects of impairment tests are described in section 21 of the notes to the consolidated financial statements. Further information can be found in section 22 Accounting estimates and forward-looking statements. The effects of impairment tests are presented in section 30 (Depreciation and amortisation and effects from impairment tests) and in sections 34 (Intangible assets), 35 (Property, plant and equipment) and 36 (Investments in equity accounted investees) of the notes to the consolidated statement of financial position.

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.

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 supervisory board 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 consolidated 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 EURegulation

We were elected as auditor by the ordinary general meeting on January 21, 2021. We were appointed by the Supervisory Board on June 7, 2021. We have been appointed to audit the consolidated financial statements for the first time for fiscal year 2020/21.

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 24, 2021

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.

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 247.

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 the 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.

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.

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 IFRSs 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 14001
International environmental management standard that defines the globally recognised requirements for related systems.

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 institutes 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.

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.

REALIT
A by-product from flue gas cleaning which is 100% recycled by EVN.

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.

Sector contractor
The Austrian Federal Procurement Act of 1 February 2006 defines sector contractors as companies which provide supplies to the general public in the areas of natural gas, heat, water, transportation, postal services and power generation.

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.

Syndicated credit line
A binding commitment by a banking consortium to provide a line of credit which a company can draw upon in varying amounts, terms and currencies.

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.

GRI content index

The GRI content index forms the underlying structure for EVN's Full Report 2020/21. 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, North Macedonia and Germany.
102-5	Ownership and legal form	34. Legal form: listed stock corporation
102-6	Markets served	7
102-7	Scale of the organisation	Cover, 8f. As of 30 September 2021, EVN as the parent company, and 55 subsidiaries were included through full consolidation in the consolidated financial statements.
102-8	Information on employees and other workers	77, 82, 85 d. Not applicable: The number of leased personnel represents 1.7% 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	38
102-10	Significant changes to the organisation and its supply chain	38f. No material changes in the organisation or supply chain
102-11	Precautionary principle or approach	64f
102-12	External initiatives	36, 110
102-13	Membership of associations	110
Strategy		
102-14	Statement from senior decision-maker	Editorial, interview with the Executive Board, 16ff
102-15[1)]	Key impacts, risks, and opportunities	23ff, 89ff

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	30ff
102-17[1)]	Mechanisms for advice and concerns about ethics	32
Governance		
102-18	Governance structure	18
102-19[1)]	Delegating authority	18
102-20[1)]	Executive-level responsibility for economic, environmental, and social topics	18
102-21[1)]	Consulting stakeholders on economic, environmental, and social topics	16f, 18, 108ff
102-22[1)]	Composition of the highest governance body and its committees	127ff (Corporate governance report)
102-23[1)]	Chair of the highest governance body	127ff (Corporate governance report)
102-24[1)]	Nominating and selecting the highest governance body	127ff (Corporate governance report)
102-25[1)]	Conflicts of interest	127ff (Corporate governance report)
102-26[1)]	Role of highest governance body in setting purpose, values, and strategy	18
102-27[1)]	Collective knowledge of highest governance body	18. At the beginning of the 2020/21 financial year, detailed information on the Strategy 2030 and related measures was presented in a Supervisory Board conference. The report by the Executive Board and the discussions of the other points on the agenda at the Supervisory Board meetings also regularly cover the economic, ecological and social aspects of the respective issues.
102-29[1)]	Identifying and managing economic, environmental, and social impacts	16f
102-30[1)]	Effectiveness of risk management processes	150ff (Risk management report)
102-31[1)]	Review of economic, environmental, and social topics	16f, 88ff, 125f. Quarterly reporting to the Supervisory Board on non-financial indicators; annual review of the non-financial report by the Supervisory Board in accordance with the Austrian Sustainability and Diversity Improvement Act
102-32[1)]	Highest governance body's role in sustainability reporting	Members of the Executive Board
102-33[1)]	Communicating critical concerns	150ff (Risk management report)
102-34[1)]	Nature and total number of critical concerns	No critical concerns
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/Hauptversammlung
102-38	Annual total compensation ratio	77
102-39	Percentage increase in annual total compensation ratio	Ratio between the highest salary and the average salary at EVN in Austria: 2019/20: 8.0:1 2020/21: 7.9:1
Stakeholder engagement		
102-40	List of stakeholder groups	16
102-41	Collective bargaining agreements	81ff
102-42	Identifying and selecting stakeholders	16
102-43	Approach to stakeholder engagement	16f, 108ff
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	178f (Notes). The non-financial report covers the fully consolidated companies included in EVN's scope of consolidation, which required reporting as of 30 September 2021 based on the consolidation principles. Calculations on the key issue of the environment and climate include, in particular, the Walsum 10 hard coal-fired power plant.
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 2019/20, apart from the change in the calculation method for GHG emissions, see page 95.
102-49	Changes in reporting	About this report. No major changes
102-50	Reporting period	The reporting period covers the financial year from 1 October 2020 to 30 September 2021.
102-51	Date of most recent report	EVN Full Report 2019/20, published on 16 December 2020
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	About this report. This report was prepared in agreement with the GRI standards, "core option".
102-55	GRI content index	265
102-56	External assurance	121. External 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	37
201-3[1)]	Defined benefit plan obligations and other retirement plans	84 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	77. 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, North Macedonia and Germany).
202-2[1)]	Proportion of senior management hired from the local community	77. 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, managing directors, authorised officers etc.), including investments which are immaterial but controlled.
GRI 204: Procurement practices 2016		
204-1[1)]	Proportion of spending on local suppliers	38f
GRI 205: Anti-corruption 2016		
205-1[1)]	Operations assessed for risks related to corruption	31f. 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	31, 33. 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	32
GRI 206: Anti-competitive behaviour 2016		
206-1[1)]	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	In 2020/21 two lawsuits concerning alleged anti-competitive behaviour in Bulgaria were still pending. One of the open lawsuits involves the appeal filed by EP Yug and EVN Bulgaria EC with the administrative supreme court concerning fines totalling EUR 1.9m. These fines were levied by the Bulgarian competition commission (CPC) in December 2017, based on allegations from 2013 that these two companies had provided inadequate support or hindered the registration process on the free market and customers' efforts to change suppliers. On 11 June 2021 the administrative supreme court upheld the decision by the competition commission. EP Yug and EVN Bulgaria EC have filed a further appeal. The second lawsuit has been pending since 2013 and is based on allegations by two renewable energy producers that EP Yug incorrectly refused access to the networks. The anti-competition commission has not taken any steps in these proceedings since 2016.
GRI 308: Supplier environmental assessment 2016		
308-1[1)]	New suppliers that were screened using environmental criteria	No information available: This information does not have the necessary quality for disclosure. The "strategic supplier management" project that will start in 2021/22 is expected to make appropriate data collection possible in the future

