EVN

Full Report 2019/20

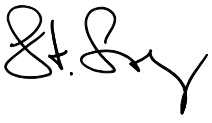
DEAR LADIES AND GENTLEMEN, DEAR SHAREHOLDERS,

Even though the Covid-19 pandemic had a selective negative influence on our business development, we can look back on solid operating performance during the 2019/20 financial year because our integrated business model and broad customer diversification had, in total, a stabilising effect. Group net result of EUR 199.8m reached the upper end of our forecasted range. We also want our shareholders to participate in this good development and will therefore propose an ordinary dividend of EUR 0.49 per share to the 92nd Annual General Meeting. That represents an increase of EUR 0.02 per share in the ordinary dividend and, in line with our dividend policy, also signals that we want to hold this level at least stable in the coming years.

One of our goals for 2019/20 was to evaluate the implementation of our strategy over the past ten years and, against this backdrop, make the necessary updates to reflect the changes in our operating environment. European and Austrian climate and energy policies are dedicated to the goal of slowing and reducing global warming. The Paris Climate Agreement, the European Union's Clean Energy Package and the energy and climate goals anchored in the programme announced by Austria's government give us a framework to reach this goal, and we want to play an active role in its realisation. Another future-oriented project by the European Union – where we also plan to make a contribution in the coming years as an environmental services provider with innovative solutions – is the stronger advancement of the circular economy. In addition to supply security, customer orientation is one of EVN's most important areas of activity. We intend to increase our focus on the opportunities created by digitalisation in this area and remain an attractive partner for our customers. In line with these key points in our Strategy 2030 and the motto "More sustainable. More digital. More efficient." we are already actively working on specific implementation measures.

Our central promise to customers is to provide electricity, natural gas, heat and drinking water at all times and in the best possible quality. The challenges created by the Covid-19 pandemic over the past few months have underscored the importance of creating and maintaining the reliable, continuously functioning infrastructure that is necessary to meet this responsibility. One guarantee for this is our future-oriented investment programme, which sets clear focal points on networks, renewable generation and drinking water supplies and will be further intensified over the coming years. We have had a Group guideline to deal with pandemics since 2009 and hold regular training exercises to master crisis situations. Not least due to these far-sighted preventive measures, we successfully protected supply security for our customers during the corona crisis, especially during the lockdown weeks.

In spite of all these actions, the reliable fulfilment of our many responsibilities would not have been conceivable without our highly motivated and excellently trained employees. Many of our colleagues are in operation 24 hours a day, seven days a week ("24/7"), also under challenging circumstances, to provide our customers with secure supplies of energy and environmental services. We want to thank each and every one of these men and women – on behalf of EVN and all its stakeholders.



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Key figures

		2019/20	2018/19	+/– %	2017/18
Sales volumes					
Electricity generation volumes	GWh	3,785	5,594	–32.3	5,526
thereof from renewable energy	GWh	2,250	2,315	–2.8	2,213
Electricity sales volumes to end customers	GWh	19,813	19,924	–0.6	18,413
Natural gas sales volumes to end customers	GWh	4,957	5,083	–2.5	5,178
Heat sales volumes to end customers	GWh	2,303	2,196	4.9	2,219
Consolidated statement of operations					
Revenue	EURm	2,107.5	2,204.0	–4.4	2,078.7
EBITDA	EURm	590.4	631.7	–6.5	671.8
EBITDA margin[1]	%	28.0	28.7	–0.6	32.3
Results from operating activities (EBIT)	EURm	273.1	403.5	–32.3	392.9
EBIT margin[1]	%	13.0	18.3	–5.3	18.9
Result before income tax	EURm	257.3	373.5	–31.1	355.7
Group net result	EURm	199.8	302.4	–33.9	254.6
Consolidated statement of financial position					
Balance sheet total	EURm	8,365.7	8,188.6	2.2	7,831.1
Equity	EURm	4,543.3	4,552.1	–0.2	4,092.6
Equity ratio[1]	%	54.3	55.6	–1.3	52.3
Net debt	EURm	1,037.7	999.5	3.8	963.7
Gearing[1]	%	22.8	22.0	0.9	23.5
Return on equity (ROE)[1]	%	5.0	7.6	–2.5	7.7
Consolidated cash flow and investments					
Net cash flow from operating activities	EURm	412.0	429.7	–4.1	603.5
Investments[2]	EURm	367.9	391.4	–6.0	356.4
Net debt coverage (FFO)[1]	%	47.7	50.9	–3.2	69.0
Interest cover (FFO)	x	11.6	11.7	–1.3	14.4
Value added					
Net operating profit after tax (NOPAT)	EURm	274.6	216.3	26.9	314.8
Capital employed[3]	EURm	4,405.7	4,135.4	6.5	4,094.2
Operating return on capital employed (OpROCE)[1]	%	6.2	5.2	1.0	7.7
Weighted average cost of capital (WACC)[1] [4]	%	5.5	6.3	–0.8	6.3
Economic value added (EVA®)[5]	EURm	32.3	–42.1	–	58.9
Share					
Earnings	EUR	1.12	1.70	–34.0	1.43
Dividend	EUR	0.49[6]	0.47 + 0.03[7]	–2.0	0.44 + 0.03[7]
Dividend yield[1]	%	3.4	3.1	0.3	2.8
Share performance					
Share price at 30 September	EUR	14.28	16.14	–11.5	16.88
Highest price	EUR	18.36	17.28	6.2	18.00
Lowest price	EUR	11.22	12.16	–7.7	13.07
Market capitalisation at 30 September	EURm	2,569	2,903	–11.5	3,036
Credit rating					
Moody's		A1, stable	A1, stable		A2, positive
Standard & Poor's		A, negative	A, stable		A–, stable

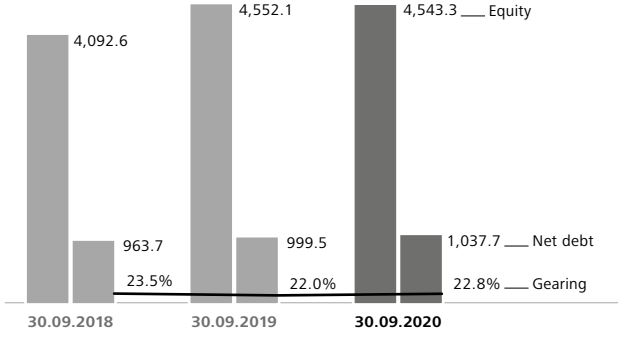
1) Changes reported in percentage points
2) In intangible assets and property, plant and equipment
3) Average adjusted capital employed
4) Exact value 2017/18 and 2018/19: 6.25%
5) As defined by Stern Stewart & Co.
6) 2019/20 financial year: proposal to the Annual General Meeting
7) Bonus dividend of EUR 0.03 per share

		2019/20	2018/19	2017/18
Employees				
Number of employees on a full-time equivalent basis (FTE)	Ø	7,007	6,908	6,831
Number of employees as of 30 September (headcount)	number	7,428	7,327	7,200
thereof women	number	1,717	1,686	1,664
thereof men	number	5,711	5,641	5,536
Proportion of women	%	23.1	23.0	23.1
Employee fluctuation	%	3.5	3.4	1.9
Training hours per employee	hrs.	27.5	34.1	33.8
Number of occupational accidents[1)]	number	64	85	100
Environment				
Direct greenhouse gas emissions (Scope 1)	t CO_2e	1,343,529	2,694,528	2,577,301
Specific greenhouse gas emissions (Scope 1)	t CO_2e/GWh	223.49	306.06	290.31
NO_x emissions	t	1,171	2,204	2,317
Hazardous waste and residual materials[2)]	t	17,107	19,604	19,348
Water consumption[3)]	m m³	33.4	32.2	32.6

1) Number of occupational accidents with lost days (excluding commuting accidents)
2) Without building residues and power plant by-products
3) Drinking water supplies from purified ground water by evn wasser

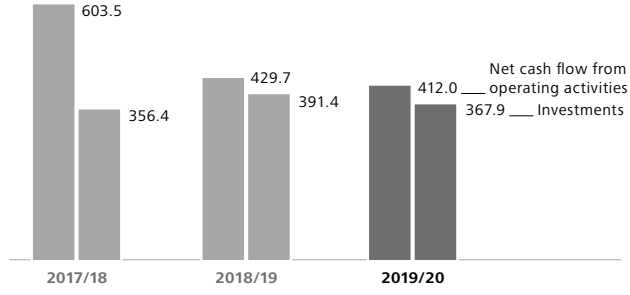
Equity, net debt and gearing

EURm and %



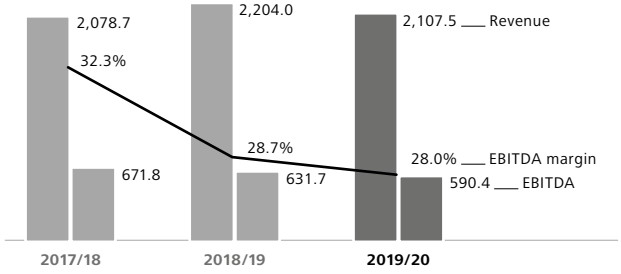
Cash flow and investments

EURm



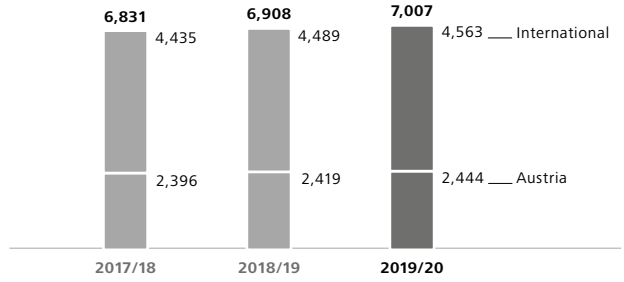
Revenue, EBITDA and EBITDA margin

EURm and %



Employees by region

Annual average



HIGHLIGHTS 2019/20

Revenue
EUR 2,107.5m

EBIT
EUR 273.1m

Group net result
EUR 199.8m

Dividend proposal
EUR 0.49 per share

CONTENTS

MAKE A CONTRIBUTION – EVERY DAY

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 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 2019/20 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 2019/20 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 2020. 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

KPMG 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 2019/20 financial year.

The auditors' report can be found on page 252ff
For the independent assurance report on the non-financial report in accordance with GRI standards and the Austrian Sustainability and Diversity Improvement Act, see page 115ff

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.

The introduction of a software tool in 2019/20 to support non-financial reporting led to a further improvement in data quality – above all, regarding the environment and climate. The related prior year data were adjusted accordingly.

EVN is also committed to equal treatment in references to men and women in its internal and external publications, i. e. also in this full report. Texts in which only the masculine form is used to improve readability should be understood to refer to both 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 16 November 2020.

For information on the GRI content index, see page 258ff
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

EVN – ENERGY COMPANY AND ENVIRONMENTAL SERVICES PROVIDER

EVN's activities cover the energy and the environmental service business. The headquarters of this international Group are located in Lower Austria, further core markets are Bulgaria and North Macedonia. In total, EVN is currently active in 14 countries.

BUSINESS AREAS

ENERGY BUSINESS

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

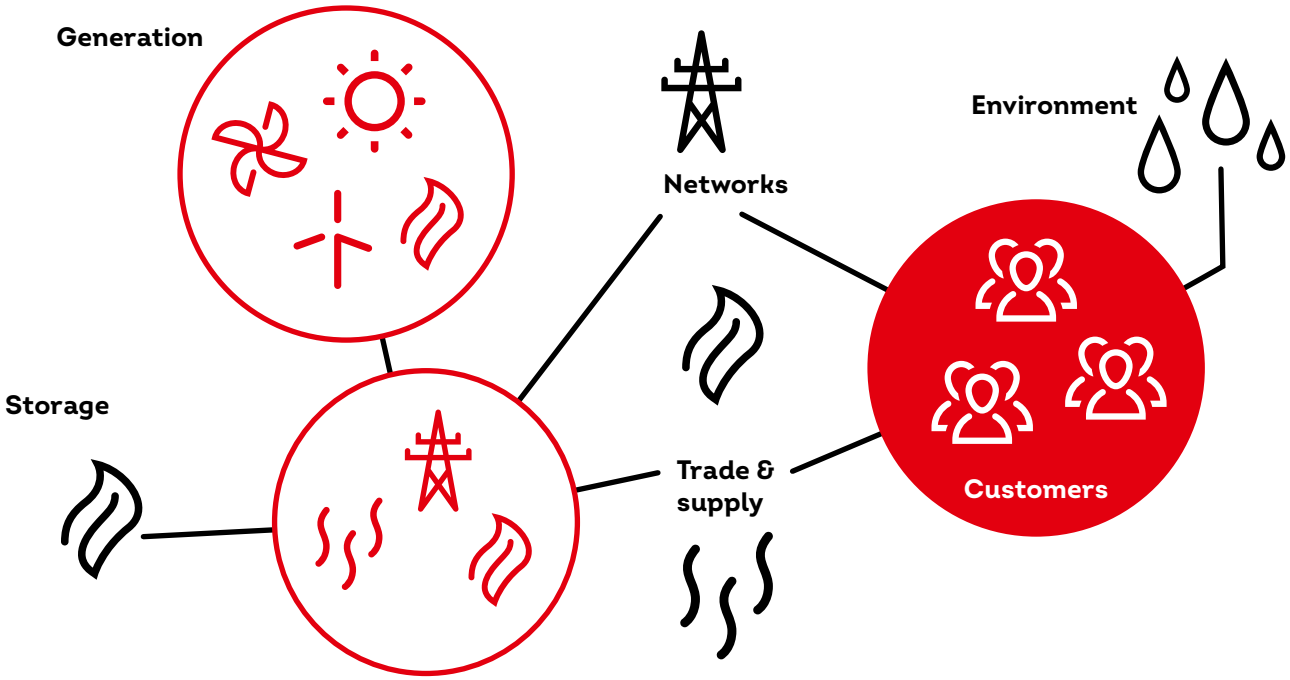
ENVIRONMENTAL SERVICES BUSINESS

- → Drinking water supplies in Lower Austria
- → International projects 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%)

VALUE CHAIN



MARKETS[1] AND BUSINESS AREAS

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

NORTH MACEDONIA

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

GERMANY

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

CROATIA

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

ALBANIA

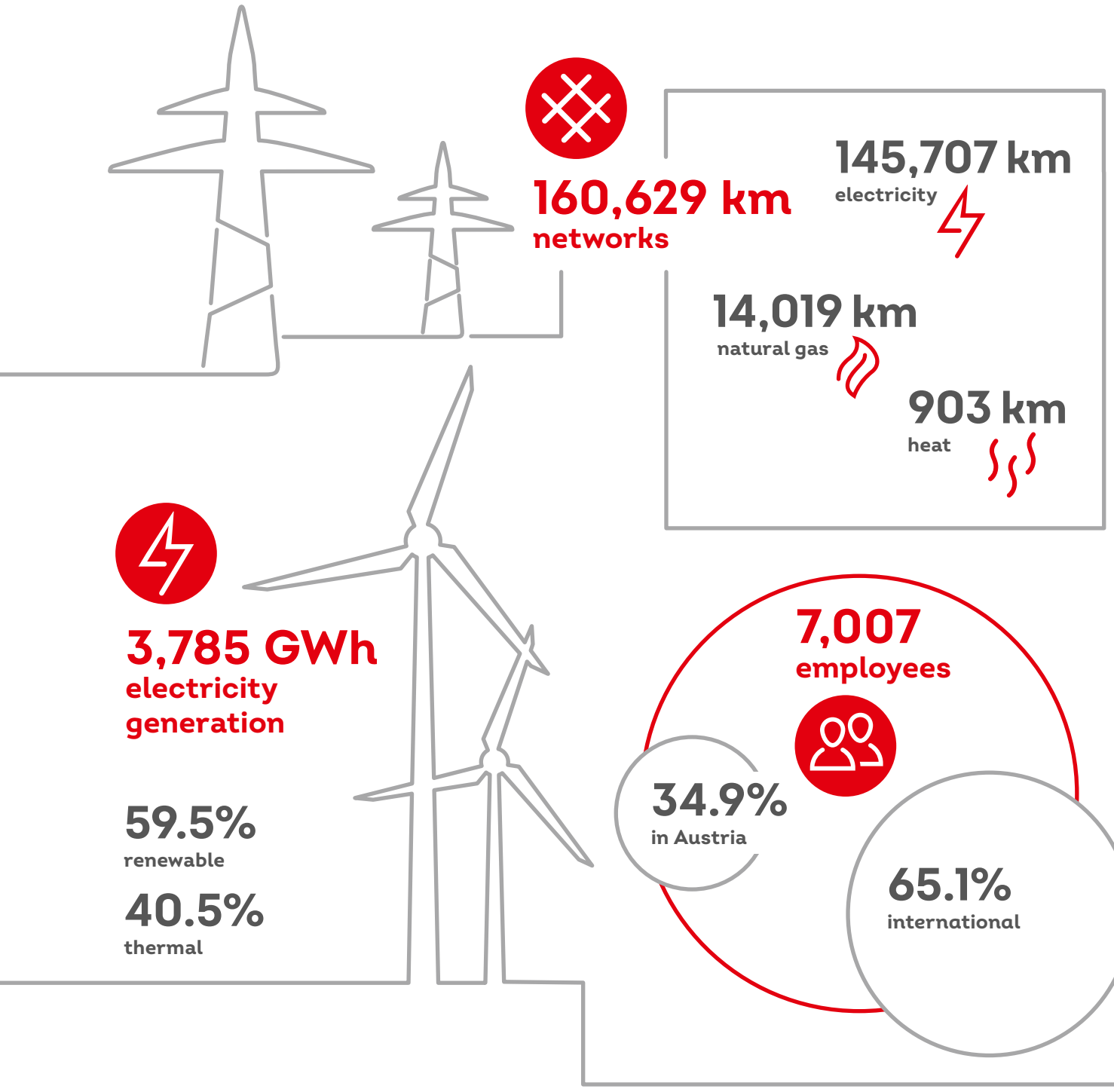
- → **Generation:** electricity

OTHER COUNTRIES

- → **International project business:** plants for drinking water supplies, wastewater treatment and thermal waste and sludge utilisation

1) Map outlines markets in the energy business

KEY DATA AT A GLANCE



160,629 km
networks

145,707 km
electricity

14,019 km
natural gas

903 km
heat

3,785 GWh
electricity generation

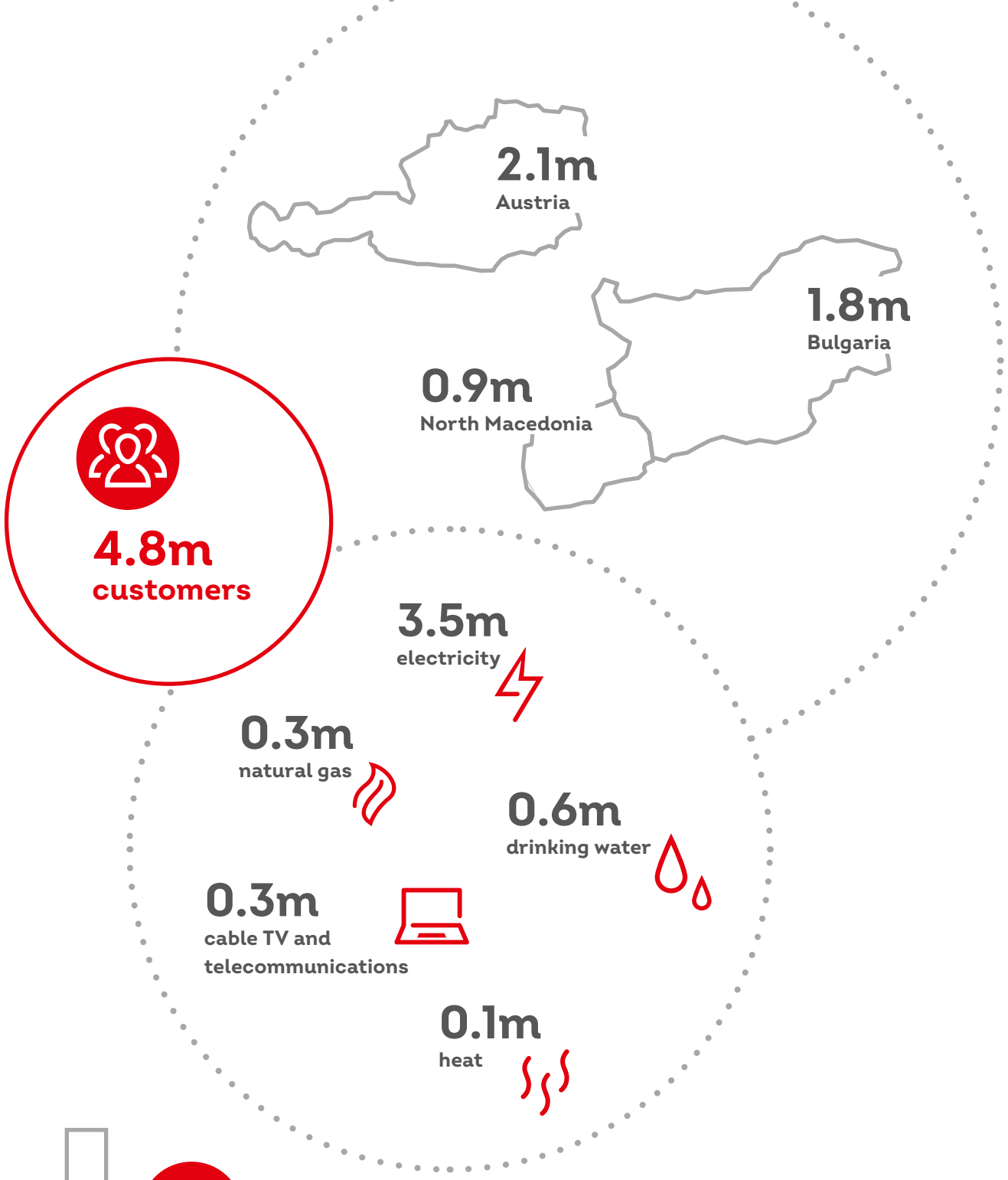
59.5%
renewable

40.5%
thermal

7,007
employees

34.9%
in Austria

65.1%
international



82%
EBITDA from regulated and stable activities

59%
in Austria

23%
in South East Europe

MORE SUSTAINABLE, MORE DIGITAL, MORE EFFICIENT

Stefan Szyszkowitz
and Franz Mittermayer
EVN Executive Board

» We want to make real contributions in all our markets in the interests of our stakeholders.

Our corporate values and comprehensive sustainability principles give us the tools to do this. «

Stefan Szyszkowitz,
spokesman of the Executive Board

A very unusual year with Covid-19 as the dominating theme will soon be ending. How has EVN been doing so far with the corona pandemic?

Stefan Szyszkowitz: In line with our responsibility as a critical infrastructure provider, EVN has prepared workable emergency plans for various crisis situations. For example: As early as 2009, we issued a Group guideline to deal with pandemics. Of course, we also hold training exercises on a regular basis so we can act quickly and professionally in case of an emergency. Our crisis plans have proven to be highly effective ever since the beginning of the corona pandemic, and supply security was guaranteed 24/7 – also in this extraordinary situation!

Our central goals not only included protecting supply security, but also protection of the health and well-being of our employees and customers. On behalf of management, we want to thank the many men and women whose commitment and flexibility helped us react to these wide-ranging challenges. Supply security was guaranteed at all times and our customers were given the best possible support, but we were also quickly able to turn our attention to other areas and to the many different projects currently in progress.

In addition to all these challenges, you recently completed a process to update your strategy. Why now?

Stefan Szyszkowitz: The last few years have seen an increasingly intensive social and political discourse over climate change. The Paris Climate Agreement, the European Union's Clean Energy Package and the energy and climate goals anchored in the programme announced by Austria's government are only a few examples of the many concrete measures to reach an overriding goal: to slow and reduce global warming. And at EVN, we want to contribute to reaching these goals. Our assessment of the past ten years is positive, but we decided it was time to update our strategy and focus on the years up to 2030. We are extremely pleased that we were able to complete this strategy process during the past weeks despite the restrictions caused by Covid-19.

What perspectives are created by EVN's Strategy 2030?

Franz Mittermayer: Investments in energy supply and environmental services have, by nature, a very long-term horizon. In order to achieve sustainable, value-increasing growth in these business areas, we must plan for the long term – and, if at all possible, look very far ahead. We need to analyse the longer term trends and draw the right conclusions – that is the only way to correctly identify opportunities, select the options that are attractive for EVN and set the right course for the future. When we take a ten-year planning horizon, it's clear that we need to work with assumptions and scenarios. In the end, it's important to set realistic

interim goals and regularly review the underlying parameters. That helps us to fine-tune our core strategies and adjust them, if necessary, to deal with the changes in our operating environment. The willingness to change and move forward has always been one of EVN's key strengths!

Let's take a look into the future – where do you see EVN?

Stefan Szyszkowitz: EVN will become more sustainable, more digital and more efficient! Our fundamental strengths and inherent character will be retained, but also move in step with the times. We will continue to operate in our stable regulated business areas with a maximum of efficiency and, of course, profitability. However, we are also concentrating on sustainable growth and performance improvements. Here, we plan to introduce a variety of measures – and I now want to emphasise three main changes: First, a substantial increase in our renewable generation capacity from wind power and photovoltaics. That will allow us to reduce the specific CO_2 emissions from our electricity generation 50% below the 2005 level by 2030.

Our second strategic goal is to more effectively utilise the opportunities created by digitalisation. In this connection, we want to make all customer-related processes easier, faster and more efficient over the coming years through the use of smart applications and software: keyword "digital quality sales". In this way, we plan to improve our competitive ability and remain an attractive partner for our customers.

The third major change that we intend to dynamically pursue involves our positioning as an innovative provider of solutions to support the circular economy in our business areas – and also make a proactive contribution to a future-oriented project by the European Union.

The pent-up demand for supply security and critical infrastructure has reached historic proportions, especially in the new EU countries. We therefore expect to use our experience and know-how to contribute to and participate in the catch-up process in the markets where we are active.

How do you plan to realise this future vision?

Franz Mittermayer: Let me give you a few concrete examples: One key point for the expansion of our renewable generation capacity is to extend the radius of our operations over the coming years from the previous concentration on wind power in Lower Austria to wind power and, increasingly, also to photovoltaic plants outside Lower Austria.

In view of the substantial expansion of renewable generation that will be needed to meet Austria's climate targets, investments in the networks will represent another central anchor point. The creation of additional wind power and photovoltaic capacity will also require the extensive expansion and adaptation of our network infrastructure to guarantee the feed-in and transport of the growing CO_2-free volumes of electricity. And we intend to meet this important responsibility, which goes hand in hand with our commitment to supply security.

And what about environmental services?

Franz Mittermayer: Here I see interesting opportunities, on the one hand, in the area of drinking water supplies. "Energy. Water. Life." makes it clear that our activities as a supplier of public services mean responsibility for energy and, increasingly, also for water. This notion is important for our strategy in two respects: In Lower Austria, we see it as an obligation in the sense of supply security to make sure water can always be distributed throughout the entire region. Water will be available in sufficient quantities in our province over the long-term, but it is not distributed evenly. We are working to counter this with concrete expansion plans, for example the construction of a 60 km transport pipeline from Krems to Zwettl. This project will support the development of a cross-regional circular pipeline in Austria's Waldviertel.

On the other hand, the previously mentioned keyword "circular economy" has opened up a new and very attractive business area over the past two years. It involves taking our solution expertise in wastewater treatment one – logical – step further: With our German subsidiary WTE Wassertechnik, we can rely on the know-how from more than 100 projects in the wastewater treatment area. Our Group also has proven experience in thermal waste utilisation, in part from our own plant in Lower Austria. The next step was obvious: to extend our activities and, as a general contractor, design and construct plants for the thermal utilisation of sewage sludge. We are particularly pleased over the acquisition of three major projects in Germany during the past financial year, namely in Berlin, Hanover and Straubing. We see further opportunities for growth in this form of sustainable wastewater management over the near term, especially in Germany. And we also plan to build and operate a thermal sewage sludge utilisation plant at our own Dürnrohr energy location in Lower Austria.

EVN recorded another success in the international project business during 2019/20, namely the contract for a major project in Kuwait.

Franz Mittermayer: That was, in fact, a major achievement because we have been working intensively to acquire this project for several years. To be specific, the Umm Al Hayman project involves the planning and construction of a wastewater treatment plant and – together with partners – a 450 km sewage network with pumping stations. Infrastructure projects of this size have a very long lead time for all participants. The long-awaited date finally arrived this past summer: After the contract was awarded to our consortium

in January 2020, all requirements for the project start were ultimately completed at the end of July. An interesting fact – apart from the signal effect as a reference project – is the long-term perspective because we will be responsible for plant operations for 25 years. And this project also meets an important criterion for the circular economy because the treated wastewater will be used to irrigate agricultural land in Kuwait.