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
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 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	No information available: This information does not have the necessary quality for disclosure. The "strategic supplier management" project that will start in 2021/22 is expected to make appropriate data collection possible in the future.
GRI 415: Public policy 2016		
415-1[1)]	Political contributions	Internal guidelines prohibit contributions to political parties and related organisations.
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	42ff
103-2	The management approach and its components	42ff
103-3	Evaluation of the management approach	42ff
Company-specific supplementary indicators		
EU2[1)]	Energy generation by primary energy source	44
EU12[1)]	Efficiency of long-distance lines and distribution networks	48, 52
EU26[1)]	Population in sales area without electricity supply	Full access to basic services can be assumed in all countries where EVN is active.
EU28[1)]	Frequency and duration of a power failure	52
EU29[1)]	Average power outage duration	52
EU30[1)]	Average availability of power plants	49

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission

Customer satisfaction

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	55ff
103-2	The management approach and its components	55ff
103-3	Evaluation of the management approach	55ff

GRI 416: Customer health and safety 2016

416-1[1)]	Assessment of the health and safety impacts of product and service categories	65
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	65
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	66

Innovation and digitalisation

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	55ff
103-2	The management approach and its components	55ff
103-3	Evaluation of the management approach	55ff

Company-specific supplementary indicators

	Expenses for research, innovation and digitalisation projects	61
	Research, innovation and digitalisation projects	61ff

1) Performance indicator reported in addition to the “core” option

GRI standard	Disclosure	Reference to report page and online information or omission

Attractive employer

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	70ff
103-2	The management approach and its components	70ff
103-3	Evaluation of the management approach	70ff

GRI 401: Employment 2016

401-1[1)]	New employee hires and employee turnover	77, 83, 84
401-2[1)]	Benefits provided to full-time employees that are not provided to temporary or part-time employees	84 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	77, 80

GRI 402: Labour/Management relations 2016

402-1[1)]	Minimum notice periods regarding operational changes	81ff. 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	78ff
403-2[1)]	Hazard identification, risk assessment, and incident investigation	78ff The development of a Group-wide near-miss recording system was cancelled in 2020/21 because EVN believes the direct and decentral handling of incidents provides superior advantages.
403-3[1)]	Occupational health services	78ff
403-4[1)]	Worker participation, consultation, and communication on occupational health and safety	80f
403-5[1)]	Worker training on occupational health and safety	80
403-6[1)]	Promotion of worker health	78ff
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	80 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	77ff. 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	77ff. a., ii.: Age distribution of the Executive and Supervisory Boards: < 30 years: 0% 30–50 years: 23.5% > 50 years: 76.5% 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	31f. No discrimination incidents (definition as per International Labour Organisation (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 Organisation (ILO).