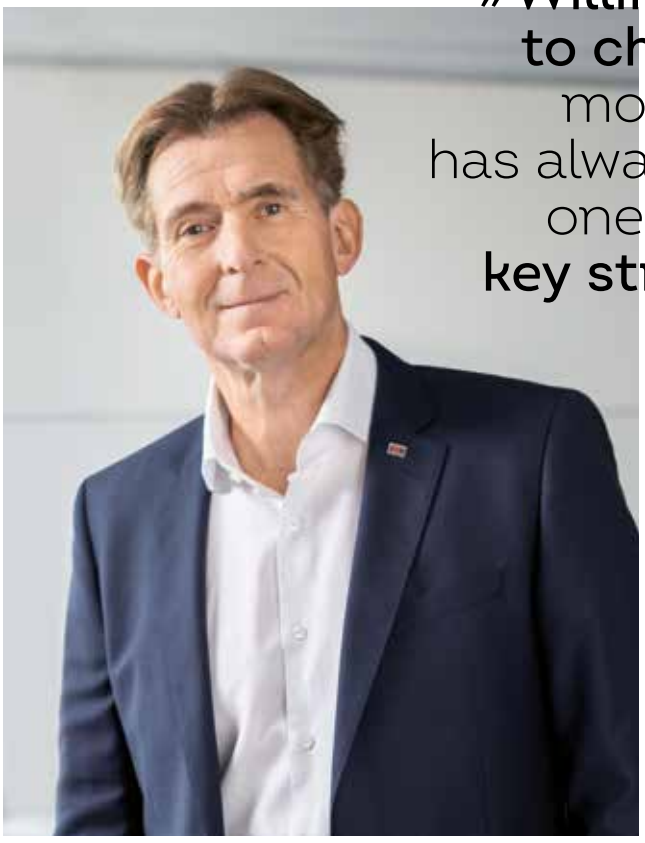
And what expectations can shareholders have for EVN in the future?

Stefan Szyszkowitz: Our Strategy 2030 has a clear message for the capital market: The core of EVN's inherent character will not change. Our shareholders can rely on the fact that we will continue to generate the major share of our earnings through regulated and stable activities because these cash flows form the basis for our ambitious investment plans – and also for our dividends.

Our investments will increase up to EUR 450m annually over the coming years, with roughly three-fourths of this amount directed to Lower Austria. There the focus will also be placed on renewable generation, the networks and drinking water supplies in the future. With this ambitious programme, we intend to meet the high demands on a reliable infrastructure.

Our solid financial policy will not change at all under the Strategy 2030 because we want to retain EVN's good external credit rating in the future. Ratings in the solid A range remain our goal, and the necessary relation between earning power and stable net debt will therefore represent a benchmark for the realisation of our strategic goals.

We plan to ask the Annual General Meeting to approve an ordinary dividend of EUR 0.49 per share for the 2019/20 financial year. That represents a year-on-year increase of EUR 0.02 per share and sends a clear signal that the EVN share remains a reliable and stable investment despite the challenges created by the Covid-19 pandemic. Our shareholders are also interested in planning their cash flows and, to make their work easier, we will work to hold this ordinary annual dividend at least constant in the future.



» **Willingness to change** and move forward has always been one of **EVN's key strengths.** «

Franz Mittermayer,
member of the Executive Board

SUSTAINABLE INCREASE IN CORPORATE VALUE

A clear set of values, with areas of activity which we regularly review and prioritise together with our stakeholders, forms the basis for all our activities as an energy company and environmental services provider. This value 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.

WHAT WE MEAN BY "SUSTAINABILITY"

At EVN, we use the comprehensive term "sustainability" when we refer to ethical, social and environment-related aspects as a whole and in connection with our economic activities. That makes sustainability one of the central principles for our actions. In combination with our value system, this concept creates a clear framework for our entrepreneurial activities, which, in turn, is the foundation for our core strategies.

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.

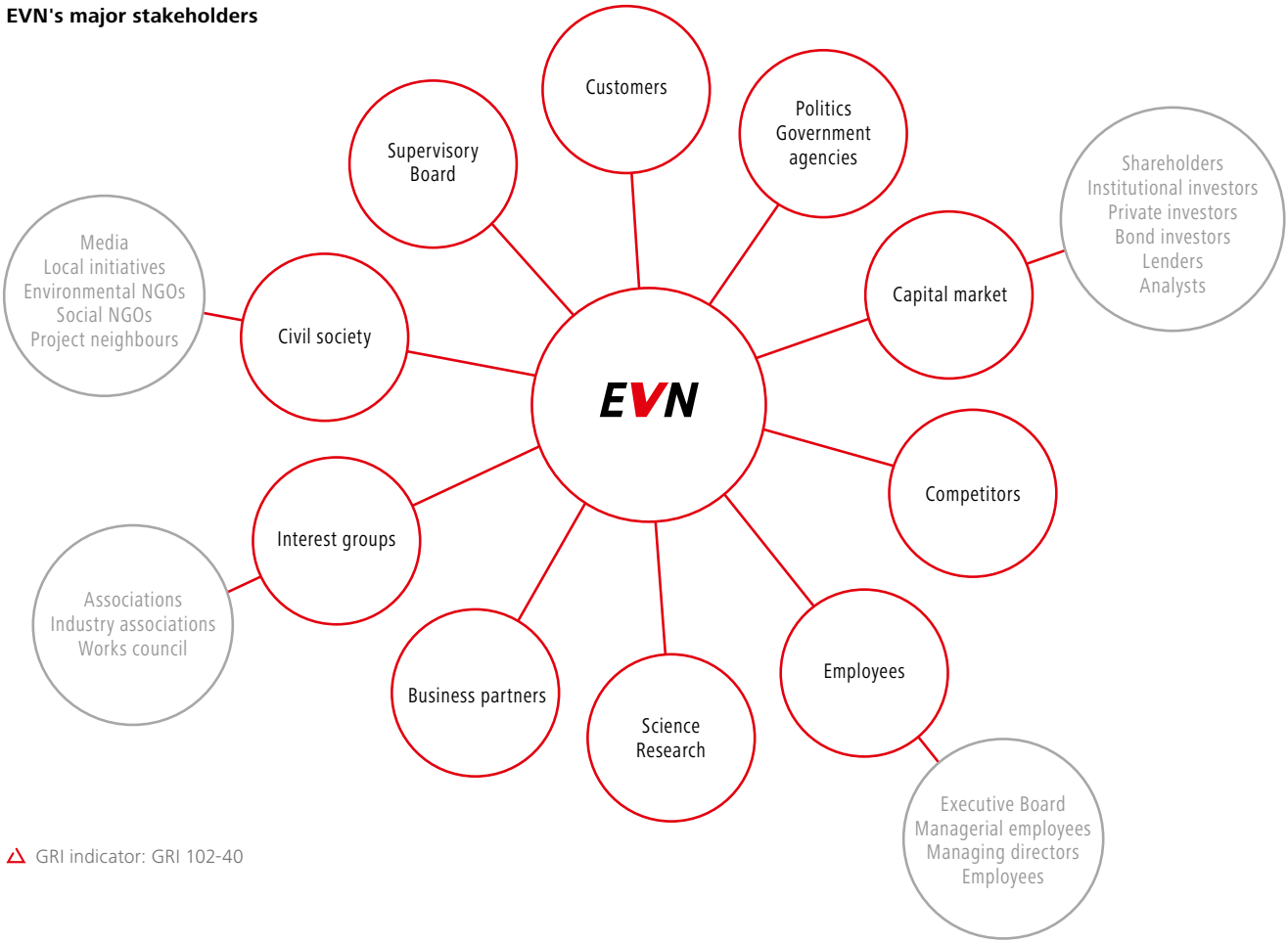
Our value system is rounded off by a clear commitment to social responsibility.

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

Protection of our stakeholders' interests

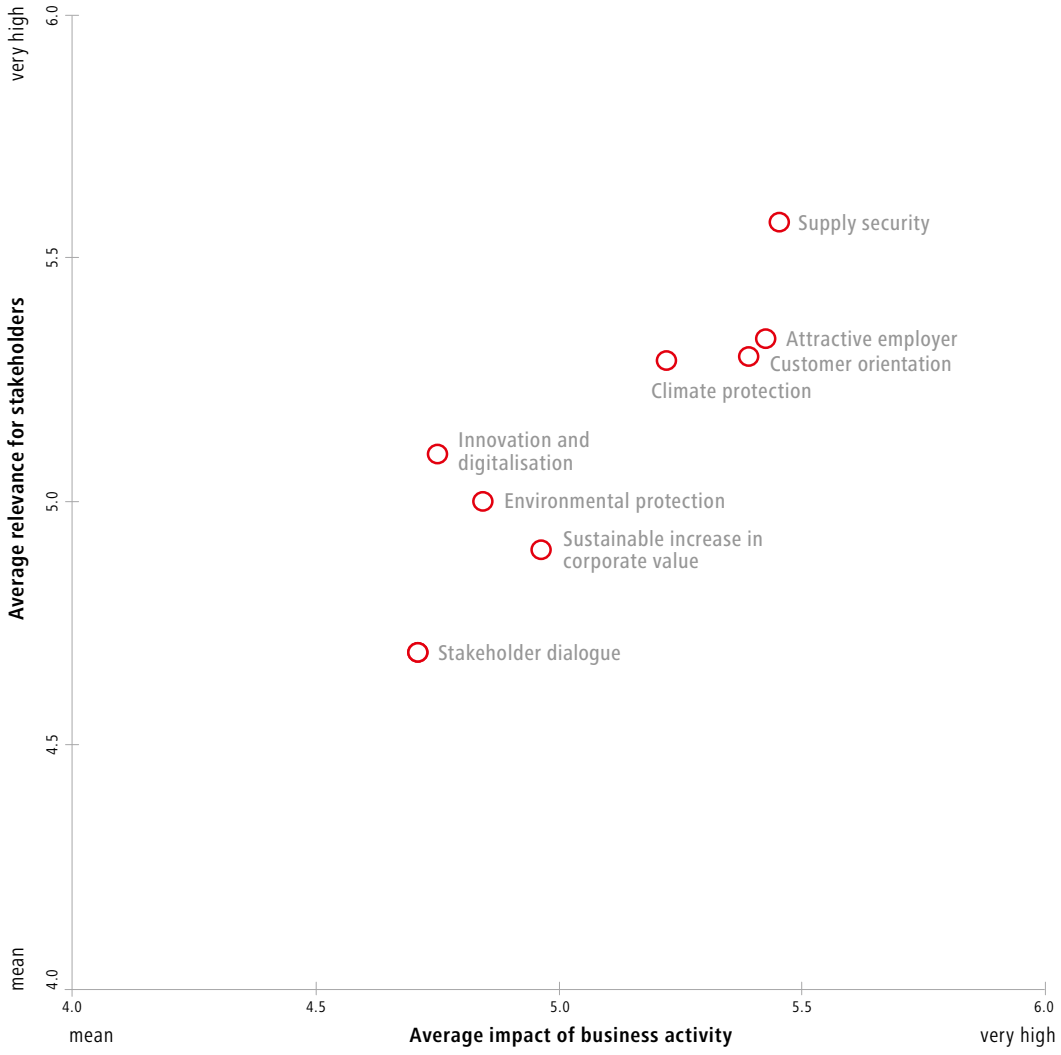
The concerns and priorities of our internal and external stakeholders provide valuable guidance for our strategic orientation. Apart from the event-driven contacts which regularly take place at different levels in connection with our business activities, we place great importance on an institutionalised 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.

EVN's major stakeholders



GRI indicator: GRI 102-40

EVN materiality matrix 2019/20



UPDATE TO THE MATERIALITY MATRIX IN 2020

The EVN materiality matrix was updated in 2019/20 in line with the planned three-year cycle based on a representative survey of our internal and external stakeholder groups. The relevance of these groups for our company was reviewed in advance. Individual adjustments were also made to the distribution of content and descriptions of the areas of activity.

The goal of this structured survey process was to focus on the issues which have the highest priority for our stakeholders and represent the greatest economic, ecological and/or social impact of our business activity. Our corporate strategy thereby always reflects the latest ecological and social developments and is strongly geared to the Sustainable Development Goals (SDGs) defined by the United Nations. The major issues and areas of activity, which also represent a focal point of our reporting, are those on the materiality matrix that have a high to very high relevance for EVN.

Since the stakeholder survey in spring 2020 was influenced by the corona pandemic, we have already scheduled another survey for spring 2021 to validate the results.

For information on the SDGs and the respective sub-targets, also see https://sustainable-development.un.org/sdgs

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

Following is an overview of the areas of activity which were modified in connection with the stakeholder survey 2020:

Area of activity	Description
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.
Supply security	… stands for reliable supplies for our customers, 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.
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.
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 world. That allows us to pursue targeted and efficient human resources development in a continuously changing working environment – and all this within the context of comprehensive occupational safety and health protection.
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.
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 proj-ects. Environmentally compatible waste management represents another focal point. Full compliance with environmental regulations and requirements in all our activities is a matter of course.
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.
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.

FOCUSED STRATEGY

In 2019/20 we updated our strategy in a Group-wide process. 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.

Our routine monitoring at all levels and from different viewpoints of the framework conditions relevant for EVN's activities proved to be extremely productive. The external environment ranges from political climate and energy targets (e. g. Paris Climate Agreement), economic and energy policy factors to the changing legal and regulatory framework conditions.

We also base our strategy on key international frameworks that are directed to global improvements at the economic, social and ecological levels, like the Sustainable Development Goals of the United Nations (SDGs).

The market analysis carried out in 2019/20 also dealt with the inputs and interests of EVN's stakeholders. Our materiality matrix creates an important, institutionalised alignment with our stakeholders' interests and assessments by identifying and prioritising our key areas of activity and sustainability issues. That helps us to focus on the issues that have the highest priority for our stakeholders as well as the greatest economic, ecological and social impact.

The determining factor changing our industry – which is, in turn, a central factor for our strategy process – is the European and Austrian climate and energy policy. This policy is increasingly searching for concepts and solutions to bring about the transition to a functioning CO_2-free energy system as quickly as possible. This changeover is driven by social and political efforts to minimise branch specific climate effects faster and even more clearly.

The consequences of these developments influence the framework conditions for the further expansion of generation from renewable sources as well as the price trends for CO_2 emission certificates and energy. We also see radical changes in our markets, above all, through the rapid spread of digitalisation.

The development of many key market and environmental factors is connected with uncertainty. Our strategy process therefore included sensitivity and scenario analyses to support reliable conclusions for the identification of concrete measures.

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. Based on these strategic directions and on the core strategies described on the following pages, concrete measures will be developed in 2020/21. Our motto is: "More sustainable. More digital. More efficient."

For information on the energy policy environment, see page 130

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

OUR CORE STRATEGIES 2030

Integrated business model as a solid basis

Sector environment and trends

Climate and energy policies are driving the rapid transformation towards a CO_2-neutral energy system

Initiatives to combat climate change lead to massive changes in the international energy markets

Our strategy

Diversification along the entire value chain with a clear focus on climate neutrality, circular economy, digitalisation and drinking water supplies

Commitment to efficiency improvements in all business areas

Stable and regulated activities form a solid backbone

This strategy element applies to the following areas of activity:

Environmental protection; climate protection; innovation and digitalisation; sustainable increase in corporate value

Investment focus on network infrastructure

Sector environment and trends

Strain on networks due to the transport of rising, volatile feed-in from renewable generation

Our strategy

Continuous and future-oriented expansion of facilities in the regulated network segment

Focus on supply security and quality

Supply security; climate protection; sustainable increase in corporate value

Reduction by half in specific CO_2 emissions from our electricity generation

Sector environment and trends

Global targets for the reduction of greenhouse gas emissions

European and Austrian climate policy with a clear commitment to system conversion towards renewable generation

Our strategy

Contribution to climate protection through reduction by one-half in specific CO_2 emissions per generated kWh based on further massive expansion of renewable generation in Lower Austria by 2030 (versus 2005)

Focus on wind power and photovoltaic

Climate protection; sustainable increase in corporate value

Strengthening of end customer business through steady digitalisation

Sector environment and trends

Increasing competition in the end customer market

Rising demand for digitalisation and smart technologies

Our strategy

Digitalisation of sales processes

Further development of business models and energy services through digitalisation

Innovation and digitalisation; customer orientation; sustainable increase in corporate value

Growth and efficiency improvement in South East Europe

Sector environment and trends

High growth potential for renewable generation (strong wind and solar power)

Continued high demand for efficiency improvements in network operations

Progressive liberalisation as challenge for energy distribution

Our strategy

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

Supply security; climate protection; customer orientation; sustainable increase in corporate value

Increased focus on drinking water supplies in Lower Austria

Sector environment and trends

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)

Our strategy

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

Supply security; environmental protection; customer orientation; sustainable increase in corporate value

Focus on concepts to support a circular economy

Sector environment and trends

Ban on spreading of sewage sludge and stricter EU requirements for the separation and recycling of household waste (e. g. plastic)

Our strategy

Concepts and projects for the thermal utilisation of sewage sludge and waste (focus on Austria and Germany)

Environmental protection; climate protection; sustainable increase in corporate value

Diversification through selected projects in the international environmental services business

Sector environment and trends

Specific regional characteristics and general conditions require individual solutions for municipal water supplies and wastewater disposal

Our strategy

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

Sustainable increase in corporate value; environmental protection

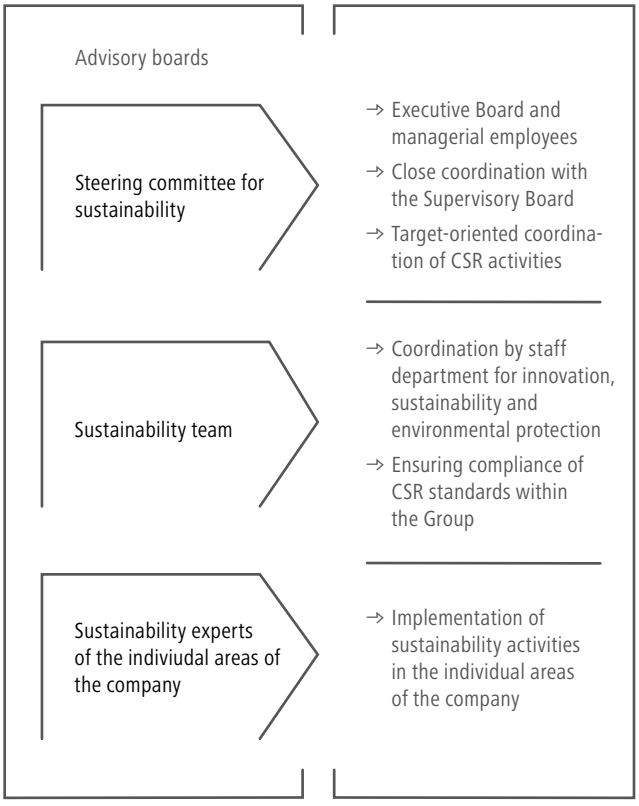
EFFICIENT SUSTAINABILITY ORGANISATION

The following diagram illustrates the sustainability organisation in the EVN Group, which – in agreement with European best practice – reflects the special priority placed on the following principles:

→ The full Executive Board is responsible for sustainability and all related activities, including sustainability management. Since the Executive Board – in close coordination with the Supervisory Board – is also responsible for strategy, the interface for the (further) development of these issues is anchored at the highest corporate level.

→ The sustainability steering committee, which meets four times each year, includes the members of the Executive Board as well as key managers from various areas of the company and members from the intradepartmental sustainability team. The composition of the committee members ensures that the strategies, measures and goals defined in these meetings are rolled out and implemented in operating activities throughout the EVN Group.

EVN sustainability organisation



Group-wide focus on energy and climate policies

Our sustainability organisation ensures that energy and climate policy issues are addressed according to structured methods at all relevant levels of the EVN Group. Very productive results were created by the assignment of responsibilities for the coordination of sustainability activities and environment- and climate-related issues to the staff department for innovation, sustainability and environmental protection which reports directly to the Executive Board. In addition, most of our innovation and research projects involve technologies that are intended to make a positive contribution to the environment and climate.

An intradepartmental sustainability team 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's advisory boards: valuable inputs from different areas

In addition to the regular exchange of information with internal experts, our Executive Board and Supervisory Board are supported by individual advisory boards in various areas:

→ EVN Customer Advisory Board
→ Advisory Committee for Environmental and Social Responsibility
→ Advisory Board of the EVN Social Fund
→ EVN Art Advisory Board

The EVN Customer Advisory Boards in Austria and Bulgaria help us to identify and integrate the practical views of private persons, whereby we pay close attention to the greatest possible diversity among the regularly changing members. On the other advisory boards, external experts from various disciplines contribute their valuable know-how and unique outsiders' perspectives.

For project-related stakeholder dialogue, see page 102ff
For the EVN Customer Advisory Board, see page 55 and www.evn.at/Customer-Advisory-Board
For the EVN Social Fund, see page 105 and www.evn.at/social-fund
For the Advisory Committee for Environmental and Social Responsibility, see www.evn.at/Environmental-council
For the EVN Art Advisory Board, see www.evn-sammlung.at
GRI indicators: GRI 102-21, GRI 102-44

IMPACT OF OUR BUSINESS ACTIVITY ON SOCIETY, THE ENVIRONMENT AND THE ECONOMY

The process to update our materiality matrix in 2019/20 also involved a survey of the risk-owners in the EVN Group based on the various areas of activity to evaluate the impact of our business on society, the environment and the economy.

This survey was coordinated by our risk management together with the staff department for innovation, sustainability and environmental protection.

The following table summarises the potential impacts identified by the survey. It also provides examples of the instruments and measures we use – in agreement with the EVN Code of Conduct and our overriding behavioural compliance norms – to minimise any negative effects.

Our annual central risk management process provides a further clearly structured and defined method to identify and manage potential risks and their impact. This differentiated approach to risk management allows us to identify and analyse risks and their effects on the 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 analyses of the risk inventory in the risk working group and the Group Risk Committee.

Focus on sustainability and, in particular, climate risks

Sustainability risks are interdisciplinary issues that can be found in all risk categories.

For information on EVN's risk categories, see page 146ff

The risk analysis in 2019/20 focused, in particular, on the identification of climate risks as interdisciplinary material together with their classification as transition or physical risks with assignment to EVN's individual risk categories. Transition risks represent the uncertainties resulting from the transformation towards a renewable energy system. At EVN, these transition risks involve, for example, technology factors or changes in the legal framework. The physical risks relating to global warming cover events and changes triggered directly by the climate. For EVN, these risks include a decline in demand because of the mild winter weather, a reduction in hydropower generation due to less favourable hydrology or damages caused by extreme weather.

We identify climate-related fluctuations in our earnings through our risk management and evaluate the potential quantitative effects with sensitivity and scenarios 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 then forms the basis for discussions on global warming 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 for supply security. In a broader sustainability context, the risks in this area also involve 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 for reliable supplies – we carry out regular inspections and maintenance 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.

- Additional details on the Group-wide risk management process, which includes the identification of sustainability risks, are provided on page 144ff
- For additional information on SAIFI and SAIDI, see page 42 and page 45
- For additional information on occupational safety, accident prevention and compliance, see page 67ff and page 28ff
- Details on the ecological impact of EVN's activities can be found on page 76ff
- 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 → 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: expand wind power to 500 MW by the end of 2023 → Planned photovoltaic expansion in Lower Austria, Bulgaria and North Macedonia → 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	→ 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 → Intensive personal customer contacts	→ 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 – 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	→ 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: expand wind power to 500 MW by end of 2023 → Planned photovoltaic expansion in Lower Austria, Bulgaria and North Macedonia → Earlier-than-planned exit from coal at Dürnrohr plant in August 2019 → Reduction by half in specific CO_2 emissions from generation by 2030 (versus 2005) → 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 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 with the expectations and requirements of the various stakeholder groups – Adverse effects of air pollution from power plants – Adverse effects of noise from plant construction and operations + Protection of 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

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. We have put this commitment to full compliance into practice by implementing a series of guidelines and measures which 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 which 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 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 37
Also see www.evn.at/Code-of-conduct

Human rights

A very central subject area in our Code of Conduct is our unlimited and unequivocal commitment to the respect, observance and protection of human rights and ethical principles at all our locations. We are committed to compliance with the ten principles of the UN Global Compact and, in particular, decisively reject any form of child labour or forced labour. A related obligation is the prohibition of discrimination based on nationality or eth-

nic background, gender, sexual orientation, culture, religion, age or health. This applies not only to our business partners, but also to our interaction with our employees.

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.

Additional information on the principles for the protection of human rights relating to our employees (above all, equal treatment and equal opportunity, occupational safety and co-determination rights) can be found on page 63ff

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

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 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.

INTERNATIONALLY RECOGNISED HIGH ENVIRONMENTAL AND SOCIAL STANDARDS FOR THE UMM AL HAYMAN WASTEWATER TREATMENT PROJECT IN KUWAIT

The German subsidiary WTE Wassertechnik, which is responsible for the international project business in the EVN Group, received a general contractor assignment in 2019/20 for the construction of the Umm Al Hayman wastewater treatment plant in Kuwait. The project is financed by a bank consortium which is led by the state-owned German KfW IPEX-Bank. The project partners have committed to compliance with the so-called "Equator Principles", a risk management framework adopted by international banks and export credit agencies which – based on the applicable requirements of the World Bank – defines strict environmental protection and social standards for the realisation of projects. This framework contains, in particular, guidelines for social and environmental impact assessments as well as measures to reduce, monitor and manage ecological and social risks. Compliance with these guidelines at the wastewater treatment project in Kuwait is regularly monitored by an external consultant on behalf of the banks. In addition to the Equator Principles, all EVN standards for human rights, ethics and integrity apply to this project.

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, decentralised 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. This structure ensures that the centrally managed CMS is optimally geared to meet the requirements of the various specialist areas and regions. Thus, a total of eleven employees in the EVN Group have specific compliance responsibilities.

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.

In 2019/20 CCM continued the comprehensive, Group-wide assessment of compliance risks that had been started in the previous year, which also involved the structured review and evaluation of all subject areas in the EVN Code of Conduct. Its goal was to identify and analyse existing risks from a broader standpoint to further improve the CMS through the development of new targeted measures – for example, related to training. This form of risk assessment and the related development of measures will be continued in the future and gradually rolled out to EVN's international companies.

△ 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 procedures 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 received no reports of discrimination based on ethnic, national or social origin, skin colour, gender, sexual orientation, religion or political orientation during 2019/20.

In 2019/20 we received four reports, which were subsequently confirmed after internal investigation, concerning alleged violations of the principle of integrity and the prevention of corruption which are anchored in the Code of Conduct. Two reports involving employees, which were not the subject of a lawsuit, were confirmed after internal investigation, and measures were taken to prevent similar incidents in the future. None of these cases led to the dismissal of or a warning notice to the involved employees or to the termination of contracts with business partners.

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

Review of business partners

Our business partners are also required to comply with high, 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 con-

centrate 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. Special focal points in 2019/20 involved training measures for the international project business in Bahrain and the Group-wide introduction of an innovative, competitive online training programme "Compliance Cup 2020" that must be completed by all employees.

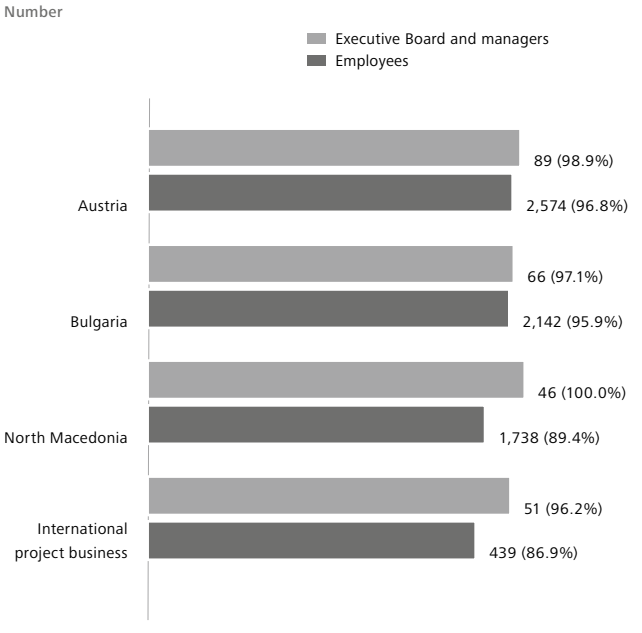
△ GRI indicator: GRI 205-2

EVN COMPLIANCE CUP 2020

The goals of the Group-wide "Compliance Cup 2020" are to refresh current knowledge on compliance through case studies, to introduce new aspects and to allow employees to review their own level of competence. The Cup was designed as an innovative, competitive, two-level online training programme: Participation at the first level "Load your energy" was mandatory for all employees. This preparatory round was followed by the next level "Connect your high energy" with three scoring categories (individual, team and nation ranking) and awards for the winning participants.

The Compliance Cup 2020 was made available to employees in ten languages to ensure the optimal transfer of information. Practical multiple choice questions dealt with compliance-relevant content from previously organised training programmes. In addition to the identification, strengthening and further standardisation of compliance know-how throughout the Group, the team and nation competitions also fuelled participants' team spirit and motivation. The information gained from this competition will help to make future training measures more efficient and target-oriented.

Participation in mandatory compliance training[1)]
(as of 30.09.2020)



1) Includes non-consolidated subsidiaries

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. In this respect, investment decisions are taken in accordance with strict profitability criteria and, especially, in keeping with the energy sector, legal and regulatory framework conditions which are relevant for our activities.

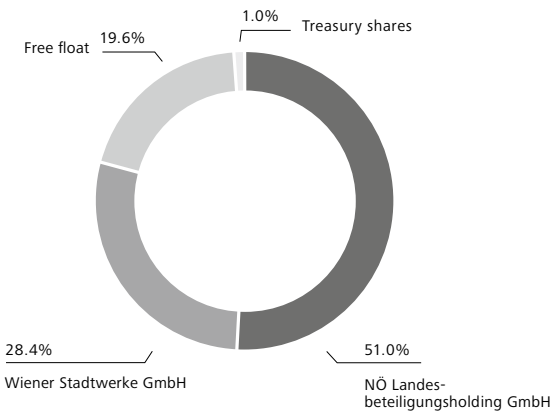
We also attach great importance to achieving and maintaining a position as a reliable partner on the capital market and meeting the expectations of our equity and debt investors. Not least for this reason, our business activities are concentrated in regulated and stable business areas. This forms the 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

Shareholder structure[1)]



1) As at 30 September 2020

△ GRI indicator: GRI 102-5

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.

Dividend policy

EVN's objective is to establish a balance between its investment projects and attractive dividends for shareholders. The Executive Board will make a recommendation to the 92nd Annual General Meeting which calls for the distribution of an ordinary dividend of EUR 0.49 per share for the 2019/20 financial year. EVN's future dividend policy is directed to holding the absolute amount of the ordinary dividend at a level of at least EUR 0.49 per share.

Market environment and performance

Performance on the European stock markets was mixed during the reporting period from October 2019 to September 2020, a financial year that was significantly influenced by the Covid-19 crisis. The German benchmark index DAX rose by 2.7%, but Vienna's benchmark index ATX lost roughly 30%. The US benchmark

index Dow Jones recovered its second quarter losses and closed September with a plus of 3.2%. The DJ Euro Stoxx Utilities, the relevant industry index for EVN, declined by 0.8%, while the price of the EVN share fell by 11.5%. The average daily turnover in EVN shares equalled 50,045 in 2019/20 (single counting), which represents an annual trading volume of EUR 190.1m (single counting) for EVN's shares on the Vienna Stock Exchange and 0.60% of the total trading volume in Vienna's Prime Market.

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 instru-

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:
  - Early termination of coal-based electricity generation in Dürnrohr at the beginning of August 2019
  - Reduction by half of specific CO_2 emissions from generation by 2030 (versus 2005)
- → 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

EVN share		2019/20	2018/19	2017/18
Share price at 30 September	EUR	14.28	16.14	16.88
Highest price	EUR	18.36	17.28	18.00
Lowest price	EUR	11.22	12.16	13.07
Price performance	%	–11.5	–4.4	27.7
Total shareholder return	%	–8.4	–1.6	31.3
Performance ATX	%	–30.0	–10.0	0.9
Performance Dow Jones Euro Stoxx Utilities	%	–0.8	26.2	–3.4
Value of shares traded[1]	EURm	190.1	190.1	169.7
Average daily turnover[1]	Shares	50,045	53,555	42,769
Market capitalisation at 30 September	EURm	2,569	2,903	3,036
Weighting ATX prime	%	2.06	1.13	1.09
Earnings per share[2]	EUR	1.12	1.70	1.43
Dividend per share	EUR	0.49[3]	0.47 + 0.03[4]	0.44 + 0.03[4]
Price/earnings per share	x	12.8	9.5	11.8
Dividend yield	%	3.4	3.1	2.8

1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Financial year 2019/20: proposal to the Annual General Meeting
4) Bonus dividend of EUR 0.03 per share

ments by issuing our first green promissory note loan in April 2020 (nominal value: EUR 100.0m; term: 10 years). The proceeds from the transaction will be used to finance wind park projects in Lower Austria.

External ratings

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

These rating agencies confirmed their ratings for EVN in May 2020. However, Standard & Poor's adjusted the outlook from stable to negative to reflect the outlook for the province of Lower Austria, EVN's core shareholder:

- **Standard & Poor's:** A, outlook negative
- **Moody's:** A1, outlook stable

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:

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

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 2020/21 has already been confirmed. In addition, the EVN share was added to the Standard Ethics European Utilities Index in June 2020.

△ GRI indicator: GRI 102-12

VALUE CREATION FOR OUR STAKEHOLDERS

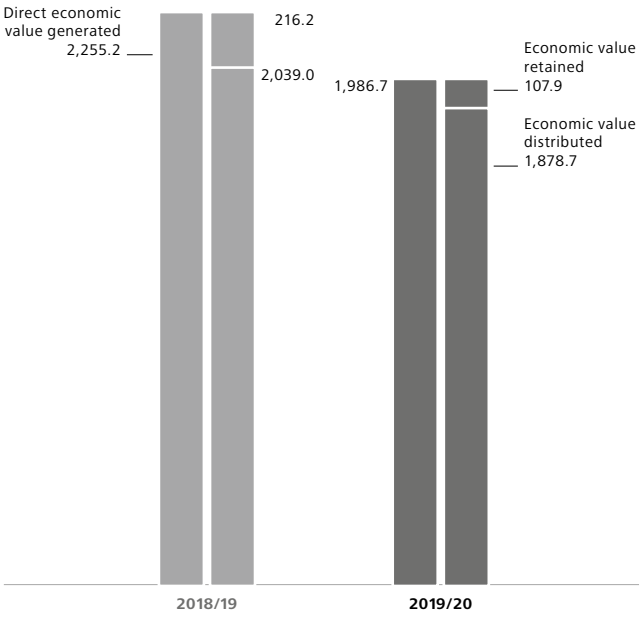
EVN's economic success is significantly influenced by our stakeholders who, at the same time, share in our financial results. Our most important stakeholder groups – shareholders, society as a whole, the public sector, employees, suppliers and debt investors – also receive a direct financial benefit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

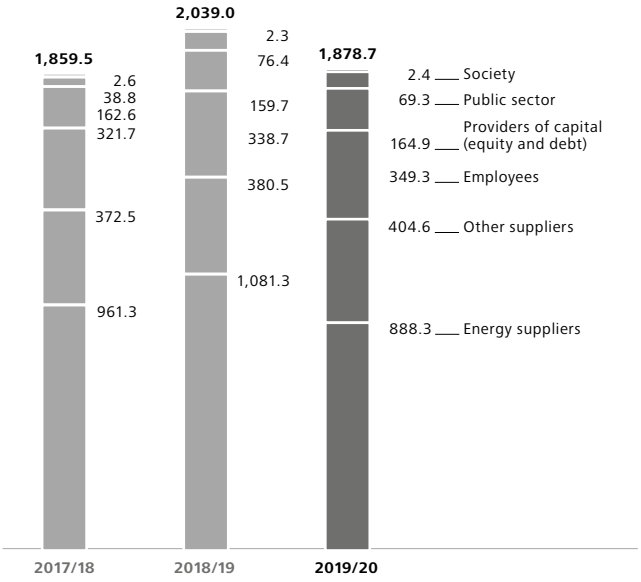
Direct economic value generated

EURm



Economic value distributed

EURm



SUPPLIERS

Supply chain

EVN's business activities as a whole and, above all, the investment focal points on network infrastructure, renewable generation and drinking water supplies require extensive cooperation with construction firms, plant, pipeline and cable line builders 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 – which is active in the international project business through the planning and construction of plants for drinking water supplies, wastewater disposal and thermal waste utilisation – serves as a general contractor and commissions subcontractors, in particular construction firms and suppliers of machinery, electrotechnical equipment and components, to perform additional services.

Procurement of energy and primary energy carriers

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 58
For information on the development of the EEX exchange prices, see page 133

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.

Natural gas

Long-term supply contracts cover a large part of our natural gas purchases. The remaining volumes are purchased on wholesale markets over national and international OTC trading centres and exchanges, for example in Austria (CEGH) or Germany (NCG). Most of the wholesale natural gas purchases are also handled by EnergieAllianz Austria. The majority of imports – from the European point of view – come from Russia and Norway.

Hard coal

The last hard coal delivery for our hard coal-fired plant in Dürnrohr, Lower Austria, was made in May 2019, i. e. during the previous financial year. Electricity production from hard coal was terminated prematurely in August 2019 and, consequently, EVN has made no more purchases and holds no remaining stocks of hard coal.

Coal purchases for the German Walsum 10 power plant, in which EVN holds a 49% investment, as well as the operation of this plant are managed by the joint venture partner STEAG and therefore outside our 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 has paved the way for the introduction of strategic procurement and has also substantially increased transparency.

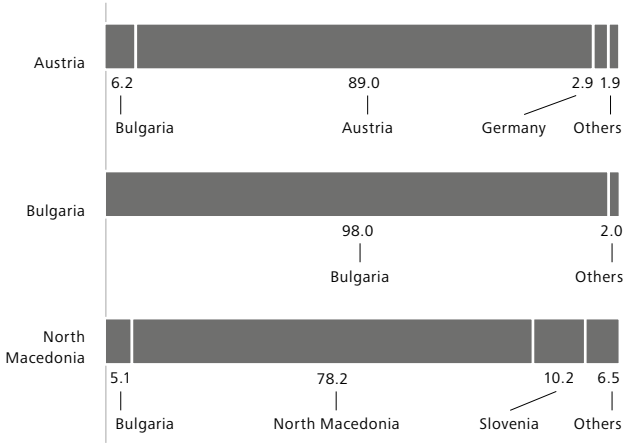
We handled a total procurement volume of approximately EUR 623.9m in 2019/20 (previous year: approximately EUR 624.0m) at our main locations in Austria, Bulgaria and North Macedonia. In Austria, EVN maintained direct supplier relationships with 3,189 suppliers and contractors during this financial year.

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 2019/20 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. There were no justified objections in recent years.

Documentation of sustainability criteria

The implementation of our new e-procurement portal was accompanied by additional measures to further standardise and improve 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 full 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. We also include explicit sustainability criteria in the evaluation of selected tenders.

RELIABILITY FOR GENERATIONS

SUPPLY SECURITY 24/7

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 qualities and quantities whenever it is needed. And we have implemented a broad range of measures in nearly all our business activities to meet this promise.

Our networks create the essential 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. The system transformation towards renewable energy and the continuous changes in consumer behaviour are also leading to a significant increase in the complexity of network planning, management and operations. Ongoing high investments are needed to maintain these high quality levels – not only in the high-voltage area and in local networks but also in transformer stations and substations. Additional details are provided by Heinrich Bittner, managing director of Netz Niederösterreich GmbH, in the interview on page 43.

Electricity: Electricity from renewable sources is, by nature, volatile and generated by a wide range of decentralised, independent equipment. The number of customers who are increasingly relying on e-mobility, smart home technologies and/or heat pumps – and therefore using more electricity – is growing steadily. Bringing all these factors together and, at the same time, ensuring reliable supplies of electricity 24/7 is a major challenge. Flexible backup services for the power plant segment, electricity storage and reserve capacity are therefore issues we deal with every day and

areas in which we regularly invest in order to make an active contribution to the energy transformation without compromising supply security or quality.

Basic supplies for e-mobility: We made an early and decisive contribution to the spread of e-mobility in our home market with the installation of an area-wide basic supply network of e-charging stations. From our perspective as an energy supplier, we are steadily expanding the charging infrastructure in the public area and, increasingly, also in the private sector and supporting the dynamic growth of e-mobility with numerous other initiatives. Joint roaming projects allow drivers with an EVN electricity fuel card to choose from 6,400 loading stations throughout Austria.

Natural gas: Our long-term contracts for natural gas storage facilities ensure uninterrupted supplies, especially in 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 – with its strategic focus, above all, on the natural gas storage business – has high strategic importance in this context.

District heating: As the largest natural heat supplier in Austria, we invest continuously in the maintenance, modernisation and new construction of biomass

Energy generation		2019/20	2018/19	2017/18
Coverage ratio	%	19.1	28.1	30.0
Share of renewable energy in the total energy generation mix	%	59.5	41.4	40.0

heating plants and in the expansion of our district heating networks. We currently operate more than 60 biomass heating plants in Lower Austria. They allow us to provide our customers with reliable and comfortable supplies of renewable energy from locally available, CO_2-neutral biomass.

Cable TV and telecommunication services: High-performance networks and technical infrastructure also form the basis for uninterrupted high-quality, reliable solutions in this area.

MICRO-TUNNEL UNDER THE DANUBE PROTECTS SUSTAINABLE SUPPLY SECURITY

A particularly interesting project for the sustainable supply of energy, drinking water and telecommunication services is currently in preparation for the Danube area. In cooperation with EVN, both coast sides of the Danube river plan to connect their supply systems for drinking water, natural heat, Internet, electricity and natural gas. A tunnel under the Danube will not only improve regional supply security over the long term but also upgrade two locations in a rapidly growing region. Construction is scheduled to begin in early summer 2021 after the necessary permits have been received. In Klosterneuburg, the expansion of natural heat supplies is also proceeding as scheduled. This project includes a new biomass heating plant which was commissioned at the end of October 2020 and, when completed, will supply 14,000 households with heat, as well as a 12 km extension to the pipeline network and a 4 km connecting pipeline between the natural heat networks in Maria Gugging and Klosterneuburg.

Drinking water: Demographic developments in our supply area as well as the changing climatic conditions are responsible for a continuous rise in the demand for drinking water. Our wide-ranging drinking water pipeline network covers more than 2,800 km and is fed by well fields and high-level tanks throughout Lower Austria. In addition, we are making extensive investments in the expansion and new construction of cross-regional pipelines. One example is the new 60 km supply pipeline between Krems and Zwettl – an important step to increase water supply capacity in the Waldviertel. The construction of natural filter plants to improve quality through the physical softening of water is another method we rely on to maintain the current high level of supply standard. The fifth plant of this type is now under construction in Petronell-Carnuntum and is scheduled for commissioning in 2022.

For more information on RAG, also see page 98f
For more information on kabelplus, also see page 95
GRI indicator: GRI 203-2

Highly efficient electricity networks

As a result of our ongoing investments to improve the network infrastructure, network losses in Lower Austria remain stable at roughly 4% – which is a very low level in international comparison. A direct comparison with our supply areas in Bulgaria and North Macedonia is hardly possible due to the different customer and network structures. The indicators in these two markets are higher, and our investment programmes there are therefore 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 13.7% 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 0.90 in the 2019 calendar year (previous year: 1.01). This SAIFI value means an EVN customer experienced on average less than one unplanned power interruption during 2019. The average annualised duration of unplanned power interruptions[1)], as calculated according to the System

Continued on page 45 →

"SUPPLY SECURITY IS OUR MOST IMPORTANT PROMISE TO CUSTOMERS."

A conversation with Heinrich Bittner, one of the two managing directors of EVN's subsidiary Netz Niederösterreich GmbH, which is responsible for the operation of Lower Austria's electricity and natural gas networks, on the many different activities which generally take place behind the scenes and are required to ensure reliable supplies of electricity and natural gas.

Not very long ago in many areas of Lower Austria, electricity that came directly from the socket was not an obvious occurrence. So-called "lights-on celebrations" were regularly held in the 1950s and 1960s to mark the connection of further communities to the electricity network, and the addition of Harmanschlag im Waldviertel in 1963 marked the official completion of area-wide supplies. A few decades later, it has become impossible to imagine our daily lives without electricity. Supply interruptions would not only disturb residents' valued comfort but, above all, weaken the infrastructure and economy. And the corona crisis has made us very much aware of how restrictions can influence our long-standing habits.

Supply security is therefore at the top of EVN's agenda. But what appears easy for laypersons is much more complex than you would think. "We are permanently working with a range of measures at various levels to protect and maintain supplies everywhere, in the required quantity and quality", explains Heinrich Bittner. "Most of our employees are involved in these activities, but they generally take place behind the scenes and out of view of our customers which, in fact, is just what we want."

» The system transformation towards **renewable energies** requires wide-ranging **expansion measures.** «

Heinrich Bittner,
managing director of
Netz Niederösterreich

The challenging energy transformation …

In fact, network planning and operations involve a wide range of activities – and new ones are being added constantly. The networks had to be adequately dimensioned and regularly checked, maintained and repaired from the very start of electricity supplies– to meet the minimum requirements for the correct functioning of progressive electrification. However, this environment has changed massively in recent years – and with it, the network requirements: In earlier days, electricity almost always flowed from large power plants directly to the customer, and the network served as a pure distribution factor. Today, numerous small generators – wind parks as well as larger and smaller photovoltaic equipment – also feed volatile electricity into the network, which must now also provide transport services. "On the one hand, the system transformation towards renewable energies is creating massive changes in the technical requirements and demands wide-ranging expansion measures, while, on the other hand, network management and operations are becoming more and more complex", observes Heinrich Bittner.

… and consumer behaviour

"However, there is another change – in our customers' behaviour – which primarily involves our local networks. This is a result of the increase in e-mobility and the growing use of heat pumps." Both lead – for different reasons – to demand peaks: "For e-vehicles, that means the charging of several vehicles at the same time, primarily in the evening; for heat pumps, it means additional electrical heating on cold winter days. And our networks must be equipped to handle all this, so there will be no shortages. That requires substantial investments."

Widespread investments

These investments are, in fact, significant: More than EUR 100m flow into the expansion and adaptation of EVN's Lower Austrian electricity network each year. Roughly EUR 30m are directed to the local networks where, as an example, we need twice the number of transformer stations due to the change in consumers' behaviour.

The rest flows into the cross-regional network to support transportation and distribution throughout the supply area. Heinrich Bittner: "Since the generation of wind electricity is concentrated in the eastern regions where the wind is stronger – especially the Weinviertel and Brucker Basin – we must guarantee the transportation and feed into Austria's cross-regional network – and that means we need to make the necessary investments in power lines and transformer stations. We are currently planning, for example, several 110-kV lines which will be linked to the 380-kV power line to Neusiedl an der Zaya that is under construction by the Austrian Power Grid (APG). That will make an important

contribution to realising the Austrian government's expansion targets for renewable energy. Despite the corona crisis, we are continuing to work on the expansion of the transformer station in Bisamberg – a major hub between our network and APG's network – which is part of this major project."

Strict controls

However, investments alone are not enough – network operations are becoming increasingly complex. "Due to the many different generating sources and the change in the network's task profile, we need significantly more measurements for voltage, output, frequency and temperature to determine whether all limits are met", explains Heinrich Bittner. "We must be able to quickly decide whether specific measures are necessary to protect supply security in the required quality." At the same time, the network must be permanently monitored – through inspections or flyovers with helicopters or drones. Even when 90% of the Lower Austrian electricity network is underground, that will remain an important responsibility, particularly near high-voltage lines.

Secure operation of critical infrastructure

This is also a point of interest for the general public: "As an operator of critical infrastructure, we are required by the Federal Ministry for the Interior to comply with specific guidelines and are subject to regular controls", adds Heinrich Bittner. "IT security and the protection against cyberattacks are two key words here." The network is monitored around the clock and managed with state-of-the-art digital tools to make sure energy flows are correctly guided – and remote control plays an important role here. The central responsibility for these tasks is carried by the so-called "system operator", previously referred to as the load dispatcher: Its staff is specially trained, in part through regular exercises for failure scenarios.

"These methods were also very successful during the corona lockdown", explains Heinrich Bittner. "We were well prepared to deal with the restrictions: In fact, we only needed to implement our existing crisis plans – they already cover scenarios like large-scale blackouts, IT attacks and pandemics. Naturally, we had to make some adjustments for the current situation. For example, we set up two system operator teams at separate locations to provide sufficient reserves in the event of a Covid-19 infection in one team. This isolated system operates with access controls that only function at selected EVN locations, which means home office is not possible for these employees. Our technicians were also not in home office, instead they were out in the field throughout the entire supply area during the entire lockdown, naturally under strict safety precautions."

Continuous improvement in team expertise

Non-stop learning and regular practical training are not only essential for the system operator, they are also important for the network planning and operations staff. These men and women cover a wide spectrum of specialist areas and know-how, "which range from power line planning and construction to specific fields like power line protection, control and automation technology, telecontrols, measurement, remote controls and monitoring to inspection, maintenance and trouble shooting. These activities require a broad range of skills and talents. And, of course, we need to keep pace with technical developments. Here we rely on comprehensive internal and external training."

System operator – the "command bridge" for our networks
The system operator directs the energy flows via remote control and, in that way, prevents overloads in the electricity network. IT security and the protection against cyberattacks have long since become part of this daily work.

This rapid technical development is also visible in apprentice training. Together with bfi, EVN is testing the new "information technician" master trade profession – a combination of the traditional education in electrotechnology and the increasingly important components of control and information technology. Heinrich Bittner: "This reflects our understanding that IT has become a key element of our work and will continue to increase in importance. Our employees' know-how must remain in step with the times so we can guarantee the expected supply security. Because that is our most important promise to customers."

24/7 IN SERVICE FOR OUR CUSTOMERS: EVN'S 24-HOUR EMERGENCY SERVICE

EVN has a well structured, efficient emergency service which is available to provide fast help in the event of a breakdown. Disruptions can be reported to regional call centres at any time of the day or night, and the operator will contact the technicians on call. They can be easily reached via cell phone or mobile transmitter and will start out immediately to remedy the problem. Their well-equipped vehicles hold all the necessary materials and tools. Roughly 10,000 disruptions in EVN's electricity and natural gas network – most of them minor – are repaired quickly and unbureaucratically each year.

Average Interruption Duration Index (SAIDI), equalled 20.10 minutes in 2019 (previous year: 23.99 minutes) and was again lower than the Austrian average[2] of 36.79 minutes (previous year: 31.47 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 2018 and 2019
2) Source: Energie-Control Austria, breakdown and disruption statistics for 2018 and 2019

△ GRI indicators: GRI EU28, GRI EU29

High availability of our power plants and sustainable use of locations

The table on page 46 shows the scheduled and unscheduled periods in 2019/20 when our operational thermal power plants and wind parks were not available. Not included are those parts of the capacity in the Theiss thermal power plant which are not held as reserve capacity. In 2019/20, 430 MW at the gas-fired power plant in Theiss were under contract as reserve capacity for the Austrian transmission network operator.

Despite the early termination of electricity production at

EVN power generation capacities

	30.09.2020		30.09.2019		30.09.2018	
	MW	%	MW	%	MW	%
Renewable energy	**720**	**42.3**	**719**	**42.2**	**673**	**27.5**
thereof hydropower[1]	307	18.0	307	18.0	306	12.5
thereof wind power	367	21.5	367	21.5	318	13.0
thereof photovoltaics	7	0.4	6	0.3	5	0.2
thereof biomass	13	0.7	13	0.7	18	0.7
thereof other renewables[2]	26	1.5	26	1.5	26	1.1
Thermal energy[3]	**985**	**57.8**	**985**	**57.8**	**1,771**	**72.5**
thereof natural gas[4]	583	34.2	583	34.2	1,037	42.4
thereof hard coal[5]	355	20.8	355	20.8	734	30.0
thereof energy hub Dürnrohr[6]	47	2.7	46	2.7	–	–
Total	**1,706**	**100.0**	**1,704**	**100.0**	**2,444**	**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) Includes co-generation and combined heat and power plants in Austria and Bulgaria; capacity data (net output) according to participation interests
4) The thermal power plant capacity in Theiss and Korneuburg which is not under contract as reserve capacity has been conserved since 1 October 2018 and is therefore no longer included beginning in 2018/19.
5) The hard coal-fired power plant in Dürnrohr is no longer included because electricity production from hard coal was terminated ahead of schedule in August 2019.
6) Includes the steam co-generation from thermal waste utilisation in Zwentendorf/Dürnrohr.

our Dürnrohr hard coal-fired power plant in August 2019, this location remains a central and innovative energy hub. Together with our energy and drinking water supply plants and telecommunications facilities, we continue to view this thermal waste utilisation plant as part of our critical infrastructure. Most of the residual household waste in Lower Austria is converted into electricity, district heating and process steam at incineration temperatures over 1,000 °C. The process steam is used, for example, by the nearby AGRANA plant to make bioethanol, an important starting product for the production of disinfectants. Sewage sludge in Lower Austria will also be recycled into electricity and heat at Dürnrohr in the future. Our plans for this power plant location also include preparations for construction of one of the largest photovoltaic plants in Austria with a capacity of over 25 MW. The available network infrastructure and sealed free areas provide the ideal basis for this project.

For more information on AGRANA, see page 57

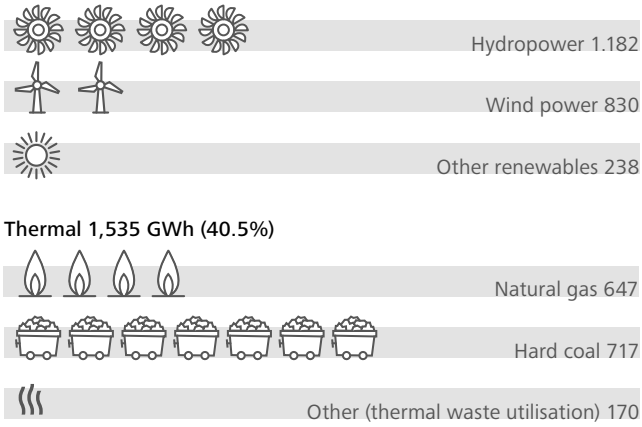
GRI indicator: GRI EU30

Average non-availability of power plants 2019/20

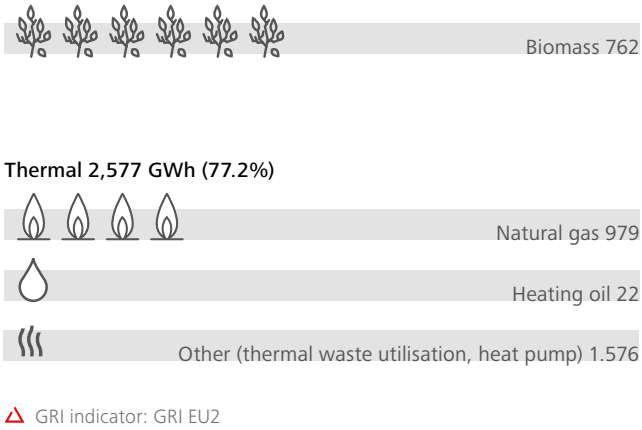
		Planned		Unplanned	
		Hours	%[1]	Hours	%[1]
Wind power plants[2]	Austria	104.9	1.2	395.6	4.5
Small hydropower plants	Austria	127.1	1.5	552.5	6.3
Pump storage plants	Austria	592.8	6.8	292.7	3.3
Natural gas-fired power plant Theiss[3]	Austria	2,016.0	23.0	113.8	1.3
Hard coal-fired power plant Walsum 10	Germany	646.6	7.4	401.3	4.6

1) Reference value: 8,760 operating hours per year (standard operational capacity)
2) Average value per wind turbine
3) The 430 MW from the Theiss power plant which contractually serve as reserve capacity.

Electricity generation by energy source (GWh)



Heat generation by energy source (GWh)



GRI indicator: GRI EU2

RELIABILITY FOR GENERATIONS

Energy supplies have undergone fundamental changes in recent decades. And they are still changing in giant steps. Our grandparents may have marvelled at the connection of municipalities to the electricity network 50 or 60 years ago, but today's younger generation sees this as normal. And approaches, solutions and products which were inconceivable only a short time ago are becoming reality. But one thing has not changed: EVN's commitment to reliable supplies based on state-of-the-art technology and in the best possible quality.

Tracing EVN's history we visited the Lackner family where we – together with three generations: Georg, his daughter Elisabeth and her son Maximilian – looked back at the changes in energy supplies for Lower Austria over the past decades. We met at the Weinviertel farm which has been run by the family for several generations.