Climate protection

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	88ff
103-2	The management approach and its components	88ff
103-3	Evaluation of the management approach	88ff
GRI 302: Energy 2016		
302-1[1)]	Energy consumption within the organisation	94 b., iv.: Not applicable: No steam purchases d.: See GRI EU1. g.: Not applicable: The emission factors and heating values from the national greenhouse gas inventory are used for natural gas and heating oil. No further conversion factors. Data on energy consumption is provided in MWh.
302-2[1)]	Energy consumption outside of the organisation	94 b. Calculation method: Network sales volumes (adjusted for own generation) + natural gas sales c. Not applicable: No conversion factors were used. Data on energy consumption is provided in MWh.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
302-3[1)]	Energy intensity	90f
302-4[1)]	Reduction of energy consumption	94
302-5[1)]	Reductions in energy requirements of products and services	91. Calculation method: 0.6% of the respective previous year's energy sales volume
GRI 305: Emissions 2016		
305-1[1)]	Direct (Scope 1) GHG emissions	96. Global Warming Potential (GWP) = 1 Source of emission factors: Coal – emission and oxidation factor from analysis by external, accredited testing institute based on EU-ETS; natural gas – current national greenhouse gas inventory by the respective country with primary energy consumption (Austria, Bulgaria, Germany) and oxidation factor based on EU-ETS; fuel (diesel, gasoline, natural gas) – Federal Environmental Agency
305-2[1)]	Energy indirect (Scope 2) GHG emissions	96. Global Warming Potential (GWP) = 1 Source of emission factors: EVN's supply mix – annual calculation and review of current calendar year; Ecoinvent factors – Association of Issuing Bodies/European Residual Mixes; own generation factor
305-3[1)]	Other indirect (Scope 3) GHG emissions	96. Global Warming Potential (GWP) = 1 Source of emission factors: EVN's supply mix – annual calculation and review of current calendar year; Ecoinvent factors – Association of Issuing Bodies/European Residual Mixes; natural gas – emission factors from the current national greenhouse gas inventory
305-4[1)]	GHG emissions intensity	96
305-5[1)]	Reduction of GHG emissions	96f. 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	No relevant emissions of persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP); no other relevant categories; b. Not applicable: No emission factors included: 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
Company-specific supplementary indicators		
EU5[1)]	CO_2 emission certificates	97

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	88ff
103-2	The management approach and its components	88ff
103-3	Evaluation of the management approach	88ff

GRI 301: Materials 2016

301-1[1)]	Materials used by weight or volume	91
301-2[1)]	Recycled input materials used	Not applicable: EVN generally does not use recycled input materials. However, the company supports, for example, the use of recycled building materials.
301-3[1)]	Reclaimed products and their packaging materials	Not applicable due to the company's business activities.

GRI 303: Water and effluents 2018

303-1[1)]	Interactions with water as a shared resource	101ff. No plants in "areas of water stress" as defined by GRI
303-2[1)]	Management of water discharge-related impacts	101, 103 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	101, 103
303-4[1)]	Water discharge	101, 103f. 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	101, 103

GRI 304: Biodiversity

304-4[1)]	IUCN Red List species and national conservation list species with habitats in areas affected by operations	103ff

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 and effluents 2018).
306-3[1)]	Significant spills	No relevant incidents
306-4[1)]	Transport of hazardous waste	100
306-5[1)]	Percentage increase in annual total compensation ratio	101, 103

GRI 307: Environmental compliance 2016

307-1[1)]	Non-compliance with environmental laws and regulations	No relevant incidents

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission

Stakeholder involvement

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	108ff
103-2	The management approach and its components	108ff
103-3	Evaluation of the management approach	108ff

GRI 203: Indirect economic impacts 2016

203-1	Infrastructure investments and services supported	42ff 110f (Investments in social facilities and healthcare centres) 147f (Management report; all infrastructure investments are commercial in nature)
203-2[1)]	Significant indirect economic impacts	66, 111

GRI 413: Local communities 2016

413-1[1)]	Operations with local community engagement, impact assessments and development programmes	16f, 84, 88f, 110f. 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 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

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Information on the internet

www.evn.at
www.investor.evn.at
www.verantwortung.evn.at

Financial calendar 2021/22[1]			
Record date Annual General Meeting[2]	24.01.2022	Results Q. 1 2021/22	25.02.2022
93rd Annual General Meeting (virtual)[2]	03.02.2022	Results HY. 1 2021/22	25.05.2022
Ex-dividend day[2]	09.02.2022	Results Q. 1–3 2021/22	25.08.2022
Record date dividend[2]	10.02.2022	Annual results 2021/22	15.12.2022
Dividend payment day[2]	11.02.2022		

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
ADR programme; depositary	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Ratings	A1, stable (Moody's); A+, stable (Scope Ratings)

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