Electrical household appliances appear on the scene and **make everyday life easier**

Can you remember when your town was connected to the electricity network?

Georg: Of course, the start of electricity supplies was an important event that really changed our life. That must have been around 1950. Before that time, our evenings were spent with petroleum lamps or with gas mantles and candles. That may sound romantic but was, of course, difficult. But, then again, we all went to bed earlier. Electricity changed a lot. Just turn the switch – and the light came on. Soon we had a radio, that was also new. I was a child at that time, and all this seemed like a miracle. The first modern household appliances appeared not long after that. An electric iron replaced the old, coal-heated one, and sometime later, the first electrically operated refrigerator stood in the pantry. Electricity also changed a lot for our farm operations.

And all that worked from day one without any problems?

Georg: No, that took some time. The electricity worked,

Uniform, reliable supplies across the entire country,

but we didn't have a lot of appliances. We had to reinforce the connections for the electric stove and washing machine. Our neighbours also couldn't buy all the appliances at once that you find in most houses today. Later on, we changed over to gas for cooking and heat-

ing because our town was connected to the natural gas network in the the late 1970s. Natural gas supplies in the countryside? At that time it was only possible in Lower Austria.

Elisabeth: Even I can remember that. Mama was really impressed because it made cooking so much easier.

The first television was quite an event …

Georg: Right. It opened up a whole new world for us. Or, to put it differently: We were suddenly able to look into the big wide world. But that also didn't always work at the beginning. Voltage was a problem in the early years, and we had to buy a so-called "television voltage amplifier". That helped, and the television worked fine. The voltage drops we had nearly every day in the country are now history.

Maximilian: That would have been a real nuisance with sensitive equipment like today's computers, I don't even want to imagine what it must have been like with different systems or volatility in the network. Today we get annoyed when a charging cable doesn't fit every device. Electricity is something we take for granted, just like the Internet.

Comprehensive **support and energy advising for customers**

For that reason, supply reliability has top priority in EVN's target hierarchy. That was also obvious during the corona lockdown …

Maximilian: Absolutely, it's impossible to imagine how home office for so many people or online schooling and lectures would have been possible.

Georg: Even when we have a thunderstorm or something else unexpected happens, the electricity is back again quickly. Remember the heavy snowfall in the winter the year before last, it also hit a number of power lines. These types of interruptions are, in fact, repaired immediately. The EVN people were always there in the past, but today everything is faster.

That shouldn't only be true for disruptions. What about customer service?

Elisabeth: Actually, everything works very quickly, customer service is also easy to reach for all other types of problems. Here you can see the general trend towards a service society, and digitalisation is an added help. Today I really consider myself a customer and can enjoy all-inclusive service – the world has changed a lot in this respect.

Georg: EVN recognised early only that that their business doesn't only involve energy supplies, but much, much more. I remember the first energy advisers who gave energy savings tips even before environmental protection became popular. I was really young then, that must have been in the 70s. And even before, when we got the electric stove, there was advice on cooking.

Today the advising is focused, above all, on energy savings – or energy efficiency. How do you see that?

Maximilian: We even learned about that in school. An EVN school advisor explained the basics of energy supply to my class and told us that this also involves resource conservation and opportunities to use energy economically at home. I think it's good when a large utility company also looks after the responsible use of its products. In the end, that's part of its responsibility.

Centre stage for **resource conservation and climate protection**

Georg: Anyway, EVN did a lot of things early on. For example, look back to the 1990s when biomass became part of district heating supplies. That wasn't only a CO_2-neutral fuel, it was a local fuel and also benefitted the farmers. At that time, our forestry collective also concluded a timber delivery contract.

Elisabeth: Or water supplies: In the past, individual communities or smaller regions often had their own supply networks, today EVN takes care of everything. The quality was always good, but the connection of the individual networks has made supplies naturally more reliable. And now they are also building natural filter plants which will save us chemical softening.

Maximilian: I'm happy we won't need any more salt tablets, and I won't miss the work. And it's also better for the environment.

Speaking of the environment, what do you think about the expansion of renewable energy generation, specifically wind and solar energy?

Georg: It's definitely better for the environment. However, it is not easy to get used to the wind turbines that are popping up everywhere. But it would be dumb not to use the free energy generated by the wind. It's good to see this trend gaining ground.

Maximilian: The same is true for the sun. That's why I find it cool that EVN offers a package like joulie, for

example, where a private person can operate his own small photovoltaic equipment and be self-sufficient. I'm also happy to see EVN building charging stations for e-vehicles and giving customers the opportunity to purchase only green electricity. Julia, my girlfriend, told me that her parents installed joulie equipment on their roof last year and are very happy with the results. That is the future, and we should also do the same here on our house. Less large power plants and, instead, more small, environmentally friendly generation equipment that lets people become self-sufficient and also feed electricity into the network. Hopefully, that will help to stop climate change.

Renewable energies, **innovative concepts**

Georg: The trend is moving in this direction, which is something no one would have dreamed of only a few decades ago. I recall the start of operations at the Dürnrohr power plant in 1986 – we were all amazed to see this modern flue gas cleaning equipment from Japan. I was very impressed that a relatively small regional supplier was the first in Europe. And now EVN has closed the power plant because it would rather generate electricity from the wind and sun and has the technology to do this even better.

Maximilian: Things are really changing. Somehow, everything is in a state of transformation, but EVN is changing with the times and driving development with innovations. I like that because my children will also be able to rely on EVN.


24/7

AT WORK FOR OUR CUSTOMERS

FOCUS ON THE CUSTOMER

The central goal of our activities is to provide our customers with reliable supplies of energy products and services, high-quality drinking water and cable TV and telecommunication services. The basic requirement for all this is an efficiently functioning infrastructure, whose supply represents most of our work. It is a fact that things which are taken for granted – like supplies of electricity, natural gas, heat and water – involve a great deal of effort that generally takes place behind the scenes. On the other side, we have the direct contact with our customers – through our emergency service or advising on various subjects. And here, we also place the highest demands on our employees.

Particularly high commitment is expected from the employees in our emergency service. Immediate action is required to quickly restore supplies of these essential services to the involved households, also when a disruption or technical breakdown occurs outside normal business hours.

Top professionalism and maximum customer closeness also define our services and advising. Extensive know-how is required here because the range of our products and services is just as large 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 questions on energy advising or in connection with energy efficient products and energy services.

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 a wide variety of simple, easy-to-use communication channels for all types of questions and concerns:

- → EVN's Service Centres, customer events and trade fairs provide an optimal setting for personal contacts with our customers.
- → A service telephone with individual numbers for specific topics and concerns simplifies direct contacts with our staff.
- → Our emergency call centre is on duty 24/7 to help our customers.
- → E-mail and various other online services (e. g. chat) also represent important channels where our customers can reach us at any time.

For information on energy efficiency services and products, also see page 80

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. Examples of our efforts include the prompt processing of inquiries and the regular analysis through sampling of e-mail answers 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.

EFFICIENT AND CUSTOMER-FRIENDLY INTRODUCTION OF SMART METERS

The premises underlying "customer satisfaction" as an area of activity on EVN's materiality matrix also apply to the introduction of smart meters in Lower Austria. The project to replace existing electricity meters with intelligent measurement devices only started after the software and hardware had undergone extensive testing. One major criterion was compliance with basic data protection principles, above all the individual encryption of data, as well as protection for the privacy of our network customers. The detailed planning for the smart meter project also included initial, transparent and comprehensive information for our customers. This information dealt with issues involving the legal foundation, functionality, technical possibilities, data protection and rollout. A separate service telephone was also installed for questions related to smart meters.

The comprehensive rollout of this new technology started in September 2020, and the first 10,000 meters had been installed by the end of the month. New smart meters will replace roughly 800,000 old electricity meters throughout the entire Lower Austrian network area. Legal requirements call for the installation rate to reach at least 95% by the end of 2022. All new functions, e. g. the in-time query of electricity consumption data via a web portal, will be available for our customers beginning in summer 2021.

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 exchange 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

CUSTOMER SERVICE DURING THE LOCKDOWN

The technicians in EVN's emergency service were also available 24/7 during the Covid-19-related lockdown. They were the guarantee for maintaining critical infrastructure operations and repairing local disruptions, this time while also observing comprehensive safety precautions.

Our customer relations team was available without limitation for our customers via telephone, e-mail and chat during the entire lockdown. The employees responsible for these assignments were – based on the required safety precautions – at their regular workplaces or in home office. And they were particularly challenged because the service staff registered an increase of nearly 30% in customer calls during the lockdown.

In this exceptional situation, we were also particularly responsive to our customers' problems. We waived issuing reminders and terminating services for delayed payments up to the end of June 2020. Moreover, we expressly asked customers in high-risk groups not to make in-bank payment transfers to avoid the increased risk of infection. Another special concern was to support persons who lost their income due to the pandemic with payment deferrals and interest-free instalment arrangements.

EVN's Service Centres remained closed from mid-March to the beginning of May 2020 due to government-ordered measures and reopened under strict safety and hygiene measures to protect employees as well as customers.

modules and training programmes for the customer relations team. A concentrated, three-month training programme for new employees in this area starts four times each year and combines intensive training with practical experience. Other recurring training programmes cover specific topics and knowledge checks as well as team-building seminars. EVN's customer service team leaders have also received special training and certification for conducting voice coaching courses.

ISO certification for EVN's customer service

As one of the first Austrian companies, EVN received certification under the international standard ISO 18295-1 for its customer service in November 2018. This strict, global standard replaced the certification under EN 15838. The extensive audit under the ISO standard covered a detailed examination of employee recruiting, training, communication forms, data security and many other aspects. Every two years – and for the first time in November 2020 – our customer service staff will take part in the required re-auditing process.

Sustained high customer satisfaction

We commission regular independent, external surveys to proactively analyse and evaluate the quality of our customer 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 the satisfaction of our customers 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 quickly to changes in customer behaviour. On a very positive note, the index value has remained stable at a high level in recent years.

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 EVN CUSTOMER ADVISORY BOARD – NEW IMPULSES AND FRESH IDEAS

Customer closeness is not just a slogan for EVN but an integral part of our corporate strategy – because we can only succeed in the sustainable development of our company when we are able to exactly meet the needs and expectations of our customers. That is why we consciously rely on their ideas and suggestions for improvement.

Electromobility, decentralised energy supplies, digital communication – the world is changing rapidly. And with it, people's demands and needs. As a service company, we must address these changes and continuously expand, update and adapt our portfolio.

A central driver for this continuous change is the EVN Customer Advisory Board, a consulting body which was initially established in Austria in spring 2011. Its 24 members are elected every two years from the various customer segments. In biannual meetings, they discuss new market trends with EVN experts and participate in the development of products, services and communication strategies.

One of these members for the 2019/20 term of office is Reinhard Bauer from Lower Austria. "The Customer Advisory Board brings people with completely different attitudes and concerns together. And the opinions and recommendations on the subjects discussed at the meetings are just as diverse. This gives EVN a very detailed look into its customer base." Reinhard Bauer summarises his previous experience with the comment: "Of course, the members also find it exciting to help design the discussion process of a major energy corporation".

The range of subjects handled by the Advisory Board is diverse and covers general feedback on customer satisfaction and communications on the introduction of new products as well as the design of invoices and EVN's public appearance.

The Advisory Board meetings generally open with relevant news from EVN. In small groups, the members prepare their feedback and develop ideas and recommendations which are then discussed directly with the staff from various EVN specialist departments. Many of the Advisory Board's recommendations have been implemented since its establishment in 2011. For example, they flowed into the communication strategy for a new product by kabelplus and in the design of the EVN Bonus World. Feedback from the Customer Advisory Board was also used to adjust the design of the EVN website.

The Advisory Board meeting in May 2020 was unable to take place as scheduled due to the corona-related restrictions. As an alternative, the members were interviewed via telephone. One focal point was EVN's online presence. Especially in this area, Reinhard Bauer sees opportunities to optimise user-friendliness: "The website contains an enormous amount of important content, but some of this information can only be located after numerous clicks. Widgets could help to improve this situation by allowing the visitor to personalise the content according to his or her own needs." And Reinhard Bauer offers another idea that should be interesting, above all for private operators of photovoltaic equipment: "Many photovoltaic equipment owners want to put their surplus electricity to reasonable use – for neighbours, friends and relatives." EVN has already picked up the idea and is evaluating possible solutions.

Constructive recommendations like this are what make the EVN Customer Advisory Board so valuable for us and which led to the establishment of a Customer Advisory Board in Bulgaria during 2013. We now also benefit in this market from new impulses and fresh ideas from one of EVN's most important stakeholder groups: our customers.

Also see www.evn.at/Customer-Advisory-Board

GRI indicator: GRI 102-43

» When you're looking for a wide range of products or services – **EVN knows just what its customers want.** «

Felix Recht,
boat builder

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 prepared 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 have regular 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 like potential subsidies for heating costs etc.), and we also accompany the counsellors in their work with people threatened by poverty.

GRI indicator: GRI 203-2

BIOETHANOL PRODUCTION, POWERED BY EVN

In certain constellations, our efforts to develop tailor-made solutions lead to very special customer relations. One of them, without a doubt, is our energy partnership with AGRANA which has existed for more than ten years. This food and industrial products corporation in the Lower Austrian village of Pischelsdorf – which is near our thermal waste utilisation plant in Zwentendorf/Dürnrohr – operates a biorefinery for the production of bioethanol, wheat starch and wheat gluten. We supply this plant with industrial steam through two pipelines, each of which is roughly 3 km long, from the energy generated by our thermal waste treatment.

» We can always rely on EVN as **a partner** and as an energy supplier. «

Josef Schuberth, plant manager
AGRANA biorefinery in Pischelsdorf

Supply security and reliability are also essential for us in this partnership because AGRANA uses our industrial steam, in turn, to produce steady supplies of bioethanol and wheat starch. For this reason, we have also installed a natural gas-fired steam boiler (90 MW output) to serve as reserve capacity. This also guarantees our steam deliveries when utilisation is temporarily halted, for example during routine maintenance.

Our industrial partnership with AGRANA took on a very special meaning during the corona crisis: The bioethanol produced in Pischelsdorf was previously used as fuel, but can now also be used for disinfection products – which were in short supply in Austria during the pandemic.

PRODUCT LABELLING

In accordance with legally required electricity labelling regulations, our customer invoices in Austria include information on the geographical origin of the electricity delivered, its composition by primary energy carrier and the environmental impact of its generation (e. g. CO_2 emissions and radioactive waste).

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. The data for electricity labelling in 2020 show – from the ecological viewpoint – a very encouraging trend: CO_2 emissions from the electricity delivered by EVN KG to its end customers were cut by more than half from 86.61 g/kWh in the previous year to 39.01 g/kWh in 2020, after significant reductions had been achieved in earlier years (electricity labelling 2018: 103.69 g/kWh; 2017: 192.67 g/kWh). This reduction was made possible by a substantial cutback in the share of electricity generated with natural gas – its share in the supply mix equalled only 0.91% in 2019 (2018: 23.3%; 2017: 27.2%). The share of electricity generated from hard coal, which is included in EVN's electricity labelling for the last time following the termination of electricity production at the Dürnrohr in August 2019, remained low at 2.98% (2017 and 2018: 0.3%).

In addition to the review of electricity labelling by an auditor, 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.

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.

The sales companies in both countries are not required to label electricity.

For information on energy procurement, also see page 36
Also see www.evn.at/Herkunft (available in German only)
GRI indicator: GRI 417-1

DATA PROTECTION

The professional protection and non-disclosure of personal data and business information has always been standard practice for our company.

This is reflected in the inclusion of data protection as a separate subject in the EVN Code of Conduct. Based on seven principles, all employees are instructed to ensure the careful handling of personal and confidential data in their daily activities. 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 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 new Austrian Data Protection Act which was introduced in 2018.

We are aware of the trust our customers place in EVN and – not least for this reason – the safe and confidential treatment of personal data is one of the key principles for our daily operations. 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 2019/20, we received eight requests from the Data Protection Authority to submit comments. One of these proceedings has since been concluded. After a complaint over the allowable storage period for a customer document was judged to be justified, we corrected the situation in agreement with the related official notice. With regard to the remaining seven cases, we have submitted our statements and are now waiting for actions by the authority.

Four cases related to the possible loss of customer data were identified. Internal investigations in three of these cases were unable to completely exclude a risk for the rights and freedoms of the involved persons, therefore a report was filed with the Data Protection Authority as well as the involved persons. The related proceedings were closed by the authority.

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

» We are **extremely careful** in handling data, especially **personal data.** «

Martin Haas, EVN data protection officer

GRI indicator: GRI 418-1


24/7

FAIR, CONSIDERATE AND FLEXIBLE

OUR EMPLOYEES – THE BASIS FOR OUR SUCCESS

The EVN Group had an average of 7,007 employees on a full-time equivalent basis in 2019/20 and 7,428 employees (headcount) as of 30 September 2020. Our workforce consists of men and women from different nationalities, cultures and generations. With their high qualifications, they play a central role in all our business activities. The awareness of this strategic importance is reflected in our actions as a responsible and fair employer, which allow us, not least, to safeguard efficient, goal-oriented human resources development in a continuously changing working environment.

Diversity

Our company's international market presence is also reflected in our workforce: EVN's employees come from more than 25 countries, above all from Austria, Bulgaria und 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. Our goal, therefore, is to maximise the number of employees and managers from the respective countries in all our markets (approximately 90%). In particular the strengthening of local management capacity represents an important aspect of our corporate strategy. The focus on and advancement of diversity among our workforce is not only important in connection with human rights, it also represents one of the main principles of our corporate culture.

In addition to our own staff, 145 leased employees, representing 2.0% of our total workforce, also worked for the EVN Group as of 30 September 2020. 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; third, to handle peak work periods; and fourth, in business areas with an uncertain market environment.

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 2019/20, the ratio of the highest salary and average salary[1] at EVN in Austria equalled approximately 8.0:1.

1) The calculation was based on the average value.

As of 30 September 2020, our workforce included 1,717 women (23.1%) and 5,711 men (76.9%). In order to increase the percentage of women in the EVN Group, we launched the Women@EVN programme. It includes requirements-oriented seminars, internal networking opportunities and several other initiatives to improve the framework conditions for our female staff and support

EMPLOYEE SATISFACTION AS A KEY CONCERN

EVN's high regard for its employees is currently reflected in two initiatives: the "mood barometer" and "employer branding".

The **"mood barometer"** is a pilot project that is intended to improve internal communications and cooperation in selected corporate departments and, in that way, make human resources work more measurable. Participating employees are asked to complete an online questionnaire once each quarter. It contains seven general questions involving satisfaction, commitment, stress, personal resources and management as well as three individual questions on different subject areas. The survey results are discussed at team meetings which are accompanied by the human resources staff or an external trainer. The goals of the "mood barometer", on the one hand, are to support regular exchanges with management and, on the other hand, to identify the team's mood and allow for the rapid implementation of necessary changes in cooperation to improve overall employee satisfaction. The roll-out of this concept to other areas is currently under evaluation.

The **"employer branding"** project focuses on the core issues which make us an attractive and safe employer. They include the optimal use of resources – energy and the environment as well as our employees' skills – together with a wide variety of professional opportunities and the creation of an attractive work climate that includes meaningful activities with responsibility. Part of this project includes the production of short videos explaining the work and personal stories of various EVN employees. The first films of these different professional groups and subjects have already been completed and published on social networks like Facebook, Instagram and Youtube as well as on the EVN website. We believe that showing the commitment and satisfaction of our employees in real videos is an ideal way to attract qualified employees to EVN in the future.

RESPONSIBLE EMPLOYER – ALSO, AND ESPECIALLY, IN TIMES OF COVID-19

EVN experienced the concrete threats of the coronavirus for the company and its workforce directly and early on through an employee at the thermal waste utilisation plant in Dürnrohr. On 5 March, a good ten days before the lockdown in Austria, the employee showed symptoms of a corona infection – which he had contracted in his private surroundings – that led to sick leave and home quarantine. By 30 September 2020, 72 employees had fallen ill as a result of Covid-19. Unfortunately, the coronavirus was also responsible for several deaths among our staff: one in Lower Austria, one in Bulgaria and three in North Macedonia.

An extensive bundle of measures for the entire Group
As a result of previously prepared emergency plans, in particular the "Pandemic Preparation", EVN was able to quickly develop a package of measures to deal with the corona crisis at an early stage. Two key goals that are still valid today were decisive for the crisis staff that was installed immediately: the protection of vital – also classified as "critical" by the authorities – infrastructure and supplies for the population and economy – and maximum protection for employees. Under the challenging conditions of the lockdown, EVN consciously focused on its responsibility as an employer for nearly 7,000 men and women in its home market of Lower Austria, just the same as in Bulgaria, North Macedonia and Croatia and in the international project business.

Mobile work across the board …
A broad range of measures and offers underscores this concern throughout the entire Group. An unlimited home office option was quickly and unbureaucratically created for all employees whose work is not necessarily connected with their usual location to minimise the danger of a Covid-19 infection. The fast changeover to home office was made significantly easier because most employees already had been equipped with a company mobile phone and laptop, and Skype4Business had previously been rolled out to the entire company. Nearly 1,500 men and women, representing more than 56% of all employees in Austria, took advantage of this opportunity. Even activities such as customer service could, in large parts, be mastered from home.

The opportunities to reduce holiday and compensatory time-off were expanded and outfitted with added incentives to create greater flexibility for the company and employees – above all, employees with family and caregiving responsibilities. EVN also granted special care time for children below 14 years of age in view of the nationwide home schooling.

… as well as strict distance and hygiene rules
Strict safety instructions were issued for the employees whose work required actual presence in the workplace, such as the staff in the emergency call centre, the power plant team and the system operator staff. These instructions ranged from separate offices and the minimisation of social contacts up to personal protective equipment. All internal events and training courses were cancelled or changed to electronic trainings, and the EVN cafeteria was closed. Particularly strict rules applied to the system operators, whose work is indispensable for network operations: Operating activities were separated from all other areas, parts of the team were moved to a second location, contacts with other employees were minimised and the shifts equally staffed. Daily fever controls and quarantine preparations rounded out the package of measures. Special protection rules also applied for employees belonging to a risk group.

Active information, high transparency
Ongoing, up-to-date information and the publication of behavioural and hygiene rules via the Intranet and email accompanied these measures and are intended to offset the reduction in direct contact between employees that is connected with mobile working. Tips for "virtual cooperation" and video messages from the Executive Board and head of human resources as well as podcasts with members of the crisis staff were part of these efforts. Employees were given the opportunity to submit questions on Covid-19 via email or to directly contact a member of the crisis staff. A special postbox in the human resources department was also set up for this purpose.

Despite the very difficult conditions, employees throughout the entire EVN Group did an excellent job during the many weeks of the lockdown. Regular operations continued without interruption and work proceeded on important construction projects, including the natural gas supply networks in several Croatian communities and the Bisamberg transformer station in the southern Weinviertel. All our employees deserve our many thanks!

Return to the "new normal"
The crisis staff is closely monitoring the cautious return to normal operations. The EVN Service Centres reopened in May, and the other employees gradually returned to their regular locations. However, the rule limiting the occupancy in offices to 50% remains in effect. Personal customer contacts have also resumed, but in accordance with strict hygiene rules and social distancing.

highly qualified women in developing a career path with a management focus. Specific measures to improve equal opportunity have also been in place in North Macedonia since 2015/16. Over the medium term, we are working to increase the percentage of women to a level that mirrors the current educational levels of women in the applicable professional groups.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 128f

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

Principles and models for our employee relations

In addition to national laws and international guidelines such as the Universal Declaration of Human Rights as well as the basic values described in the Code of Conduct, EVN has defined principles and models for the interaction with our employees in a set of binding documents.

Our goal is to apply these same high standards in all countries where we are active. This led to the definition of three key values – ensure, encourage and enable – for the EVN Group several years ago.

ensure: We ensure quality and corporate success.
- → We are committed to continuity and safety. Our employees are hard-working, 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.

These values also represent an integral part of the 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. In these discussions, employees receive feedback once each year on their performance and a framework for development planning. This important management tool includes an appraisal by the employee's supervisor as well as structured reciprocal feedback on work performance and quality plus the definition of specific goals for the employee.

We are also taking a proactive approach to the current transformation of our working culture through digitalisation, networking and the energy revolution to create an optimal and flexible work environment for our employees. The "EVN Working World" project was carried out in recent years to meet these goals. It involves the further opening of workspace and an increase in the information and communication flows between employees through numerous technical improvements and the introduction of new technologies and digital equipment. The use of digital tools, in particular, is changing the way we work and the design of our working world – and, not least, the Covid-19 pandemic has revolutionised our daily working routine. A follow-up project in the EVN Working World is currently in preparation under the title "Working World 2.0" and is intended

> » We owe **a great deal of gratitude** to all our employees for **their commitment and cautiousness** since the first corona lockdown. «
>
> **Stefan Szyszkowitz,**
> spokesman of the Executive Board

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
- → Health care, occupational safety and accident prevention
- → Corporate social partnership and internal communication
- → Human resources development and advancement

Diversity of employees 2019/20[1)]

GENDER

1,717 women		5,711 men	
Austria	533	Austria	2,127
Bulgaria	589	Bulgaria	1,705
North Macedonia	456	North Macedonia	1,528
Other countries	139	Other countries	351

TYPE OF EMPLOYMENT[2)]

173 workers		7,255 employees	
Austria	54	Austria	2,606
Bulgaria	–	Bulgaria	2,294
North Macedonia	–	North Macedonia	1,984
Other countries	119	Other countries	371

to utilise further opportunities for optimisation created by the ongoing changes in our working methods. The motto "more sustainable, more digital, more efficient" forms the basis for all our future measures in this area.

△ GRI indicator: GRI 102-16

Equal treatment and equal opportunity

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 independent of gender and 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 training and perform the same activities. In keeping with our commitment to equal treatment and opportunity, we also support the integration of people with special needs in our workforce. We employed 124 persons with special needs in 2019/20, representing 1.7% of the total workforce.

△ GRI indicator: GRI 102-16

Work-family balance

A further central concern is to help our employees achieve a balance between their working and family life. An important step in this direction was the signing of a "charter on the new compatibility between parents and business" in May 2011, 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. Another measure implemented in recent years as part of the EVN Working World gives employees the option of working up to 100 hours each year at a location of their choice. 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, and we naturally approve this leave within the framework of the applicable laws. A growing number of our male employees are also deciding in favour of parental leave for childcare.

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.

In 2019/20, 41 women and 18 men were on parental leave in Austria, and all mothers and fathers return to EVN after that time (return rate: 100.0% for men and women). There were no resignations after parental leave in 2019/20; of the employees who returned from parental leave in the previous year, all were employed by EVN after twelve months.

PART-TIME EMPLOYEES[3]

464 total		340 women	
Austria	280	Austria	207
Bulgaria	12	Bulgaria	2
North Macedonia	133	North Macedonia	93
Other countries	39	Other countries	38

1) As of 30 September 2020
2) In Bulgaria and North Macedonia, there is no distinction between employee and worker.
3) EVN only uses limited one-year employment contracts for new employees. Further data was not collected in this respect because the category is irrelevant.
4) In relation to total workforce as of 30 September 2020

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

△ GRI indicator: GRI 401-3

Occupational safety

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 seven-point 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. EVN Safety Days were held in 2018 and 2019. They dealt with special issues involving occupational safety to increase awareness and provide specific training for safety officers, works council representatives and managers. Future plans include the organisation of a Safety Day each year to focus on current aspects of occupational safety.

The occupational safety department, the unit responsible for occupational safety at EVN, was reorganised in spring 2020. The staff was integrated into the corporate function "administration and construction" and a representative was appointed who now reports directly to the Executive Board.

A separate 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 identified 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 once each year in accordance with legal regulations in an occupational safety committee meeting at EVN AG. In other Austrian companies as well as in the subsidiaries in other countries, this exchange takes place voluntarily within a corresponding framework. 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 or transport. Nearly one-third of all work accidents involve tripping, stumbling and twisted ankles, followed by physical strain during work procedures, falls, cuts and stab wounds. A series of initiatives, for example the ideas competition started in 2018, was introduced to address these points, and a near-miss recording system is currently under develop-

Newly hired employees 2019/20		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1]
<30 years		**79**	**53**	**55**	**8**	**195**	**2.6**
thereof women	Number	20	11	12	3	46	0.6
thereof men	Number	59	42	43	5	149	2.0
30–50 years		**74**	**76**	**18**	**45**	**213**	**2.9**
thereof women	Number	17	30	6	9	62	0.8
thereof men	Number	57	46	12	36	151	2.0
>50 years		**11**	**3**	**2**	**9**	**25**	**0.3**
thereof women	Number	3	3	0	2	8	0.1
thereof men	Number	8	0	2	7	17	0.2
Total		**164**	**132**	**75**	**62**	**433**	**5.8**
thereof women	Number	40	44	18	14	116	1.6
thereof men	Number	124	88	57	48	317	4.3

1) In relation to total workforce as of 30 September 2020

GRI indicator: GRI 401-1

ment to prevent work accidents. The efforts to create a greater awareness among employees for the importance of occupational safety also include e-learning modules, videoclips, articles in the employee magazine and the EVN Intranet, specialist seminars and regular information on accident-free days. The EVN occupational safety team also presents an annual "Oscar for Occupational Safety" to the departments and organisational units that completed 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)

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". 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 have been increasingly integrated in this issue since 2019/20 through training courses and safety meetings. The continous purchase of state-of-the-art protective clothing and equipment as well as modern tools, multimeters to measure gas concentration and training for the involved employees supplement the preventive measures in the specific working environments.

Occupational safety in the project business

Health and occupational safety also have high priority for WTE Wassertechnik, especially in the international project business. The underlying principle is the clear commitment of the EVN Group to preserve and protect human rights. Our German subsidiary also carries special responsibility

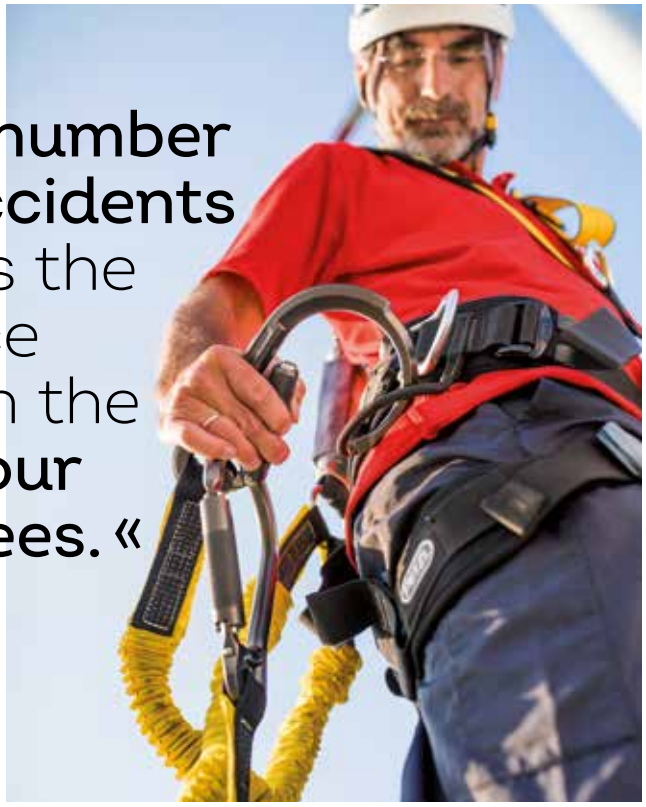
in this respect and, in its role as a general contractor for plant construction, is required to comply with the applicable standards for the protection of the health and safety of the persons involved in its projects (including subcontractors' employees). A health and safety manager is designated for each project to monitor compliance with these standards and to provide regular reports to the respective customer.

The wastewater treatment plant project in Kuwait, which started in 2019/20, is required to comply with extremely strict requirements for the protection of all involved employees – 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

» The **low number of work accidents** shows the importance placed on the **safety of our employees.** «

Edwin Lizar,
senior safety officer at EVN



Occupational healthcare

We 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 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.

Group guidelines are in force at all subsidiaries – including the "EVN Pandemic Prevention" which is in place since 2009 and provided the basis for steps taken in reaction to the outbreak of Covid-19 in March 2020.

In addition to company-sponsored measures, the EVN culture and sports club offers employees a wide range of activities to support health protection and strengthen the sense of community.

⚠ 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 and North Macedonia. Most of our employees in Austria are covered by the collective agreement for

Accident and lost days statistics	2019/20	2018/19	2017/18
Deaths after work-related injuries	–	2	–
Ratio of deaths (%)	–	0.2	–
Occupational accidents[1) 2)]	64	85	100
thereof severe accidents with lost days >6 months	–	–	5
Ratio of severe accidents with lost days >6 months (%)	–	–	0.4
Staff sick days[2)]	1,477	2,376	3,535
LTIF[3)]	2.8	4.3	4.8
Number of LTIF-relevant occupational accidents[4)]	35	53	58
Lost days/employees	10	10	11

1) Excluding commuting accidents
2) Lost days (including weekends and public holidays) resulting from occupational accidents (excluding commuting accidents); previous years' figures adjusted due to a change in calculation method
3) Lost Time Injury Frequency Index – frequency of occupational accidents per one million working hours
4) Lost days resulting from work-related accidents (excluding commuting accidents), the causes of which are connected to the occupation

salaried employees in electricity companies, which was revised by the participating social partners in 2019/20 and adapted for the future.

Transparency is an integral part of our major business decisions, in line with our managerial mission statement, 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, respectively, 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.

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 the EVN employees in Austria, Bulgaria and North Macedonia. The issues addressed by the European works council range from occupational safety and employee benefits to transnational initiatives in culture and sport.

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.

Our "EVN Intern" magazine provides employees with 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 current seminars and other training events. In order to support the preferred internal filling of job vacancies, job advertisements are also first posted on our Intranet.

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

Human resources development and advancement

The qualifications of our workforce represent an important element for protecting the sustainable success of our company. Consequently, preserving and increasing our employees' high level of expertise represent a central element of our human resources management. The related training and professional development programmes in Austria, Bulgaria and North Macedonia are carried out by the local EVN Academies.

We invested EUR 299.1 per employee in continuous training and education during 2019/20 (previous year: EUR 356.8), which represents a total of EUR 2.1m (previous year: EUR 2.5m). Each employee spent an average of 27.45 hours (previous year: 34.05 hours) on these programmes. The year-on-year decline resulted from the cancellation of most on-site training programmes due to the Covid-19 pandemic. Alternative e-learning mod-

ules 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. For example: The module "corona safety instructions" was completed by nearly 3,000 employees and 13 modules with various focal points were available on occupational safety, while other issues involved compliance, cyber security awareness and technical training. New and existing training courses are regularly evaluated for their suitability as webinars or e-learning modules as a means of increasing digitalisation also in the training area.

Our human resources 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 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 2020, 93 apprentices were employed at EVN.

In order to round out our training programmes, we offer a dual programme of theoretical vocational school education and practical on-the-job experience in our Austrian companies. This traditional model is supplemented by internal courses and seminars as well as support for double and multiple qualifications. Most of our apprentices remain as employees after completing their programmes. There are no legal regulations in South East Europe covering this type of dual training and, for that reason, we are attempting 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. These EVN initiatives have not only become very popular locally, resulting in great willingness to cooperate, but have also received international recognition. Our apprenticeship training programme received the Award for Vocational Education and Training Excellence in 2018 as Europe's best practice example of vocational training and is now being used in North Macedonia as a blueprint for a wide-ranging educational reform by the Ministry of Education. A total of 120 schoolchildren at two schools have taken part in this three-year programme since 2017. The first cycle ended in 2020, and all participants joined EVN as specialist employees.

GRI indicators: GRI 404-2, GRI 403-5

Additional benefits

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

OCCUPATIONAL SAFETY IN A NUTSHELL

The second "EVN Safety Day" was held in October 2019. Under the guiding theme "Behaviour Based Safety (BBS)", methods and approaches were presented to make a further important step towards greater occupational safety. This Safety Day at EVN headquarters included all safety officers and works council representatives for EVN and its subsidiaries in Lower Austria as well as colleagues from the occupational safety staff in Bulgaria.

EVN generally follows three approaches to increase employee protection – a technical, an organisational and a personal approach. The analysis of accidents at EVN shows that we have reached a very high technical and organisational level, but indicates that there is room for improvement at the personal level. Most of the accidents in the Group are the result of behavioural errors, and a special focus will now be placed on BBS. With the support of representatives from the consultancy firm SHEQ Consult, the Safety Day participants were provided with basic information on the means and possibilities of BBS. The programme also included practical exercises on perception, movement control and an increase in safety awareness. Measures to create a greater awareness will now be implemented at all levels in the Group, and additional training for mangers is planned.

→ **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 insurance providers in the individual countries ensure optimal medical care for all participants.

GRI indicator: GRI 403-6

→ **Pensions benefits:** EVN employees (100% of the Group's workforce) 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 2019/20 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 2019/20. 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 total, 448 EVN 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.

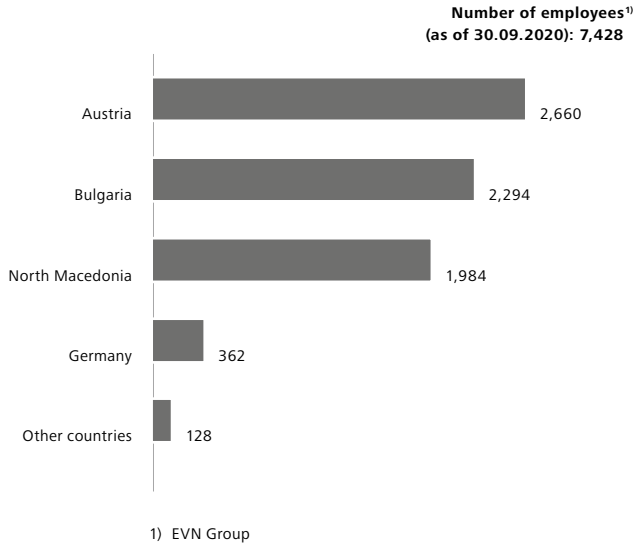
Employee benefits

We spent a total of EUR 14.6m (previous year: EUR 17.5m) on employee benefits (pension contributions, other employee benefits) in 2019/20, which represents 4.2% (previous year: 5.2%) of personnel expenses.

GRI indicator: GRI 401-2

Employees per operating location 2019/20

Number

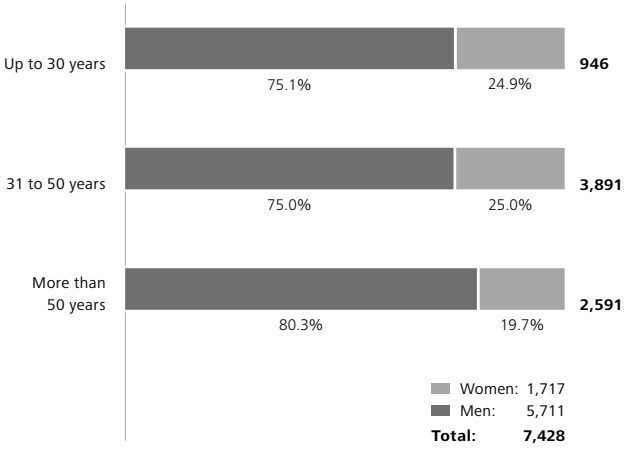


1) EVN Group

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

Age structure of employees 2019/20

%, total: number



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

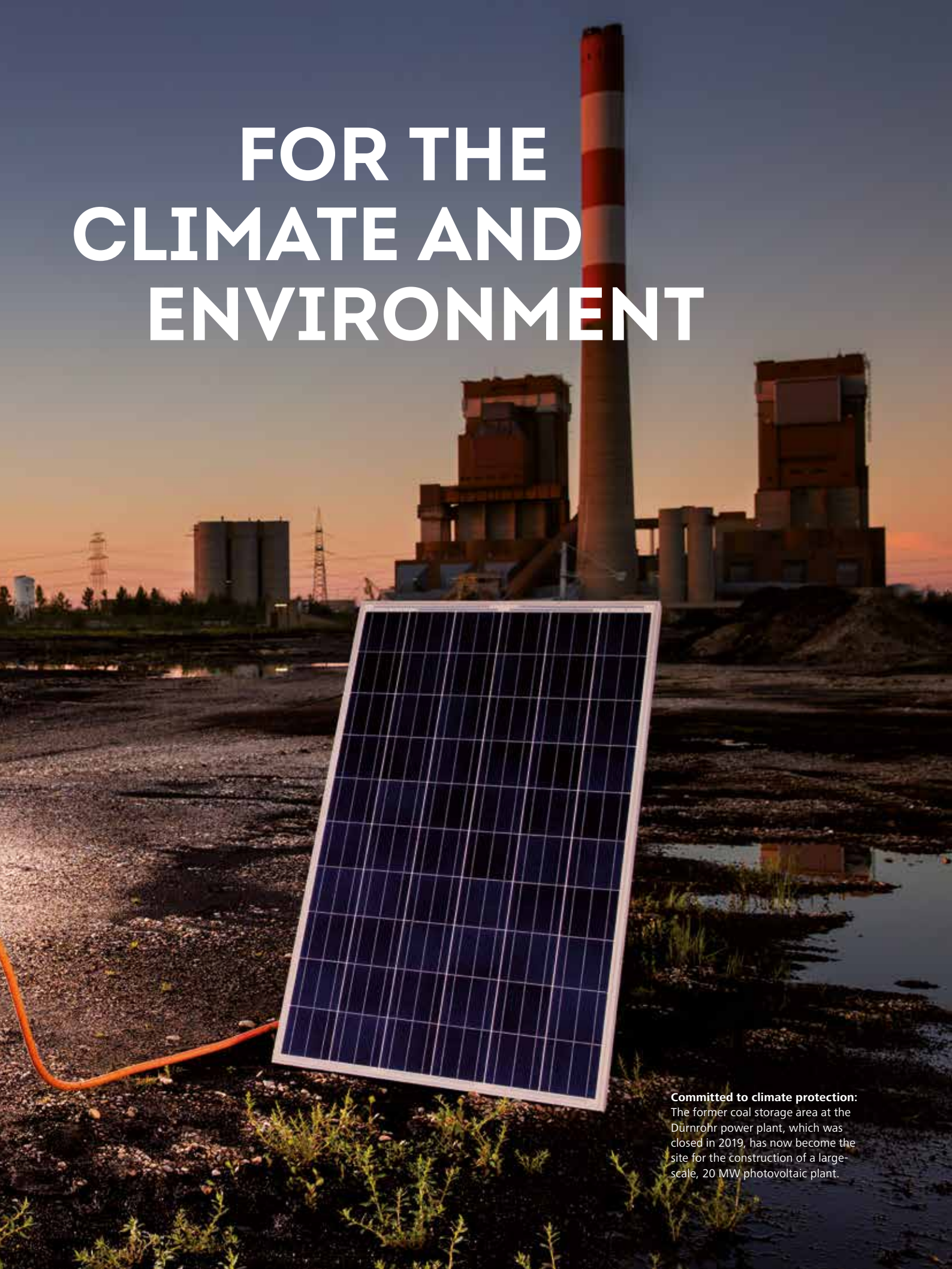
Employee fluctuation – persons leaving 2019/20[1]		Austria	Bulgaria	North Macedonia	Other countries	Nominal	Total %[2]
<30 years		24	11	16	5	56	0.8
thereof women	Number	11	5	5	1	22	0.3
thereof men	Number	13	6	11	4	34	0.5
30–50 years		49	22	32	22	125	1.7
thereof women	Number	15	11	6	6	38	0.5
thereof men	Number	34	11	26	16	87	1.2
>50 years		11	23	37	9	80	1.1
thereof women	Number	4	9	11	3	27	0.4
thereof men	Number	7	14	26	6	53	0.7
Total	Number	84	56	85	36	261	3.5
thereof women	Number	30	25	22	10	87	1.2
thereof men	Number	54	31	63	26	174	2.3

1) This table does not include transfers within the Group, retirements, trainees or persons leaving based on the Bulgarian social compensation plan.
2) In relation to total workforce as of 30 September 2020

△ GRI indicator: GRI 401-1


24/7
EVN

FOR THE CLIMATE AND ENVIRONMENT



Committed to climate protection: The former coal storage area at the Dürnrohr power plant, which was closed in 2019, has now become the site for the construction of a large-scale, 20 MW photovoltaic plant.

CONSERVE RESOURCES, MINIMISE EMISSIONS

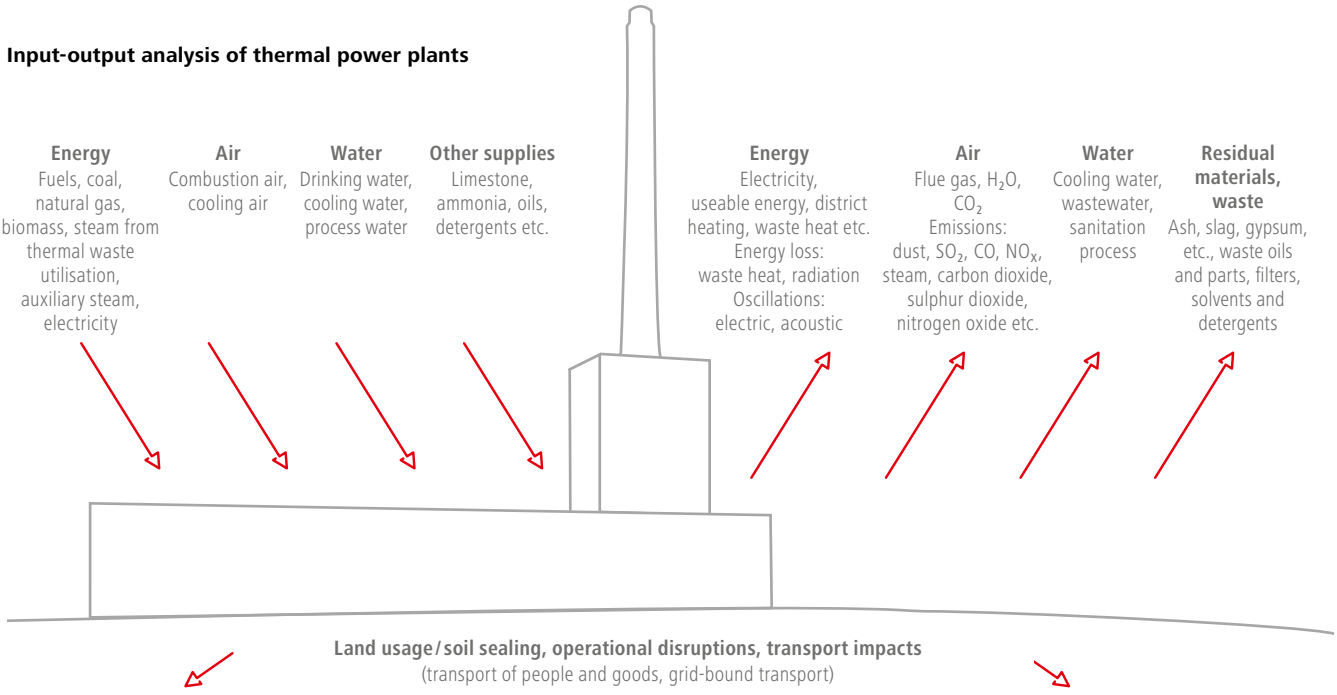
The minimisation of our natural resource consumption and emissions is an integral part of our strategy for EVN's sustainable success. This is also reflected in our materiality matrix, which defines "environmental protection" and "climate protection" as priority areas of activity. Where climate and environmental protection are involved, we engage in careful and conscious actions throughout all areas of our company. This chapter initially presents the facts and figures relating to both of these areas of activity and then follows with details on climate and environmental protection at EVN.

Environmentally and climate-friendly actions: an integral part of our activities

Our fundamental goals and values for the protection of the environment and climate are anchored in EVN's environmental policy statement. The environmental protection guidelines cover 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. The climate protection guidelines focus on the gradual system transformation towards climate-neutral energy generation combined with the protection of 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

Input-output analysis of thermal power plants



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 greatest possible 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. e-cars

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

The Executive Board and Supervisory Board receive information and guidance on environmental and sustainability issues from the 27 members of EVN's Advisory Committee for Environmental and Social Responsibility.

□ For information on the impact of business activities on society, the environment and the economy, also see page 23ff
○ Also see www.evn.at/Environmental-council
△ GRI indicator: GRI 102-31

Climate and environmental impact of our thermal power plants

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 power plants arises from the emission of the following air pollutants: CO_2, NO_x, SO_2, dust and CO. We use state-

REDUCTION BY HALF IN SPECIFIC CO_2 EMISSIONS FROM ELECTRICITY GENERATION BY 2030

The focus of political and social discussions has increasingly turned to climate protection in recent years. This has led to more ambitious climate goals and targets to fundamentally transform the European energy system. We are also committed to continuously questioning and updating our strategy for this area. This commitment to make an active contribution to reducing greenhouse gas emissions and containing global warming is underscored by our Strategy 2030 as well as by measures we have implemented in the past.

As an integrated energy supply company, one of our business fields is the generation of electricity. The key issue in connection with climate policy therefore involves the reduction of the resulting emissions:

- In Lower Austria, we are keeping operations at the Theiss gas-fired power plant going with 485 MW. 430 MW thereof are under contract as reserve capacity for the Austrian transmission network operator. The power plant will only be used as required to maintain network stability. The remaining capacity in the Theiss power plant (280 MW) and the Korneuburg gas-fired power plant (150 MW) were deactivated and conserved in October 2018 – and had a positive impact on our CO_2 balance.
- The other EVN plants which operate with natural gas include cogeneration and combined heat and power plants in Austria (18.5 MW) and Bulgaria (80 MW).
- In August 2019, electricity production at the hard coal-fired power plant in Dürnrohr was terminated before the end of its technical useful life in 2025. This will prevent roughly 3.6m t of CO_2 emissions.
- In Germany, we hold an investment of 49% in the Walsum 10 hard coal-fired power plant. The remaining 51% are held by STEAG, which is also responsible for power plant operations. Walsum 10 was commissioned in 2013 and is therefore one of the newest and most efficient power plants of this type in Germany. The law passed in Germany during 2020 which mandates the exit from coal-fired energy generation ("Kohleausstiegsgesetz") requires the shutdown of all coal-fired power plants by 2038. The shutdown of Walsum 10 before 2038 is an issue to be discussed jointly with our project partner STEAG. Based on EVN's consolidated revenue, the share of Walsum 10 is less than 3%.
- In line with our Strategy 2030, we intend to make massive investments in the further expansion of our renewable generation capacity during the coming decade. Our interim goal for wind power is to increase our capacity to roughly 500 MW by the end of 2023. We are also planning to substantially increase our photovoltaic capacity in our core markets of Austria, Bulgaria and North Macedonia over the near term.

These measures are expected to reduce the specific CO_2 emissions from electricity production by half below the 2005 level by 2030.

For information on the Strategy 2030, see page 19ff

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. The flue ash and coarse ash which result from incineration and flue gas cleaning processes are used by the cement and building materials industries.

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 and at the required discharge temperature. 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 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 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 16.96 MWh of primary energy for each gigawatt hour of electricity sold in 2019/20 (previous year: 25.72 MWh). The use of new technologies and 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 2019 calendar year was 45.4 GWh, which we met with a wide variety of measures such as the replacement of old heating equipment with new, more efficient heating systems and the installation of photovoltaic equipment.

GRI indicator: GRI 302-5

EVN's direct and indirect own energy consumption by primary energy sources		2019/20	2018/19	2017/18
Non-renewable energy carriers	MWh	5,347	5,516	5,817
thereof natural gas	MWh	4,947	5,198	5,295
thereof heating oil[1]	MWh	400	317	522
Renewable energy carriers	MWh	–	–	–
Electricity, heating and cooling energy	MWh	367,463	516,817	505,035
Total	MWh	372,810	522,333	510,852

1) Heating oil is used in North Macedonia and Bulgaria only.

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2019/20	2018/19	2017/18
Renewable energy carriers				
Biomass[1]	terajoule[2]	4,357	5,991	6,077
Non-renewable energy carriers				
Fossil fuels[3]	terajoule[2]	15,199	30,646	31,327
Non-renewable materials				
Limestone	t	15,552	27,491	27,303
Lime hydrate	t	419	340	343
Ammonia	t	243	897	957
Ammonia water	t	1,856	2,136	2,235
Demineralised water	m³	156,147	175,937	219,133
Lubricating oils	t	4	7	2
Hydrochloric acid	t	199	219	217
Sodium hydroxide	t	90	67	113
Dosing media	t	9	10	9
Rock salt	t	106	131	101
Precipitants	t	1,558	1,645	1,631
Flocculating agents	t	385	404	386
Urea	t	1	15	15
Other energy carriers				
Waste[4]	terajoule[2]	5,501	5,581	5,635

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) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

Material utilisation – network construction in Lower Austria[1]		2019/20	2018/19	2017/18
Additional power lines	km	334	251	356
Additional/less natural gas pipelines	km	–30	25	10
Additional heating lines	km	10	14	18

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

Measures to reduce energy consumption

The installation of a more efficient distance heating pump in Dürnrohr and the construction of a photovoltaic plant in Tulln reduced our direct energy consumption by roughly 260 MWh in 2019/20, which represents annual savings of nearly 90 t CO_2. In North Macedonia, photovoltaic equipment was installed at five district administrative centres during the reporting period. In total, they will save approximately 72 t of CO_2 each year.

We reduce our indirect energy consumption by using e-cars wherever possible, especially for short trips. Business travel is also being reduced by the increased use of video conferences and webinars.

Energy consumption outside the organisation totalled 27,091 MWh in 2019/20 (previous year: 27,224 GWh).

△ GRI indicators: GRI 301-1, GRI 302-1, GRI 302-2, GRI 302-4

OUR INFLUENCE ON THE CLIMATE AND OUR PROTECTIVE MEASURES

Emissions

As an energy company and environmental services provider, we see it as our responsibility to make a substantial contribution to the fight against climate change. This contribution involves, above all, the minimisation of emissions. Our 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.

Also see our core strategies on page 20f

Direct and indirect greenhouse gas emissions

The direct and indirect greenhouse gas emissions reported in this chapter were calculated according to the rules and 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 as well as inputs from the fuel analysis. Other biogenic CO_2 emissions are not taken into account because the possibilities for data collection are inadequate. In allocating emissions to the individual categories (scopes), we follow the recommendations in the Greenhouse Gas Protocol (GHG Protocol) issued by the World Resource Institute (WRI). The values shown always refer to the respective financial year.

The absolute volume of direct greenhouse gas emissions (Scope 1) equalled 1,343,529 t CO_2 in 2019/20, which represents a year-on-year reduction of 49.9% (previous year: 2,694,528 t CO_2).

GRI indicators: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-7

Scope 1 – Direct GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	571,257	1,447,646	1,526,667
Germany	t CO_2e	611,621	1,074,850	902,962
Bulgaria	t CO_2e	157,900	169,211	144,591
North Macedonia	t CO_2e	2,068	2,148	2,325
Croatia	t CO_2e	58	65	73
Russia	t CO_2e	626	608	682
Total	t CO_2e	**1,343,529**	**2,694,528**	**2,577,301**
	t CO_2e/GWh	**223.49**	**306.06**	**290.31**

1) EVN's direct emissions (Scope 1) include the CO_2 emissions from its own plants and facilities, which result from the use of primary energy carriers (hard coal, natural gas, heating oil) for energy generation and for its own use and transportation (fuels) as well as from gas network losses.
2) Calculation method: CO_2 emissions from electricity and heat production + own consumption for production; gas network losses of methane in CO_2 equivalents in accordance with the GHG protocol; the intensity is based on the entire electricity and heat production in GWh (=denominator).

Scope 2 (location-based) – Indirect GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	156,574	158,490	163,097
Germany	t CO_2e	6,419	6,483	6,768
Bulgaria	t CO_2e	211,958	237,627	252,836
North Macedonia	t CO_2e	690,743	723,909	714,066
Croatia	t CO_2e	7,832	7,765	7,834
Russia	t CO_2e	11,464	15,162	15,790
Other countries[3)]	t CO_2e	4,212	4,347	4,205
Total	t CO_2e	**1,089,202**	**1,153,781**	**1,164,595**
	t CO_2e/GWh	**54.97**	**57.91**	**63.25**

1) Indirect emissions (Scope 2) are emissions attributed to the production of the volumes of electricity and cooling used by EVN. In addition, electricity network losses have been included.
2) Calculation method: Conversion of electricity and cooling volumes into MWh based on the electricity mix of ENTSO-E, respectively a country-specific electricity mix; the total amount of electricity sold was used in the denominator in order to calculate the intensity.
3) Includes Cyprus and Slovenia

Scope 2 (market-based) – Indirect GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	17,925	40,111	49,346
Germany	t CO_2e	6,419	6,483	6,768
Bulgaria	t CO_2e	315,188	370,428	403,696
North Macedonia	t CO_2e	690,743	723,909	714,066
Croatia	t CO_2e	7,832	7,765	7,834
Russia	t CO_2e	11,464	15,162	15,739
Other countries[3)]	t CO_2e	4,212	4,347	4,205
Total	t CO_2e	**1,053,783**	**1,168,203**	**1,201,654**
	t CO_2e/GWh	**53.18**	**58.63**	**65.26**

1) Indirect emissions (Scope 2) are emissions attributed to the production of the volumes of electricity and cooling used by EVN. In addition, electricity network losses have been included.
2) Calculation method: Conversion of electricity and cooling volumes into MWh based on the electricity mix of ENTSO-E, respectively a country-specific electricity mix; the total amount of electricity sold was used in the denominator in order to calculate the intensity.
3) Includes Cyprus and Slovenia

Other indirect GHG emissions (Scope 3)[1) 2)]		2019/20	2018/19	2017/18
Total	t CO_2e	**8,570,126**	**9,589,886**	**9,352,980**
	t CO_2e/GWh	**317.93**	**352.51**	**362.37**

1) Scope 3 emissions include further indirect emissions, which arise in the supply chain (emissions from the extraction and transport of primary energy carriers) through the electricity and natural gas sold to and used by end customers and from the travel by EVN employees with public transportation.
2) Calculation method: Network sales volumes (adjusted for own generation; converted into CO_2 based on EVN's electricity mix) + natural gas sales (based on standard factors from the Austrian greenhouse gas inventory) + travel activity (CO_2 reported by travel agencies)

Intensity of GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Total CO_2 emissions	t CO_2e/GWh	**406.86**	**494.50**	**508.78**

1) Total specific emissions from Scope 1–3 in relation to the sales volumes of electricity and natural gas (19,813 GWh of electricity and 4,957 GWh of natural gas for 2019/20)
2) Upstream CO_2 effects from the primary energy carriers, calculated on the basis of the UNFCCC factors

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 a considerable potential in the expansion of CO_2-free generation capacity, especially wind power and photovoltaics. The installed capacity of 367 MW in our wind parks was responsible for annual CO_2 savings (Scope 1) of approximately 460,300 t in 2019/20.

Electricity production at the hard coal-fired power plant in Dürnrohr was terminated earlier than originally planned in August 2019. By terminating operations before the end of the plant's technical useful life in 2025, we will prevent roughly 3.6m t of CO_2 emissions (Scope 1) and thereby make an important contribution to climate protection in Austria.

GRI indicator: GRI 305-5

CO_2 emission certificates

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

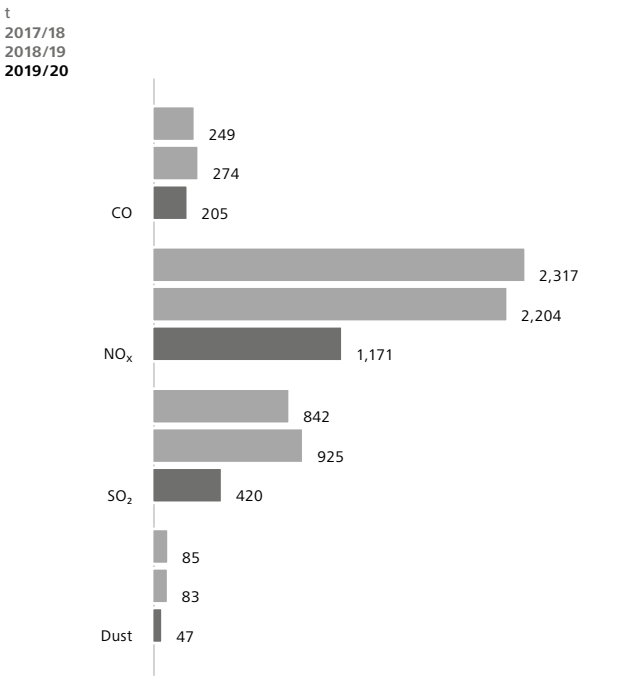
The gas-fired power plant in Theiss was under contract during the 2019/20 financial year as reserve capacity for the Austrian transmission network operator, but at a maximum volume of only 430 MW. We therefore conserved the thermal power plant capacity in Theiss and Korneuburg which was not covered by contracts as of 1 October 2018. Electricity production at the hard coal-fired power plant in Dürnrohr was also terminated earlier than planned in August 2019. CO_2 emission certificates were, as a result, only required in 2019/20 for electricity production at the gas-fired plant in Theiss as required 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 purchase all the required emission certificates on the wholesale market as required by the applicable regulations. This is confirmed by external auditors.

The required certificates for heat production are purchased on the wholesale market through EnergieAllianz Austria.

EVN needed 866,000 CO_2 emission certificates in 2019/20, whereby 11% were allocated free of charge based on the pre-defined CO_2 emissions for each plant.

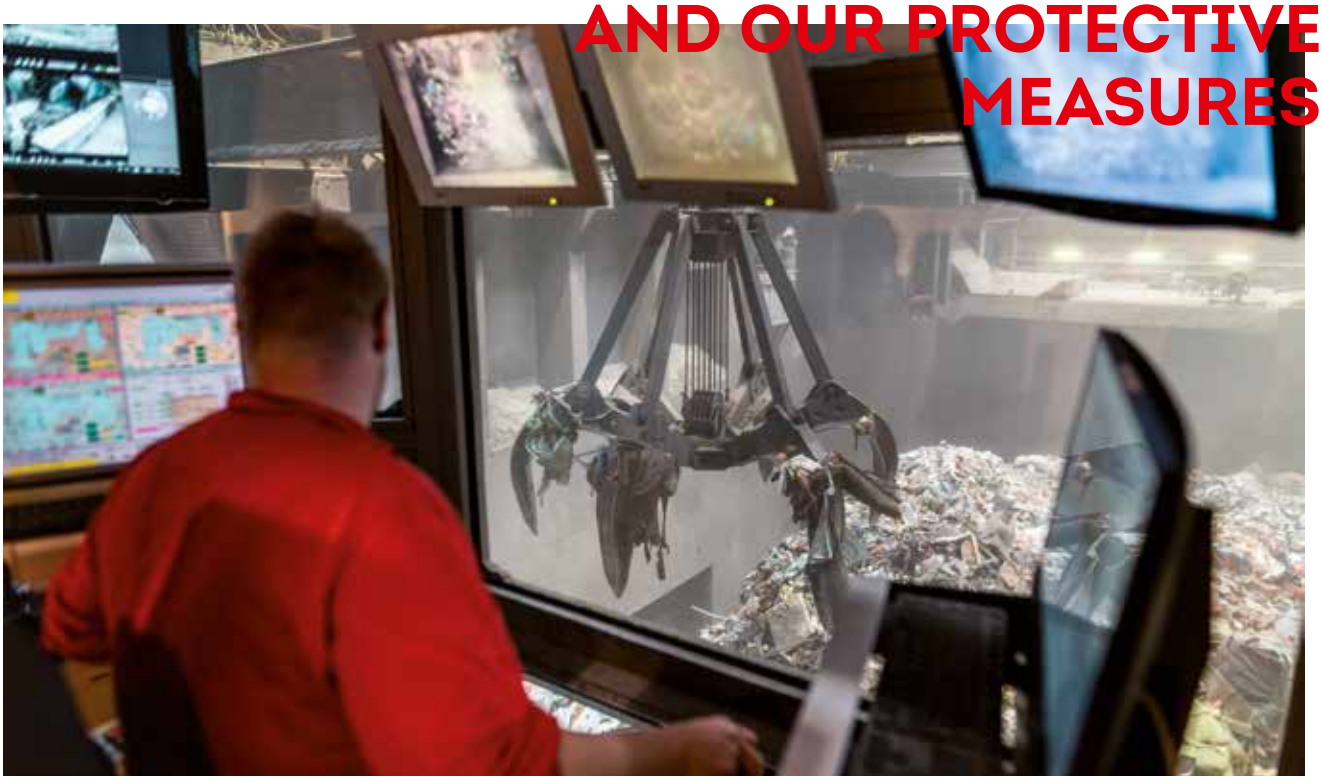
GRI indicator: GRI EU5

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.

OUR INFLUENCE ON THE ENVIRONMENT AND OUR PROTECTIVE MEASURES



Environmentally compatible waste management

Material and substance flows in the EVN Group are closely monitored and controlled to avoid waste, support recycling and ensure appropriate disposal. 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 2019/20.

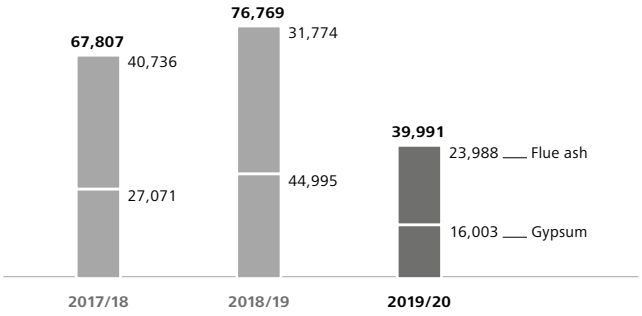
We utilise all flue ash and coarse ash from the coal-fired power plants, while roughly one-half of the biomass ash from district heat production is transferred to disposal firms and then utilised. The remaining amounts are deposited in a landfill in accordance with the applicable regulations. All environmentally relevant incidents are recorded in a standardised reporting system that covers the plants in Austria, Germany, Bulgaria and North Macedonia. Our company registered only one environmentally relevant incident in 2019/20: A transformer was damaged during its set-up, which led to the leakage of roughly 900 l of transformer oil. The contaminated soil and any still fluid oil were removed – under the supervision and control measurements of a specialist institution – and correctly disposed.

Development of waste quantities[1]		2019/20	2018/19	2017/18
Hazardous waste and residual materials	t	17,107	19,604	19,348
Non-hazardous waste and residual materials	t	261,541	237,346	267,224
Export of hazardous waste				
Hazardous waste	t	0	0	0

1) Without construction residue or power plant by-products

Utilised quantities of power plant by-products – Walsum 10 power plant

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.

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

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. More than 98% of 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 2019/20, the cooling water flow rate at our Lower Austrian thermal power plants totalled 153.1m m³ (previous year: 256.5m m³). This corresponds to 0.26% of the average annual volume of the Danube recorded at the Korneuburg gauge[1] (measuring point number 207241), which amounted to 59,581m m³ and remains clearly below the allowed threshold of 5%.

1) Source: "Austrian Hydrographical Annual 2017", Federal Ministry for Sustainability and Tourism

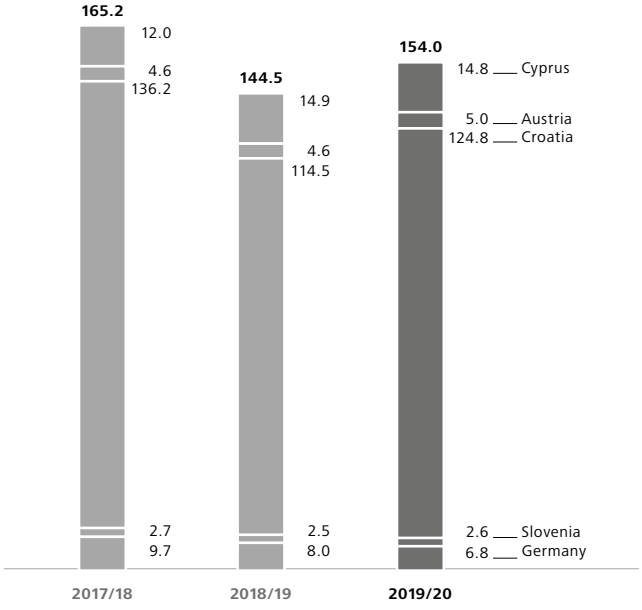
In cases where the type or quantity of a wastewater stream at one of our locations differs from ordinary household wastewater, we conclude contracts with sewage treatment plant operators based on the indirect discharge ordinance. These contracts contain detailed provisions for the allowable amount of 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 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.

In the area of wastewater disposal, WTE Wassertechnik treated 154.0m m³ of wastewater in its plants during 2019/20 with a mean purification performance of 72.1%[1] (previous year: 87.5%; 144.5m m³). The resulting sewage sludge is used partly for agricultural

Wastewater treated

m m³



Water[1] m m³			2019/20	2018/19	2017/18
Water withdrawn[2]	**Total**		**191.0**	**294.4**	**314.3**
	thereof by source	Surface water	155.1	259.7	279.0
		Groundwater	35.6	34.3	35.0
		Delivered water	0.3	0.3	0.4
Water released[2]	**Total**		**157.6**	**262.2**	**281.7**
	thereof by destination	Surface water	155.2	259.7	279.0
		Water released to third parties (municipal wastewater treatment)	2.4	2.5	2.7
	thereof by treatment	No treatment	155.2	259.7	279.0
		Treatment level – wastewater purification (municipalities)	0.2	0.2	0.3
		Treatment level – wastewater purification (EVN Group)	2.2	2.3	2.4
Water consumption[3]	**Total**		**33.4**	**32.2**	**32.6**

1) The treated water from our customers in the environmental services business is not included in the water balance.
2) All of the water withdrawn and released is fresh water (≤ 1,000 mg/l total dissolved solids).
3) Drinking water supplies from purified ground water by evn wasser

purposes and compost production and partly deposited in landfills or used to generate heat.

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

Successful project acquisitions for thermal sludge utilisation

EVN's long-standing experience in wastewater treatment and thermal waste utilisation, which ranges from planning and construction to the operation of these plants, has created a strategic advantage for us in a new field of business: sewage sludge utilisation. Through the construction of efficient and ecologically compatible plants for the thermal utilisation of sewage sludge, we want to close the circle of our activities in wastewater management and, in the future, make a contribution 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.

We are working to develop these market opportunities and acquired several projects in Germany during 2019/20. WTE Wassertechnik was commissioned to construct a thermal sewage sludge utilisation plant in Berlin-Waßmannsdorf. The customer Berliner Wasserbetriebe is responsible for drinking water supplies and wastewater disposal for Berlin and parts of Brandenburg. With a contract volume of approximately EUR 190m, the project covers the planning and turnkey construction of the plant. The share of WTE Wassertechnik in the project volume amounts to roughly 50%. Construction is expected to start in autumn 2021, and the commissioning is scheduled for 2025. Two other contracts in this business field were awarded to sludge2energy, a 50:50 joint venture between WTE Wassertechnik and Huber SE. These general contractor assignments in Hanover and Straubing have a volume of approximately EUR 40m and EUR 50m, respectively. In addition to these new orders, WTE Wassertechnik is working on the realisation of further projects in this area, specifically in Halle-Lochau in Germany, in Utena in Lithuania and in Tubli in Bahrain. We are also planning to construct and operate a thermal sewage sludge utilisation plant at our Lower Austrian energy location in Dürnrohr.

Biodiversity

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

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

As a result of our infrastructure – which consists primarily of power plants and networks – the potential impact of our business activities is chiefly related to habitats in the water and in the air. Hydropower plants can have

an influence on 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 the 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 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
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir

WITH EXPERTISE, EXPERIENCE AND COMPETITIVE ABILITY TO ONE OF THE MOST MODERN SEWAGE SLUDGE UTILISATION PLANTS IN EUROPE

Susanna Zapreva, CEO of enercity AG, a municipal energy supply and service company headquartered in Hanover, in a discussion on the thermal sewage sludge treatment plant which will be built by sludge2energy, a 50:50 joint venture by WTE Wassertechnik and Huber SE, as the general contractor.

Mrs. Zapreva, how would you judge the importance of the project for the construction of a thermal sewage sludge treatment plant for enercity AG and for the Hannover region?

Susanna Zapreva: enercity supports cities and municipalities in the environmentally friendly utilisation of their sewage sludge. The plant in Hanover will have a capacity to utilise the roughly 130,000 t of sewage sludge each year which results from the nearly 1.2m residents in the Hanover region. That means sewage sludge will be treated at the point of origin, in other words, without long transport routes. To protect the soil and groundwater, sewage sludge can no longer be used as fertilizer on agricultural areas. We see it as our obligation to create alternatives for the municipalities.

What goals is enercity AG following with this project?

In addition to solving the problem of sewage sludge for our communities, the project will also generate district heating. We are faced, here in Germany, with the challenge of ending the use of coal in the heating sector. And that means we need renewable heat. The project will contribute to meeting this goal. By 2030 we want enercity to generate roughly 75% of the district heating in Hanover from renewable energy.

What contribution will this project make to reaching regional climate and environmental protection goals?

We use sewage sludge from treated municipal wastewater as a renewable energy carrier in resource-friendly production. In the design of the plant, we are giving top priority to the overall energetic efficiency. The plant will not only generate climate-friendly electricity for our own needs, but also feed roughly 50m kWh of heat each year into the city's district heating network. In addition, the plant is a large-scale incineration facility which means we will also be able to recover phosphorous from the ash in the future.

What were your reasons for deciding in favour of the cooperation with sludge2energy?

It was an important objective to combine high district heating supplies with electrical self-sufficiency in this plant. That is why we decided to rely on a modern concept created by an experienced power plant operator. Through its network, sludge2energy has substantial know-how in sewage sludge drying and treatment. The decisive criteria in summary: expertise, experience and competitive ability. We look forward to a successful and goal-oriented cooperation to realise one of the most modern sewage sludge utilisation plants in Europe.

Susanna Zapreva,
CEO of enercity AG

»The protection of natural habitats and biodiversity has always been one of our top priorities.«

Stefan Zach,
head of information and communication

→ Joint project with the Association for the Protection of Great Bustards in Austria (continuation of the EU LIFE+ programme)
→ Species protection measures at selected wind power projects (e. g. joint concept with BirdLife to develop compensatory measures to create alternative habitats for birds)
→ Installation of fish bypasses at small-scale hydropower plants
→ Construction of nest platforms to protect the endangered white stork in Bulgaria and North Macedonia
→ Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants in North Macedonia
→ Participation in the LIFE EUROKITE project to protect the red kite in the northern region of Lower Austria

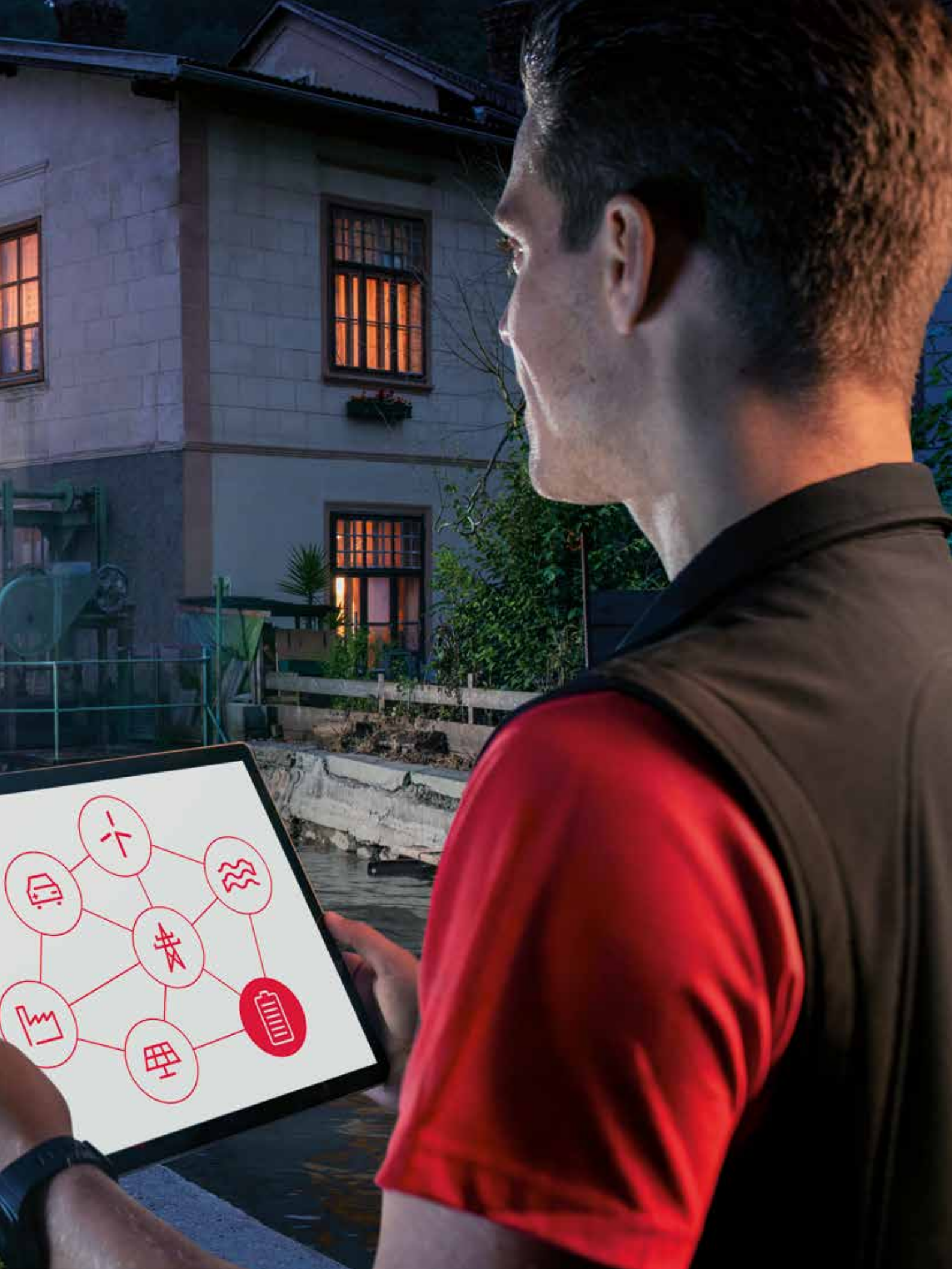
△ GRI indicator: GRI 304-4

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 2019

Category	Animals	Plants
Critically endangered	53	7
Endangered	80	19
Vulnerable	150	25
Near threatened	154	18
Least concern	1,395	704
Total	**1,832**	**773**

Regional energy supplies: The pilot project "Energy future Gölsental" supplies residents with electricity directly from the local small hydropower plant. For more information see page 97f

EYES ON THE FUTURE



INNOVATIVE APPROACHES FOR THE ENERGY FUTURE

Whether our activities involve the improvement of applications and services to increase customer benefits through the use of smart technologies, the implementation of new technologies to make our network operations more efficient and stable or new approaches to electricity storage: Innovation and digitalisation are always practically orientated and designed to increase EVN's competitive ability over the long term. As an innovative energy and environmental services provider, we therefore proactively test new solutions and concepts in our core business at an early stage. The projects are always selected with a view towards our major areas of activity, in other words supply security, customer orientation and environmental and climate protection.

These principles are clearly reflected in our recent projects: Examples include tests on the potential use of a large storage battery at a wind park, research projects to evaluate the effects of e-mobility on the low-voltage network and trials of innovative technologies to stabilise the distribution network. Our award-winning development joulie was introduced to the market and represents the heart of our product line of intelligent, digitally supported individual energy solutions. joulie makes it possible for private customers to plan and optimise their individual, decentralised electricity generation (photovoltaic equipment, battery, heat pump, warm water and e-mobility) online and also make money on the energy trading market. Their equipment becomes part of a virtual power plant and thereby makes an active contribution to the energy transition. joulie is directed to technically oriented prosumers and can be easily managed via smartphone app or web portal. Customers have full control over their systems at all times through a real-time overview of all key equipment data, components and energy flows (generation, consumption, battery charge level, grid feed-in, self-supply level).

Innovation and digitalisation play a central role in EVN's Strategy 2030. Consequently, the strengthening of the end customer business through steady digitalisation is one of our core strategies for the coming decade. In order to guarantee the successful realisation of these core strategies, the Executive Board and management meet several times each year at all-day innovation conferences to develop concrete measures and to assign and monitor specific task packages. The environment and climate as well as their implications for strategic measures are also regularly part of the agenda for these management conferences.

People always form the focal points for the development and realisation of innovation projects at EVN. Our design-thinking process therefore combines technological feasibility, economic marketability and consumer appeal and evaluates these factors together. A cooperative approach is an important part of this work: The Executive Board and mid-level management are key partners in the innovation process and the most important mentors and

EXPENDITURES FOR INNOVATION, RESEARCH AND DEVELOPMENT PROJECTS

In 2019/20 we spent EUR 2.0m (of which 17.3% was financed through public subsidies; previous year: EUR 1.2m) on innovation, research and development projects.

Also see page 143

supporters for the implementation of innovative solutions. This process operates in two directions by unifying the top-down inputs from the management level with the bottom-up solution approaches supplied by employees. The staff department for innovation, sustainability and environmental protection, which reports directly to the Executive Board and serves as the anchor for innovation management in the EVN Group, regularly collects inputs on specific areas of action from the management level and, through various innovation instruments, makes it possible for employees to actively participate in the innovation process and contribute to the company's development.

In addition to the interdepartmental teamwork between experts from various specialist areas and disciplines, cooperation with external research and scientific partners, e. g. from the academic sector, has proven to be a success factor for many projects. The following section provides a selection of our current activities and projects:

Green Energy Lab

EVN is a founding member and active participant in the Green Energy Lab, Austria's largest innovation project to date for green energy. 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. These solutions can then be tested by the energy companies' five million customers. The Green Energy Lab has a budget of EUR 150m, and EVN is currently responsible for two major projects:

Regional renewable energy cells

The European research project R2EC (Regional Renewable Energy Cells), which includes partner organisations from Norway, Belgium and Austria, was established to simulate decentralised, renewable energy-based energy cells and to test relevant technologies. Three sample energy regions in Austria were selected for this project: Real consumption data will be collected at these locations and the contribution made by regional energy cells to a successful energy transformation will then be examined.

The project is directed to increasing the share of renewable energy in local energy collectives. The goal is to provide the regions with autonomous supplies of local renewables, which, at the same time, contribute to covering consumption in other regions. In other words: Electrical energy should be used where it is generated, and it should be used when it is available in sufficient supply. In order to reach this goal, available flexibility must be used more intensively, and additional flexibility must be created with the help of storage. This approach will create regions that can be supplied up to 100% with renewable energy.

The first step in the project is to maximise the use of renewable energies at the local and regional levels through the targeted interaction of generation, storage and consumption. At the cross-regional level, the intelligent coordination of regional energy cells can also make a sustainable contribution to optimising and increasing the resilience of the entire system. This will underscore the role of users, who are increasingly electricity producers as well as consumers in the renewable energy landscape, as an active part of the value chain.

Entirely in the sense of the energy future and the European Union's new guidelines from the Green Energy Package, the project is attempting to measure and analyse these energy cells in a first step and, later, to implement suitable measures to reach the above-mentioned goals. These measures include, for example, the creation of suitable generation and consumption equipment as well as targeted load management.

"WE ARE CONTINUOUSLY RECHARGING OUR PRODUCTS WITH NEW BENEFITS FOR OUR CUSTOMERS."

kabelplus GmbH has become one of the leading providers of Internet, TV and telecommunication solutions in Lower Austria and Burgenland since its founding in 1978. The decisive factors for this success are the company's high innovative strength and commitment to uncompromising quality.

Providing supplies of elementary resources like energy and water form the core of EVN's business. However, another product essential for everyday life has joined this group over the past four decades and is becoming more and more important: digital supplies of Internet, telephone services and TV for households and companies. The expectations on these services are rising steadily because new technologies like streaming, Internet telephony and cloud solutions as well as the growing number of end devices require constantly increasing bandwidths.

Consequently, a central responsibility of kabelplus is to provide high-performance infrastructure. This EVN subsidiary invested roughly EUR 21m alone in 2019/20 in glass fibre technology and the expansion and optimisation of its networks. "A solid infrastructure from the backbone to our customers' living rooms is the basis for our success on the market", explains Gerhard Haidvogel, managing director of kabelplus. "When we promise a customer a certain bandwidth, that is exactly what he gets."

kabelplus currently services roughly 110,000 television customers, 90,000 Internet customers and 70,000 telephony customers in Lower Austria and Burgenland. Included here are numerous companies which are provided with specially designed Internet and telecommunication solutions by kabelplus.

Wolfgang Schäffer, managing director of kabelplus, explains: "From Voice over IP to virtual telephone equipment as well as highly secure corporate networks and the required hardware, we compile an individual package for each of our business customers to meet their special requirements." The company's outstanding technical support has also proven to be extremely valuable, not least during the corona-related lockdown: On very short notice, the kabelplus technicians adjusted the bandwidths to meet the new demands created by home office – and helped their customers continue with smooth communications.

kabelplus private customers also benefit from the high demands on customer service and specially designed products. Customer benefits are also the focus here and are reflected in the steady stream of new products, expanded applications and improved performance provided by kabelplus. "Each of our customers can select from a variety of offers, most of which can be purchased online or directly via their TV set", adds managing director Wolfgang Schäffer. "From cable television, telephone services and the Internet to the installation of a WLAN network at home, we deliver everything on request from a single hand."

The continuous development of the portfolio to the newest standards allows kabelplus to protect its state-of-the-art technology. That is a positive factor for new customer acquisition and also creates long-term ties between the company and its existing customers.

» **High-performance, cable-linked Internet** will also remain part of our **daily lives in the future.** «

Wolfgang Schäffer and Gerhard Haidvogel,
managing directors of kabelplus

Innovative television offerings are also part of this portfolio. Magic TV, for example, allows customers to view the programmes on 90 TV stations for seven days. "With this and many other exclusive offerings, we are continuously recharging our products with new benefits for our customers", remarks Wolfgang Schäffer. And managing director Gerhard Haidvogel adds this comment with a view to the future: "The corona crisis and the resulting lockdown underscored the importance of a high-performance, cable-based Internet. The demands on our network will increase steadily in the coming years. And only when we continue to develop can we meet these demands – now and in the future."

EVN's specific responsibility is the design, testing and measurement of a renewable energy cell in the Tulln region together with selected end customers and prosumers who utilise their own decentralised generation equipment. All participants were supplied with the joulie optimisation assistant, which represents a key element for the integration of local renewable generation. Electricity can then be primarily consumed, consistent with local flexibility, when renewable generation is possible within the energy cell. This will balance generation and consumption and, in turn, improve supply security.

Open Data Platform

The Open Data Platform (open data platform for research in the energy sector) is a central interface in the Green Energy Lab – as such, it represents the collecting point for all project results. It provides users with easy access to comprehensive relevant data from the energy sector.

The project's goal is to consolidate findings and insights on connections in the energy systems. Users from households, small and medium-sized businesses, in particular, will benefit from this project in the future. The data collected from end users provides information on equipment with high energy consumption (e. g. heat pump systems, warm water boilers or e-charging stations) which creates a better understanding for energy costs. Efficiency data from photovoltaic equipment is also collected. The analysis of the user's consumption patterns and load flows also serves as the basis for developing forecast models, which represents an important step to better address the flexible needs of end users in the future.

Another focal point of the Open Data Platform is the development and testing of methods to increase the acceptance of innovative technologies. This will involve the active and gradual integration of end customers in the digitalisation of the energy system. The information gained from this project will be condensed into specific recommendations for the various players in the energy sector.

EVN, as the only industrial partner in this project, is the central interface for the individual participants. Each of them receives a joulie optimisation assistant which visualises the energy flows from the locally generated energy in the individual users' households, increases the own consumption rate and makes it possible for participants to operate on the energy market.

In the Open Data Platform project, we place particular importance on interaction with the participating customers to ensure the customer-friendly design of the systems required for the increasing integration of renewable energies and to make a further contribution to sustainable supply security.

» With our know-how as a network operator, we are the **ideal partner for the development of decentralised energy generation.** «

Dominik Jarmer,
EVN project manager "Energy Future Gölsental"

Pilot project for regional green electricity generation

In the southern region of Lower Austria, we are currently realising a pilot project to test the future of regional green electricity supplies. This approach coincides with the future vision that is also pursued by the European Union in its energy and climate policy and is anchored as a concrete measure under the term "renewable energy collectives". These collectives are intended to facilitate the direct use of regionally generated energy and, in doing so, support the decentralised expansion of renewable energy. Consequently, this concept is also included in the Austrian federal government's draft of the Renewable Energy Expansion Act which is expected to take effect in January 2021. The principle of origin and the regional short supply chain principle, which have already been fully established for many ecologically sustainable products like food, will now be applied to the energy sector and support the attainment of European and national climate goals.

The initial basis for our pilot project involves the extensive modernisation of the Steinwandleiten small hydropower plant near St. Veit an der Gölsen, which was built in 1893. Starting in November 2020, roughly 160 households which are located directly near this hydropower plant and therefore part of the same local network, will be able to meet their energy requirements directly with locally generated, CO_2-free electricity. Using electricity in this manner, directly from the source, is also expected to create monetary advantages for the energy collective: Network fees and charges can be saved because there

NATURAL GAS GOES GREEN

In today's transformation of the energy system, gas plays a much more important role than frequently assumed. Green hydrogen has long been hyped as a solution for the storage of surplus wind and solar energy, and green natural gas is also becoming increasingly popular. RAG Austria AG, an EVN subsidiary, has been one of the leaders in the development and testing of the technology required for the generation and storage of green gases for many years.

"The use of gas is no longer viewed as a bridge technology, but as an essential element of the future energy system", explains Markus Mitteregger, CEO of RAG. The company – which started as a crude oil and natural gas producer – has been active, above all, in gas storage for more than two decades. "In other words, widespread supplies of gas are not an outdated but a future-oriented model. The only thing that will change is the composition of the gas. And that is very good news for both RAG and EVN."

Markus Mitteregger, CEO of RAG

Green hydrogen, …

One important building block in this transformation is hydrogen, which is produced by electrolysis from water with the help of wind or solar electricity that is currently not used (power-to-gas). Electricity is extremely difficult to store in larger quantities at the present time, but this is an easy task for hydrogen. And this also solves the most important open question of the energy transformation, namely compensation for the volatile generation of energy from the wind and sun which often fails to match the demand for electricity. The stored gas can be converted back into electricity when it is needed or fed into the existing natural gas network. These gas storage facilities are, so to speak, the country's "batteries".

… stored in depleted reservoirs, …

"We have stored natural gas underground in depleted reservoirs since 1995, and it was convenient to also try this procedure with hydrogen", explains Markus Mitteregger. "After several years of intensive preparations, we opened 'Underground Sun Storage', our first pilot plant north of Vöcklabruck, in 2013. The project proved to be a full success because it demonstrated that a 10% share of hydrogen could be stored in RAG's natural gas facilities without any technical problems."

… and green natural gas

This pilot project also led to another conclusion: "We discovered that the microorganisms living in the pore space of the sandstone reservoirs can produce green methane from hydrogen in connection with CO_2 – green because the CO_2 comes from the atmosphere or from industrial processes and the resulting gas is therefore CO_2-neutral." A second RAG pilot plant, which is focused on gas conversion, started operations in Upper Austria in 2018 under the name "Underground Sun Conversion". Leading universities and major energy companies are involved in both research projects.

The world's first pure hydrogen storage facility

The positive results from these projects formed the basis for RAG's current realisation of "Sun Storage 2030", the world's first pure hydrogen storage facility with a capacity of 1.6m m³, in the Upper Austrian municipality of Gampern. That represents a storage volume of roughly 5 GWh. Markus Mitteregger: "The project is scheduled to start full operations in 2025 after a test phase and includes EVN together with other companies like Verbund and voestalpine. They all share a natural interest in innovative solutions for tomorrow's environmentally friendly energy supplies."

RAG Austria AG

With roughly 6.3bn m³ of storage capacity, RAG, which was founded in 1935, is the largest natural gas storage company in Austria and the fourth largest in Europe. EVN acquired its investment in RAG in 1992 and now holds a share of 50.03%. The company, which was originally involved in crude oil and natural gas exploration and production, built its first natural gas storage facility in the Upper Austrian municipality of Puchkirchen in 1982 and has expanded this business area steadily since that time. Its customers include EVN, Wien Energie, Salzburg AG and Linz AG as well as numerous international customers.

Active innovation …
The same also applies to the EU, which is planning substantial investments in the development of hydrogen technologies as part of its Green Deal to make Europe a forerunner in this area. RAG, which enjoys a reputation as a pioneer in the branch due to its successful pilot projects, plans to present a number of ideas and projects.

… and continued expansion
RAG's vision, parallel to the further expansion of renewable electricity generation in Austria and Europe, is to make hydrogen storage marketable. "That could exceed 4bn m³", comments Markus Mitteregger. "The increase in wind and solar energy will create added storage requirements. Our continued success as an independent storage company depends on our remaining on the cutting edge of technology and protecting our leading position in capacity. Because the storage of large volumes is the central success factor for hydrogen."

If the available volume of green hydrogen increases, it could soon be added to the gas in the general supply network – which is not really a new idea. Markus Mitteregger: "Natural gas supplies in major population centres started exactly that way in the 19th century: The "city gas" used at that time consisted of hydrogen combined with methane, carbon monoxide and CO_2. That worked well and will do so once again. And it will allow us to use the available gas infrastructure over the long term."

The progress made with hydrogen also opens new, more environmentally friendly ways for the use of conventional, fossil natural gas: Natural gas can be split emission-free into carbon and hydrogen through so-called pyrolysis which, in turn, can be used for CO_2-free energy generation. Moreover, carbon is a valuable component of many modern materials – and that closes the circle.

Markus Mitteregger: "Our concentration on these future-oriented technologies exactly fits with our traditional role: Through innovative gas technologies and intelligent storage, RAG makes sure its customers and, in turn, also their customers are supplied with gas exactly when it is needed. And the nice part of all this: It's not a future vision but lived reality."

is no need to transport the electricity over cross-regional power lines. This procedure is also simulated in the project. If the small hydropower plant is unable to completely cover electricity requirements on individual days, we make sure the required supplies can be delivered, as usual, over our cross-regional distribution network. And the members of the energy collective Gölsental can access the details on their electricity consumption at any time via our online portal and receive a transparent overview of the share of their electricity consumption generated locally by the small hydropower plant.

Comfort and efficiency gains through digital applications

When we speak about innovation and digitalisation, another important objective is to make the various aspects of business relationships with our customers more up-to-date and easier to understand and use. The interdisciplinary project "digital new connection" digitalised the process for new electricity connections and developed a more modern, customer-friendly process. Customers can now enter the relevant data for their network connection contract directly via the online customer portal operated by Netz Niederösterreich GmbH. They are supported in this process by input assistance, Google Maps and an intuitive user interface.

We also accompanied and implemented a further digitalisation project in line with the principle of human-centred innovation: digital inspection results for natural gas. Here, we were also able to realise a substantial improvement in efficiency with the digital implementation: Up to 25,000 of these legally required inspections will now be processed digitally each year. Tools, training videos and FAQs for the newly developed app have been prepared for interested consumers and future users. This will substantially reduce the effort for Netz Niederösterreich GmbH.

△ Company-specific additional indicator

TRANSPARENT AND DIALOGUE-ORIENTED

Successful project communication in Klosterneuburg: Jochen Förster-Kugler (EVN), Stefan Schmuckenschlager (mayor of Klosterneuburg), Johann Birnbauer (EVN). For more information see page 103

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 the creation and maintenance of an appropriate and equitable consideration of the diverse concerns our stakeholder groups share with us. This is reflected in the importance given to a 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 activity. Various stakeholder groups were also involved in the preparation of this full report, for example the Supervisory Board, Executive Board, employees, customers and a representative of EVN's Customer Advisory Board.

For details on stakeholders and the EVN materiality matrix, see page 16f

GRI indicator: GRI 102-43

Project-related stakeholder dialogue

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

Project communications – meaning project-related stakeholder management and dialogue – has been 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. Ecological and social aspects are included in the development of all our projects from the very beginning.

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	+	+	+	+	+

Our extensive dialogue is intended, in particular, to support the following goals:

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

The insights gained through stakeholder communications regularly flow into the due diligence audits that are conducted before the start of every project. These audits also represent an integral part of internal decision-making processes by the Executive Board and/or the Supervisory Board, depending on the scope of the project.

△ GRI indicator: GRI 102-29

STAKEHOLDER MANAGEMENT WITH INSTINCT

At the end of October 2020, EVN commissioned a new biomass heating plant in Klosterneuburg which will supply up to 14,000 households with "green heat" from regional raw materials. The development of the necessary distribution infrastructure involved extensive construction and, consequently, substantial complications for the local population. And the construction of a heating plant also doesn't always enjoy wide-ranging acceptance. However, cooperation with citizens' groups and active communications helped EVN win over residents for this project.

The construction of a biomass heating plant in Klosterneuburg is a project with special challenges. Strictly speaking, two major infrastructure projects are involved: On the one hand, the heating plant itself, which was built in the Klosterneuburg commercial zone and commissioned at the end of October 2020. On the other hand, EVN is installing a pipeline network that will extend to the neighbouring community Maria Gugging after it is completed in 2023 and which requires extensive excavation at a depth of at least 80 cm over the entire length of 16 km directly through Klosterneuburg. "Of course, these types of construction projects are also an endurance test for Klosterneuburg residents and for the motorists faced with large detours", explains mayor Stefan Schmuckenschlager. "Together with EVN, we communicated the benefits of this future-oriented project early on – we will be saving at least 10,000 t of CO_2 per year – and our residents were prepared to accept the inconveniences from the very beginning."

Before the local population was informed of the construction project, EVN organised extensive presentations for the responsible community board and the Klosterneuburg community council in autumn 2016. Stefan Schmuckenschlager: "We successfully convinced the community representatives of the long-term benefits of the heating plant for the entire region. In the end, all parties supported the project." With the necessary political backing, EVN then proceeded to inform the public. On two dates – one before the start of pipeline construction and the second prior to preparations for the heating plant – extensive, easily understood information was provided on the project. EVN employees and external experts were available to answer questions and address residents' concerns in detail and personally through one-on-one discussions.

The success of this active stakeholder dialogue in Klosterneuburg was also reflected in one very special feature for a major project of this type – not a single objection was raised during the approval process for the project.

In addition to the openness to dialogue, EVN's regional roots also played a role in the project communication, emphasises Stefan Schmuckenschlager: "Both EVN's project manager Johann Birnbauer and Andreas Ducho from Netz Niederösterreich GmbH have worked in this region for many years. They not only know the active players in the community, but also have a feeling for the local population's concerns."

The communication measures were, and still are, accompanied by up-to-date information that is regularly published in various regional media – for example in the local newspaper, the community's website, the official gazette or a community newsletter. That is also important – good information for involved residents is key to maintaining a positive attitude towards the project. "When you want someone to understand something, you must first make sure he or she feels understood", summarises Jochen Förster-Kugler, EVN's project communication manager, on the principle of good stakeholder communications.

Construction of a biomass heating plant in Klosterneuburg

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 manager, 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 402-2

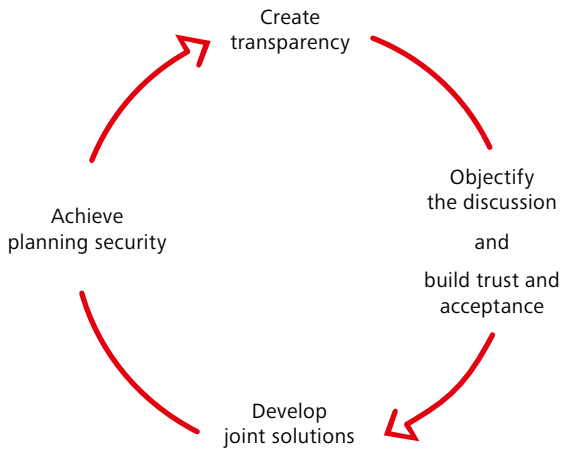
Support for interest groups and initiatives

We play an important role in the functioning of public life and the economy through the operation of our infrastructure and 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

Our premises for successful project communication



Social commitment

We place great value on our regional roots in all countries where we are active and are aware of the resulting great 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 introduced free-of-charge workshops for schools in March 2020. External experts take these opportunities to explain the safe use of digital media and, in this way, strengthen the students' digital competence. The offering covers four workshops on the following subjects:

- Safe navigating on the Internet
- Netiquette and cyberbullying
- Fake news
- Online behaviour and energy use

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

We spent a total of TEUR 659.6 in these three countries during 2019/20 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).

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 and for volunteer fire-fighting brigades.

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 2019/20, the fund supported 17 projects with a total of TEUR 129.1.

Also see www.evn.at/social-fund

Charitable initiatives in South East Europe: In Bulgaria, we provide regular support for the realisation of projects in the general interest, for example through contributions to outfit classrooms in schools or donations to the Bulgarian Ministry of Health to better master the crisis caused by Covid-19.

We also support the healthcare sector in North Macedonia with donations in kind, for example in the form of medical equipment. In view of the corona pandemic, support for hospitals was a recent focus of our activities.

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 meant 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.

We also identified the targets and measures that currently make a tangible contribution to reaching the 17 Sustainable Development Goals (SDG) set by the United Nations. The following section shows the assignment of the identified targets and measures to the respective SDG.

The EVN materiality matrix: see page 17

For information on the SDG and the individual targets, also see https://sustainabledevelopment.un.org/sdgs

Corporate goals by area of activity (excerpt)

Supply security

Target: maintain the Group coverage ratio at 30% of electricity sales
→ Status: 19.1% own coverage in 2019/20 (previous year: 28.1%)

Target: maintain high network quality and low disruption times in spite of the increasingly volatile and decentralised generation capacity on the market
→ Status: minimal downtime in industry comparison (2019: 20.10 minutes; 2018: 23.99 minutes – Austrian average 2019: 36.79 minutes; 2018: 31.47 minutes)

For information on electricity disruptions, also see pages 42 and 45

Climate protection

Target: expansion of wind power capacity to 500 MW by 2023
→ Status: installed capacity of 367 MW as of 30 September 2020 (previous year: 367 MW)

Target: increase in renewable generation to 50% of total electricity production
→ Status: 59.5% of energy generation from renewable sources in 2019/20 (previous year: 41.4%)

Attractive employer

Target: continuous reduction of the Lost Time Injury Frequency Index (LTIF); attainment of a very good level in industry comparison
→ Status: LTIF in 2019/20: 2.8 (previous year: 4.3)

Target: digitalisation measures for crisis-proof jobs with a reliable and stable employer
→ Status:
- Further development of mobile working hour model in 2021
- Digitalisation of training and educational programmes through e-learning modules and webinars; 25 e-learning courses (previous year: 7) and five webinars (previous year: 3) were held in 2019/20.

EVN has defined the following project targets and implemented the following measures, among others, to meet these corporate goals:

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Supply security				
→ Supply security for customers in electricity, natural gas, heat and water	→ Regular monitoring of networks to protect supply security → Adequate dimensioning and quality assurance for network expansion to safeguard long-term supply security	Annual investments of roughly EUR 200m in network infrastructure by Netz Niederösterreich GmbH	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Protection of drinking water quality	→ Quality improvement through water softening	Continued focus on construction of natural filter plants to reduce the water hardness by natural means	→ Construction of natural filter plant in Petronell-Carnuntum in January 2020	→ SDG 6 Clean water and sanitation (6.3)
→ Protection of supply security during system conversion to renewable energy	→ Investments in network expansion to integrate renewable generation	Continuity in investment strategy – continuation of investment offensive for network infrastructure	→ Continued strong focus on maximum availability of supplies and services	→ SDG 7 Affordable and clean energy (7.1, 7.2)
	→ Expansion and new construction of cross-regional drinking water networks to cover demand peaks	→ Expansion of cross-regional drinking water networks – investments of EUR 165m; roughly 300 km of additional transport pipelines (by 2030) → Start of construction in 2020 on a 60 km transport pipeline from Krems to Zwettl	→ Ongoing	→ SDG 6 Clean water and sanitation (6.3)
	→ Integration of additional decentralised generation capacity for network stabilisation	Continuity in investment strategy – continuation of investment offensive for network infrastructure	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure (9.4)
Environmental protection				
→ Protection of the red kite in Weinviertel region	→ Participation in LIFE EUROKITE project → Underground installation of power lines in areas inhabited by red kites	Project start: summer 2020	→ First project meeting in 2020	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Protection for sea eagles during breeding season in Carnuntum nature reserve	→ Early completion of construction on expansion of Petronell-Carnuntum pipeline to protect the sea eagles' breeding season in the nature reserve	Construction completed in January 2020	→ Completed	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Protection of endangered bird species in the region surrounding Burgas, Bulgaria	→ Application to participate in an EU-LIFE project for the protection of endangered bird species through the installation of underground power lines	Decision on subsidy in 2021	→ Project application filed	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of fossil energy carriers	→ Purchase of electrical slag feeder robot (to replace diesel-driven equipment) for the thermal waste utilisation plant in Dürnrohr		→ Installation in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Protection of environment during network expansion		Ongoing measure	→ Ongoing	→ SDG 12 Responsible consumption and production
→ Recycling of material excavated during network expansion → Detailed restoration of surface area after construction	→ Correct disposal of surplus material	Ongoing measures	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Efficiency improvement at thermal waste utilisation plant in Dürnrohr	→ Improvement in plant efficiency through continuous process optimisation	Continuous process optimisation	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Focus on environmental management systems	→ Certified environmental management systems in generation units → Internal environmental management in other areas	Continuation (expansion in heat business, continuation in power plants despite operational interruption)	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions at thermal waste utilisation plant in Dürnrohr	→ Upgrading to improve separation of heavy metals at the wastewater treatment plant in view of future technical regulations → Optimisation of firing control system		→ Implemented in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions by the 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 dust emissions at the thermal waste utilisation plant in Dürnrohr	→ Modification of ash loading at silos 1 and 2; additional dust filter for ash loading and exchange of discharge screw conveyor in silos 1 and 2		→ Implemented in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions from household sector	→ Reduction of emissions from household sector through construction of new heating plant by EVN Wärme	Cogeneration plant Krems power plant, Klosterneuburg heat and district heating plants, Langenlebarn district heating plant in planning	→ In planning	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Climate protection				
→ Medium-term increase in wind power capacity from current level of 367 MW to 500 MW by 2023	→ Construction of wind parks	Construction of wind park in Kettlasbrunn, further wind power projects in preparation	→ Ongoing	→ SDG 7 Affordable and clean energy
→ Wide-ranging installation of conventional and non-conventional photovoltaic capacity	→ Implementation of EVN Solar Initiative: introduction of a photovoltaic contracting model for municipalities as a contribution to a renewable energy future → Planned testing of floating photovoltaics as part of a research project → Development of a photovoltaic citizens' participation model	34 plants already constructed; citizens' participation model developed in 2020	→ 18 additional plants in planning	→ 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 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 → Gradual conversion of EVN motor pool to e-mobility	→ Over 400 EVN loading stations with 1,100 online loading points in operation – and the trend is increasing → Use of over 6,400 online loading points at more than 2,000 locations with the EVN fuel card – and the trend is increasing → 67 e-vehicles in EVN motor pool → Six additional e-cars planned for 2020/21	→ Ongoing	→ SDG 13 Climate action → SDG 17 Partnerships for the goals

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Energy efficiency measures at EVN Wärme – Coverage of own electricity requirements with photovoltaics – Improved use of heat in district heating plants – Reduction in pump current	→ CO_2-free coverage of own electricity requirements through construction of a photovoltaic plant (183 KWp, electricity production of 185 MWh/a) at the Tulln district heating plant → Adjustment of the transformer stations in Mödling and Baden → Network optimisation at district heating plants in Mödling and Baden → Reduction of return flow temperature → Network optimisation in Mödling and Baden → Differential pressure measurements in Mödling and Baden		→ In planning	→ SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land
→ Installation of photovoltaic equipment at the heat power plant locations to increase energy efficiency	→ Construction of a photovoltaic plant on the former coal storage area at the Dürnrohr power plant → Construction of a photovoltaic plant on the landfill area and the expansion of equipment at the Theiss power plant		→ Completion planned for 31 December 2021	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land

Sustainable increase in corporate value

→ Create greater awareness for compliance issues throughout the EVN Group	→ Organisation of a Group-wide digital Compliance Cup → Revision of Group-wide compliance guideline → Development of a medium-term plan for compliance measures	Group-wide implementation in June 2020; programme runs up to 31 December 2020; implementation by 31 December 2020	→ Start of second phase of Compliance Cup	→ SDG 16 Peace, justice and strong institutions
→ Focus of all EVN procurement processes on sustainability	→ Further development of EVN procurement portal	Publication of all tenders > EUR 10,000 in the procurement portal	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Dividend policy directed to holding the absolute amount of the ordinary dividend at least constant at EUR 0.49 per share				
→ Sustainable financing of projects for the transformation of the energy system to renewable generation	→ Registered bond or private placement in bond format; fixed interest rate, annual interest payment, bullet repayment	Green promissory note loan placed with institutional investors to support the expansion/transport of renewable generation	→ Autumn 2020	→ SDG 7 Affordable and clean energy

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Innovation and digitalisation				
→ Further development of business model to integrate digitalisation	→ Gradual introduction of automated controls for internal and external equipment		→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Focus of R&D activities on digital innovations for the system transformation towards renewable energies	→ Development of a networking and integrating approach for several thousand decentralised users, producers and storage facilities who/which will be linked and interact bidirectionally and interchangingly through the virtual power plant that will be increasingly dominated by renewable energies in the future	Implementation through projects "GEL Open Data Platform" and "Regional Renewable Energy Cells R2EC"	→ GEL Open Data Platform in implementation from October 2018 to October 2021 → R2EC in implementation from May 2019 to May 2022	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure
→ Establishment and further development of flagship region Green Energy Lab	→ Establishment of the flagship region with a cross-national and cross-branch innovation laboratory of over 100 participants from industry and research → Annual planning and realisation of interdisciplinary R&D projects with a focus on sustainable energy systems		→ Ongoing	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 17 Partnerships for the goals
→ Digitalisation for end customers and external partners	→ Optimisation and/or redesign of key customer processes based on customer-centred innovation	Realisation of projects "digital new connections" and "digital inspection results natural gas"	→ In implementation	→ SDG 9 Industry, innovation and infrastructure
→ Increase in internal digital expertise	→ Establishment and further development of an interdisciplinary data lab and a data science community	Development of a process to implement data-based projects in April 2020	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Increase in customers' digital expertise	→ Development of an online course for the "safe use of the Internet" by kabelplus	Implementation in May 2020	→ Completed	→ SDG 9 Industry, innovation and infrastructure
→ Activities to increase digital expertise of schoolchildren in Lower Austria	→ Organisation of workshop "Online@Sicher" with kabelplus for young people covering "safe use of the Internet", "netiquette and cyber-mobbing", "fake news", "Internet use and energy consumption"	Start at Lower Austrian schools in March 2020	→ Expansion to Burgenland planned	→ SDG 9 Industry, innovation and infrastructure → SDG 17 Partnerships for the goals

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Customer orientation				
→ Continuation of EVN's customer orientation programme	→ Development and implementation of a wide variety of measures → Create greater awareness among all employees for the content of EVN's customer orientation → Redesign, content-related survey and presentation of the KPI card for customer orientation at EVN as part of customer satisfaction analysis	Organisation of customer service week in October 2019	→ Third meeting of Customer Advisory Board held in the form of qualitative telephone interviews on current customer-related issues due to the Covid-19 pandemic	→ SDG 17 Partnerships for the goals
→ Focus on data protection for all activities in customer contact management	→ Documentation of permissions and legal basis → Explanation of consumer rights where required → Use of customer contact management for campaigns		→ Ongoing	→ SDG 17 Partnerships for the goals
→ Multi-stage quality evaluation as part of customer satisfaction analysis	→ Ongoing development of measures based on complaint management → Evaluation of quality as part of customer satisfaction analyses and installation of quality circle → Measurements based on IQS, voice coaching and regular training for employees with customer contacts → Implementation of a project for the further development of knowledge management		→ Ongoing	→ SDG 17 Partnerships for the 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	→ SDG 17 Partnerships for the goals
→ Redesign of EVN stakeholder dialogue on sustainability	→ Further development of existing stakeholder dialogue for the external evaluation of EVN's areas of activity	External evaluation of the significance of the areas of activity in July 2020	→ EVN materiality matrix updated as of 30 September 2020	→ SDG 17 Partnerships for the goals
→ Deferred payment terms for customers during the Covid-19 pandemic	→ No service terminations during Covid-19 pandemic and continued availability of deferred payment terms	2020	→ Implemented	→ SDG 7 Affordable and clean energy

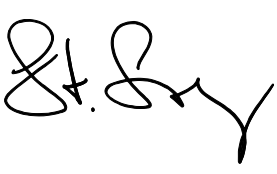
Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Attractive employer				
→ Measures to support families → Women@EVN programme	→ Mobile working times → Mentoring programme to prepare women for management positions	Further development of mobile working time models in 2021	→ Implemented	→ SDG 5 Gender equality → SDG 8 Decent work and economic growth
→ Digitalisation of training and continuing education programmes	→ Focus on e-learning → Platform to coordinate learning programmes and seminars	2020	→ Implemented	→ SDG 8 Decent work and economic growth
→ Prevention of work accidents	→ Replacement of scrapped containers with more suitable items	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Fire protection	→ Installation of additional snuffer boxes below the grates of lines 1 and 2 at the thermal waste utilisation plant in Dürnrohr	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Protective clothing	→ Changeover to new work safety clothing (cleaning, high visibility)	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Improvement of occupational safety	→ Analysis of pollutants and impurities at Korneuburg power plant	Analysis of potential problem substances for safe work in old building sections	→ Carried out on 31 May 2020	→ SDG 8 Decent work and economic growth
→ Reorganisation of occupational safety department	→ Anchoring of this department in corporate function "administration and construction" and appointment of an officer in charge	1 April 2020	→ Completed	→ SDG 8 Decent work and economic growth
→ Greater involvement of management	→ Management training, safety conferences	Started in 2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Prevention of work accidents	→ Development of a near-miss recording system, initial information as "breaking news", infoboard on "accident-free days" → Video clips, articles (employee newsletter, Intranet), technical seminars, safety mirror	2020/21	→ Further development in 2021	→ SDG 8 Decent work and economic growth
→ Protective clothing, work equipment	→ State-of-the-art procurement	2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Safe working in tanks (at evn wasser)	→ Multi-meters to measure gas concentration / lack of oxygen	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Regulation for electro-magnetic fields	→ Measurements and preparation of a zone plan	Started in 2019	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Safety barriers	→ Protective equipment and training for involved employees	2019	→ Ongoing	→ SSDG 8 Decent work and economic growth
→ Occupational safety during the Covid-19 pandemic	→ Adaptation of rules and reorganisation of crisis staff	2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Digitalisation measures for crisis-safe working environment	→ Further development of mobile working time model → Introduction of EVN mood barometer	2020	→ Implemented	→ SDG 8 Decent work and economic growth

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.

Maria Enzersdorf, 16 November 2020

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 2019/20

To
the board of
EVN AG,
Maria Enzersdorf

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

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

We have performed an independent limited assurance engagement on the consolidated non-financial report according to § 267a UGB ("NFI report") for the financial year 2019/20, which has been published as Non-financial report in the Full Report 2019/20 of

EVN AG,
Maria Enzersdorf,
(referred to as "EVN" or "the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "Core" as reporting criteria.

The Company's management is responsibile for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "Core" in all material respects.

Clarification of the scope of the audit due to the integrated NFI reporting in the Full Report: Our audit covered the following area of the Full Report:

→ Non-financial report in the Full Report 2019/20

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance enagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

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

- → Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- → A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- → Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- → Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- → Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- → Assessment of the local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey of the site in Northern Macedonia
- → Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- → Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the GRI Standards, Option "Core" to disclosures and indicators of the NFI report, which apply to the Company;
- → Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company. Disclosures audited within the scope of the annual financial statement were assessed for correct presentation (no content examination).

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "Core" in all material respects.

Restriction on use

We agree to the publication of our audit certificate together with the NFI report. Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 17 November 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler
Wirtschaftsprüfer (Austrian Chartered Accountant)

Report of the Supervisory Board

Ladies and Gentlemen,

EVN's widely diversified strategic orientation with a focus on regulated and stable business areas that are supported by the provision of critical infrastructure played an important role in the very solid business development recorded during 2019/20 – despite the many different challenges in all its markets beginning in March 2020 which resulted from the Covid-19 pandemic.

The Supervisory Board discussed the implementation of the corporate strategy with the Executive Board at regular intervals. In addition to the consequences of Covid-19 for the relevant macroeconomic and energy sector framework conditions, the current climate and environmental challenges and the rapid progress of digitalisation represent key issues for EVN. The Supervisory Board and Executive Board initiated a broad-based process in 2019/20 to define the strategic approach for the coming ten years and, in this way, adapt business activities to sustainably and efficiently meet the changes in operating conditions.

Fulfilment of duties

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

Austrian Corporate Governance Code

EVN, as a listed company, is committed to compliance with the Austrian Corporate Governance Code. The implementation of the January 2020 version of the code by EVN was approved as of 1 March 2020. EVN complies with all rules concerning the cooperation between the Supervisory Board and the Executive Board and the internal procedures of the Supervisory Board, with one exception. This exception is specified in the consolidated corporate governance report.

Consolidated corporate governance report

Schönherr Rechtsanwälte GmbH, Vienna, audited the consolidated corporate governance report 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 and the Supervisory Board on their work. In a meeting on 15 December 2020, 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 24 November 2020 and did not lead to any objections.

Remuneration policy and report

The 91st Annual General Meeting of EVN AG on 16 January 2020 approved the principle 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. Moreover, the Executive Board and Supervisory Board prepared a remuneration report for the 2019/20 financial year in accordance with § 78c of the Austrian Stock Corporation Act which will be presented to the 92nd Annual General Meeting for voting.

Annual financial statements and consolidated financial statements

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed to audit the financial statements for the financial year from 1 October 2019 to 30 September 2020. This firm examined the annual financial statements of EVN AG as of 30 September 2020, which were prepared in accordance with Austrian accounting regulations, and the management report submitted by the Executive Board. KPMG presented a written audit report on the audit and issued an unqualified opinion.

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

Following a detailed analysis and discussions by the Audit Committee and the Supervisory Board, the Supervisory Board approved the following documents that were submitted by the Executive Board: the annual financial statements as of 30 September 2020 together with the notes, the management report and the consolidated corporate governance report as well as the recommendation for the use of profits. The annual financial statements as of 30 September 2020 were thereby approved in accordance with § 96 (4) of the Austrian Stock Corporation Act.

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

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

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

In conclusion, the Supervisory Board would like to thank the Executive Board and all employees of the EVN Group for their performance and commitment during the 2019/20 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 2020

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 2020, EVN announced its commitment to comply with the ACGC in the January 2020 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 formally declare that EVN complies with all C-Rules of the ACGC, irrespective of the following deviation and explanation. Furthermore, the company only deviates from a limited number of R-Rules.

Deviations from C-Rules

EVN does not fully comply with the following C-Rule 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, and the rules for the coordination of issues involving the Executive Board, voting on proposals, the representation of the company and preparations for the Supervisory Board meetings and Annual General Meetings also apply to the spokesman. The Supervisory Board's decision not to appoint a chairman for the Executive Board applies for an indefinite period.

1) The remuneration policy and remuneration report covering the members of the Executive Board and Supervisory Board must be presented to the Annual General Meeting and are therefore no longer included in the corporate governance report.
2) In order to improve readability, reference to the ACGC is not provided for the rules in the following section.

Executive Board

Composition

Stefan Szyszkowitz
Spokesman of the Executive Board

Born in 1964, Master of Law, Master of Business Administration. Joined EVN in 1993, appointed to the Executive Board of EVN in January 2011 and designated spokesman of the Executive Board in October 2017. Reappointed from 20 January 2021 to 19 January 2026. Executive responsibility 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.

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

Functions in significant subsidiaries[1)]

	Function
Burgenland Holding Aktiengesellschaft	Chairman of the supervisory board
EVN Macedonia AD	Chairman of the supervisory board
Netz Niederösterreich GmbH	Vice-Chairman of the supervisory board
RAG-Beteiligungs-Aktiengesellschaft	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, appointed to the Executive Board of EVN in October 2017. His term of office expires on 30 September 2022. Executive responsibility 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.

Functions in significant subsidiaries[1)]

	Function
Burgenland Holding Aktiengesellschaft	Vice-Chairman of the supervisory board
Netz Niederösterreich GmbH	Chairman of the supervisory board
RAG-Beteiligungs-Aktiengesellschaft	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. 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.

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

Supervisory Board

Composition

As of 30 September 2020, 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 Supervisory Board is headed by a chairwoman and two vice-chairmen, who are chosen by the Supervisory Board from among its members. The minimum number of independent members was set at 50% by the Supervisory Board in a meeting on 29 May 2006. The independence of the members of the EVN Supervisory Board, as defined by C-Rule 53 and C-Rule 54, is documented on the list on page 124.

The Supervisory Board performs its duties in accordance with legal regulations, in particular the provisions of stock corporation law and the company's by-laws. Additional guidelines for its activities are provided by the Supervisory Board's rules of procedure and by the ACGC.

One particular responsibility of the Supervisory Board is to supervise the work of the Executive Board, from which it may request a report at any time concerning the development of business. Legal regulations allow the Supervisory Board to extend the scope of business transactions requiring its formal consent as defined in § 95 (5) of the Austrian Stock Corporation Act through resolutions. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such business transactions and measures.

Independence

A member of the Supervisory Board is considered to be independent in accordance with C-Rule 53 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 therefore influence the member's behaviour. If any such conflicts of interest arise, EVN requires multi-year transition periods in accordance with the ACGC.

The guidelines to determine the independence of the elected members of the Supervisory Board stipulate that these persons

- may not have any business or personal relations with EVN or its Executive Board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour;
- 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;
- may not maintain, or in the previous year did not maintain, any business relations with EVN or a subsidiary of EVN that are considered material for that member. This also applies to business relations of EVN or a subsidiary of EVN 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;
- 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;
- 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;
- 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; and
- 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.

Contracts requiring the approval of the Supervisory Board (L-Rule 48 and C-Rule 49): No contractual agreements were concluded between a member of the Supervisory Board and EVN or one of its subsidiaries which would entitle the member to more than an insignificant payment. All such contracts are subject to the approval of the Supervisory Board.

Members of the Supervisory Board as of 30 September 2020

Shareholder representatives	Date of initial appointment[1]	Functions in listed companies and other important functions	Independence C-Rule 53[2]	Independence C-Rule 54[3]	Diversity factors[4]
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 and Collegialität Versicherungsverein Privatstiftung; member of the supervisory board of VAV Versicherungs-Aktiengesellschaft; member of the supervisory board of Oesterreichisches Verkehrsbüro Aktiengesellschaft	No	No	Male born 1957 Austria
Willi Stiowicek 2nd Vice-Chairman	15.01.2009	Head of the presidential committee of the provincial capital St. Pölten; member of the supervisory board of NÖ Regional GmbH	Yes	Yes	Male born 1956 Austria
Philipp Gruber	21.01.2016	Administrative lawyer; chairman of the management board of Business Messen Wiener Neustadt Genossenschaft für Wirtschaftsförderung registrierte Genossenschaft mit beschränkter Haftung; chairman of Abwasserverband Wiener Neustadt-Süd; member of the Wiener Neustadt town council	Yes	No	Male born 1979 Austria
Dieter Lutz	12.01.2006	Managing director of IMMRE-LUTZ GmbH	Yes	Yes	Male born 1954 Austria
Reinhard Meißl	12.01.2006	Head of the financial group in the provincial government of Lower Austria; managing director of NÖ Holding GmbH and NÖ Landes-Beteiligungsholding GmbH[5]	Yes	No	Male born 1959 Austria
Susanne Scharnhorst	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
Angela Stransky	16.01.2014	Authorised officer of ecoplus.Niederösterreichs Wirtschaftsagentur GmbH; managing director of Breitband Holding GmbH	Yes	Yes	Female born 1960 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
Johannes Zügel	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			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			Male born 1971 Austria
Irene Pugl	14.05.2019	Chairwoman of the works council of EVN Business Service GmbH; vice-chairman of the central works council of the EVN Group			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			Male born 1962 Austria
Monika Fraißl	01.07.2013	Vice-chairwoman of the central corks council of Netz Niederösterreich GmbH (headquarters)			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 2019/20 financial year.
2) Independence of the company and the Executive Board
3) Independence criterion: no representation of the interests of shareholder with an investment of more than 10%
4) Diversity factors include gender, year of birth and citizenship.
5) All terms of office end on 31 August 2020.

Working procedure

The Austrian Stock Corporation Act prescribes a dual management system and requires strict separation between management bodies (i. e. Executive Board) and controlling bodies (i. e. Supervisory Board). Parallel membership in both bodies is not permitted.

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.

The Supervisory Board held five plenary meetings during the reporting year, at which its members fulfilled the tasks and duties required by legal regulations and the company's by-laws. The reports by the Executive Board and other points on the agenda for these meetings regularly covered the economic, ecological and social aspects of the subjects under discussion.

The Supervisory Board appointed Stefan Szyszkowitz to the Executive Board for a further five years effective as of 20 January 2021, i. e. up to 19 January 2026. A tender in accordance with the Austrian law governing appointments was approved for this purpose, and the appropriate procedures were carried out. Furthermore, the Supervisory Board established the remuneration policy for the members of the Executive Board and Supervisory Board and presented the relevant documents to the 91st Annual General Meeting for voting and approved the principles for granting profit or revenue participation to key employees. In connection with the separation of the Personnel Committee into a Nominating and a Remuneration Committee, the Supervisory Board revised its rules of procedure and constituted these two new committees. The rules of procedure for the Executive Board were also modified.

The Supervisory Board approved a tender for selection of the auditor for the annual financial statements and consolidated financial statements of EVN AG and its direct and indirect subsidiaries for the 2020/21 financial year and the following years. The Audit Committee was charged with conducting the tender and, following its completion, a proposal was prepared for presentation to the Annual General Meeting.

The ACGC in the revised version issued in January 2020 was approved for EVN, effective as of 1 March 2020.

The most important decisions taken by the Supervisory Board during the reporting year included the authorisation of the 2018/19 annual financial statements and the approval of the 2020/21 budget for the EVN Group. The latter also included the approval of investments in heat and wind power plants, in district and neighbourhood heating plants, in the electricity, natural gas and heating networks and in the IT infrastructure, in particular to protect supply security and the transport of renewable energy. In the Environment Segment, approval was granted for the acceptance of guarantees, sureties and other liabilities in connection with projects for the construction of sewage sludge incineration plants in Germany. The Supervisory Board also approved the realisation of the biomass heating plant project in Krems, including the purchase of the required land, as well as the purchase and/or exchange of land in Dürnrohr and the sale of property owned by EVN Macedonia AD. The resignation of two employee representatives from EVN's Advisory Committee for Environmental and Social Responsibility was followed by the appointment of replacements by the Supervisory Board. The Supervisory Board also approved two financing lines for the EVN Group. In conclusion, the Supervisory Board approved the procedure for distribution of part of a special payment defined by a works agreement to entitled employees in the form of shares and authorised the Working Committee to issue the final approval.

The Supervisory Board accepted the report on measures to prevent the misuse of inside information and the report on precautions to prevent corruption in the company in accordance with C-Rule 18a. In addition, the Supervisory Board examined all potential conflicts of interest and did not identify any inconsistencies.

The average attendance at Supervisory Board meetings equalled 93.3% in 2019/20. 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 2019/20. 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.

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. The following committees were established by the Supervisory Board of EVN, each of which 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	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 did not meet during 2019/20. However, by circular resolution it approved the distribution of part of a special payment defined by a works agreement to entitled employees in the form of shares.

The establishment of a Remuneration Committee and a Nominating Committee was approved on 10 June 2020. These two committees will take over the responsibilities of the Personnel Committee.

Remuneration Committee

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

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

This committee is responsible for all matters concerning the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. In particular, the Remuneration Committee is responsible for the negotiation, content, conclusion, implementation and, if appropriate, termination of the employment contracts with the members of the Executive Board in accordance with the applicable rules of the ACGC. Each year it prepares a draft report on remuneration policy for the Executive Board members and evaluates this remuneration policy at least every fourth year. It also makes a recommendation for remuneration policy to the full Supervisory Board if this is considered necessary.

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

The Remuneration Committee met three times during 2019/20, whereby two meetings were held by the Personnel Committee in its previous function as a remuneration committee.[1)] Discussions involved the definition of targets and the achievement of the qualitative and quantitative targets for the variable remuneration of the Executive Board, the preparation of a remuneration policy for the members of the Executive Board and Supervisory Board of EVN AG, the adaptation of the employment contracts for the Executive Board in agreement with the remuneration policy, the acceptance of the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, (KPMG) on the review of the variable remuneration system, the conclusion of an employment contract for an Executive Board member and the commissioning of an independent audit of the calculation of indicators, payment amount and bonus reserve for the variable remuneration of the Executive Board in 2019/20 in line with the rules of the current applicable remuneration system.

Nominating Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiowicek	Member
Reinhard Meißl	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.

1) The members of the former Personnel Committee were Bettina Glatz-Kremsner, Norbert Griesmayr and Willi Stiowicek.

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

The Nominating Committee met twice in 2019/20, both times in its former form as a Personnel Committee.[1)] The topics at these meetings involved the tender for an Executive Board position and a recommendation to the Supervisory Board to extend the term of office of Stefan Szyszkowitz.

Audit Committee

Name	Function
Norbert Griesmayr	Chairman
Bettina Glatz-Kremsner	Member
Willi Stiowicek	Member
Reinhard Meißl	Member; financial expert
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The responsibilities of the Audit Committee are as follows:

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

The Audit Committee met six times during 2019/20 and dealt with all its assigned responsibilities, above all with preparations for the resolution on the consolidated financial statements (based on IFRS) and annual financial statements (based on the Austrian Commercial Code) as of 30 September 2019, including the notes, management report and consolidated non-financial report, the consolidated corporate governance report and the recommendation for the use of profits as well as the half-year financial statements for 2019/20 including expectations for the full financial year. The Audit Committee also dealt extensively with the internal control, audit, risk and compliance management systems. In addition, the committee made a recommendation for the appointment of an auditor for the annual and consolidated financial statements for the 2019/20 financial year and distributed 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), carried out a tender for the selection of an auditor for the annual and consolidated financial statements for 2020/21 and the following years and made a recommendation to the Supervisory Board for the appointment of an auditor. Further activities involved the approval of non-audit services and tax advising by the auditor.

1) The members of the former Personnel Committee were Bettina Glatz-Kremsner, Norbert Griesmayr and Willi Stiowicek.

Measures to support women

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

The percentage of women in EVN's workforce equalled 23.1% in 2019/20, and roughly 12.1% 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.

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

EVN has long pursued measures to support women's work-life balance. Examples of these measures are flexible working time models, the provision of individualised support to women returning after maternity leave, day care during 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. 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.

Diversity concept for appointments to the Executive Board and Supervisory Board

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

The EVN Group is committed to offering equal opportunities to all its employees. The company is convinced that diversified teams produce better results and are more effective and innovative than single-gender groups. This principle also applies to the company's management and supervisory bodies.

There are no women on EVN's Executive Board at the present time. The employment contract for one member of the Executive Board was extended in 2019/20. New appointments are based on public tenders in accordance with the Austrian law governing personnel appointments.

Technical qualifications and personal expertise are the main criteria for the election of members to the Supervisory Board. The goal is to ensure a balanced composition of specialised know-how and personal qualifications. A special focus is placed on diversity with regard to the representation of both genders, a balanced age structure and the international character and professional background of the members.

Based on its current composition, 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.

EVN's Supervisory Board included five women in 2019/20: three shareholder representatives and two employee representatives. Bettina Glatz-Kremsner has served as chairwoman of the Supervisory Board since 21 January 2016. The percentage of women equalled 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 (Federal Gazette I 104/2017) 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 (§ 86 (9) of the Austrian Stock Corporation Act).

The members of the Supervisory Board range in age from 41 to 70 years; the average age is 57 years.

Related party

EVN AG and NÖ Landes-Beteiligungsholding GmbH concluded a group and tax settlement agreement in 2005. Additional information on related party transactions as defined in IAS 24 is provided under the basis of preparation in note 64. to the consolidated financial statements.

Auditor's fees

The annual and consolidated financial statements for the 2019/20 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The total fees charged by KPMG in 2019/20 amounted to EUR 1.9m (previous year: EUR 1.7m) and were distributed as follows: 34.0% for auditing services (previous year: 33.4%), 7.0% for audit-related services (previous year: 14.3%), 49.9% for tax consulting services (previous year: 31.0%) and 9.0% for other consulting services (previous year: 21.3%).

Directors' dealings

(C-Rule 73)

No purchases of EVN shares by members of EVN's management or closely related persons (Art. 19 of Regulation (EU) No. 596/2014 (market abuse regulation)) were reported to the company or to the Austrian Financial Market Authority during 2019/20.

External evaluation

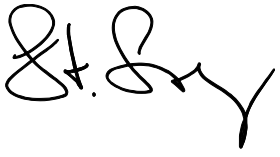
In accordance with C-Rule 62, compliance with the C-Rules of the ACGC must be evaluated at least every three years by an external institution and the results of this evaluation must be included in the corporate governance report.

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 2019/20, including compliance with the C-Rules of the ACGC.

Schönherr Rechtsanwälte GmbH evaluated EVN's consolidated corporate governance report for 2019/20 in agreement with C-Rule 62 of the ACGC and § 96 of the Austrian Stock Corporation Act and reported to the Executive Board and 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 2019/20 with one justified exception.

Maria Enzersdorf, 16 November 2020



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 energy policy objectives and targets set by the European Union provide a clear framework for Austria and all other member states to define their national climate goals and create the necessary legal basis to attain these goals. The European Council issued the following goals for the years up to 2030:

- A reduction of at least 40% in greenhouse gas emissions below the 1990 level, whereby an increase to at least 55% is currently under discussion
- An increase in the share of renewable energy in the total energy mix to at least 32%
- An improvement of at least 32.5% in energy efficiency
- The strengthening of market integration through cross-border electricity trading equalling at least 70% of the transmission capacity for exports, imports and transit

The European Union approved a package of measures entitled "Clean Energy for all Europeans" (Clean Energy Package) to meet these overriding goals. The measures are relevant for the energy sector, above all in the following areas: the organisation of the electricity market, supply security for electricity, the management of the future energy union, energy efficiency and renewable energy.

In reaction to the Covid-19 crisis, the EU Commission approved the "Next Generation EU". This reconstruction package contains numerous measures involving renewable energy and provides for the necessary financial assistance to implement these measures.

Austrian climate and energy goals

The goals set by the Austrian federal government call for electricity consumption to be covered in full (national balance) by 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 ten years to support the expansion of renewable generation capacity. Plans call for an increase of 27 TWh in electricity generation from renewable sources by 2030: 11 TWh from photovoltaic, 10 TWh from wind, 5 TWh from hydropower and 1 TWh from biomass.

The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology issued a draft of the Renewable Energy Expansion Act on 16 September 2020. It defines new framework conditions for the further expansion of renewable energies and for the implementation of the Clean Energy Package. This law will take effect in 2021 if it is passed by the Austrian Parliament and Federal Assembly and if the foreseen state subsidies for the expansion of renewable energy are approved by the European Commission. Based on the draft of the Austrian Renewable Expansion Act, the major changes for EVN's activities will be as follows:

- **New subsidy scheme for green electricity**
  - Support in the form of a market premium, which will be granted for 20 years beginning on the commissioning date, as a subsidy to a technology-specific reference electricity price.
  - The plant operator will be responsible for marketing the generated green electricity (direct marketing).
  - The subsidy for small hydropower plants will be defined by legal regulation.
  - The subsidy for wind power plants will also be defined annually up to 2023 by legal regulation. An analysis for 2024 and the following years will determine whether the subsidy will then be based on the best bidder principle for tenders involving new wind power plant projects.
  - For photovoltaic equipment (with an output of more than 20 kWp) and biomass plants, the subsidy will be determined according to the best bidder principle through tenders.
  - As an alternative, new smaller photovoltaic plants (with an output up to 500 kWp) will be supported by an investment subsidy.

- **Establishment of energy communities (renewable and citizens' energy communities)**
  - Creation of various models for households, associations, small- and medium-sized businesses and municipalities which will support the economical, energy-efficient and independent production, utilisation and marketing of the electricity generated by their own green electricity equipment.
  - Energy communities can reduce their public charges as well as store or market their surplus energy. On the other side, they will need solutions to cover peak loads.
  - The members of renewable energy communities will enjoy a reduction in network fees.

- **Network reserve**
  - Framework for the continuation of an output reserve for the management of shortages

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 individual 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

The electricity market for industrial customers in Bulgaria has been completely liberalised, and commercial customers will now receive gradual access to the free market. Commercial customers in the regulated market were still supplied by EVN Bulgaria EC in 2019/20, but the company will now only supply household customers and serve 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. Commercial customers joined the free market in October 2020 and are no longer supplied by EVN Bulgaria EC at regulated prices. Energy sales to customers in the regulated market segments and the procurement of the corresponding volumes are based on regulated prices. EVN Trading SEE serves as a supplier for customers in the liberalised market segment.

The Bulgarian regulatory authority set new energy tariffs for the regulated market segments as of 1 July 2020. The end customer prices for household customers in EVN's supply area were increased by 4.2% on average for electricity (previous year: average increase of 3.5% for electricity as of 1 July 2019).

The second year of the new three-year regulation period for the electricity network in Bulgaria began on 1 July 2019. 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 prices for the household customers of EVN Home DOO by roughly 7.4% as of 1 August 2020 (previous year: no adjustment), but these increases must be passed on to the state-owned electricity producers and the transmission network operator.

The final year of the current three-year regulation period for the electricity network began on 1 July 2020. 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 full liberalisation of the Croatian natural gas market has been postponed until 2021, but household customers have already received the right to change suppliers. The market for commercial

and industrial customers has been liberalised since 2012, and this growing liberalisation has led to greater competition among the natural gas suppliers active in Croatia. The consolidation and takeover processes that have taken hold in the natural gas sector and the scheduled start of operations in the LNG terminal in 2021 lead to expectations of a further increase in competition.

General business environment

The Covid-19 pandemic and, above all, the measures to contain its spread had a severe negative impact on the global economy, especially during the first half of 2020. The gradual loosening of these restrictions in many countries during May led to a recovery that was supported by the extensive monetary and fiscal measures implemented to limit the related economic consequences. However, there is still substantial uncertainty over the further course of the pandemic. Rising unemployment combined with the current and recently intensified measures to contain the spread of the coronavirus could delay the economic recovery. In this environment, economists expect the growth of 1.3% for the European Union in 2019 will be followed by a drop of 7.4% to 8.3% in 2020 and then increase again by 4.2% to 5.6% in 2021.

The strict measures implemented in Austria during spring 2020 to contain the Covid-19 pandemic triggered a massive loss in added value. The loosening of these restrictions during the summer led to a strong rebound, the consumption backlog essentially disappeared and the massive drop from spring 2020 was, in part, recovered. The growth of about 1.4% recorded by the Austrian economy in 2019 is expected to be followed by a decline of 6.7% to 7.1% in 2020 and expectations of a renewed increase of 4.1% to 4.7% in 2021.

In Bulgaria, the economy remained on a growth course in 2019 with a plus of roughly 3.4%. Private consumption and public sector investments served as the main drivers. Since these two areas, together with exports, have been particularly hard hit by the corona pandemic, forecasts point to a GDP decline of 4.5% to 6.2% in 2020 due to the uncertain situation. The economy is expected to return to a growth course in 2021 with an increase of 2.6% to 4.3%.

The Croatian economy also followed a growth course up to 2019, but at a slower pace. The main growth drivers were private consumption, which benefited from rising household incomes and declining unemployment, as well as the strong tourism branch, which generates roughly one-fifth of Croatia's economic output. GDP growth equalled 2.9% in 2019. Croatia was hit by an earthquake at the end of March 2020 and the resulting effects combined with the corona pandemic were naturally reflected in growth forecasts. Under these conditions, the economy is expected to drop by 8.0% to 9.6% in 2020 but increase by 5.0% to 6.0% in 2021.

The Republic of North Macedonia, which was granted NATO membership in March 2020, is currently also in accession talks with the EU. Up to the outbreak of the corona pandemic, the country followed a strong growth course with a GDP increase of 3.6% in 2019. Positive impulses were provided, above all, by flourishing exports as well as private consumption, which benefited from measures that included an increase in the minimum wage and rising employment. In addition, ongoing structural reforms and a stable banking sector create incentives for long-term investment. However, the forecasts for North Macedonia were also revised downward due to the Covid-19 pandemic: The economy is expected to decline by 2.1% to 5.4% in 2020 and return to growth of 3.8% to 5.5% in 2021.

GDP growth	%	2021f	2020e	2019	2018	2017
EU-28[1)2)]		4.2 to 5.6	–7.4 to –8.3	1.3	1.8	2.6
Austria[2)3)]		4.1 to 4.7	–6.7 to –7.1	1.4	2.5	2.5
Bulgaria[1)2)4)5)]		2.6 to 4.3	–4.5 to –6.2	3.4	3.1	3.5
Croatia[1)2)4)6)]		5.0 to 6.0	–8.0 to –9.6	2.9	2.7	3.1
North Macedonia[5)6)]		3.8 to 5.5	–2.1 to –5.4	3.6	2.7	1.1

1) Source: "European Economic Forecast, Autumn 2020", EU-Commission, November 2020
2) Source: "Prognose der österreichischen Wirtschaft 2020–2021", IHS, October 2020
3) Source: "Prognose für 2020 und 2021: Abschwächung der Konjunktur, aber keine Rezession", WIFO, October 2020
4) Source: "CEE Weekly_32_2020", Raiffeisen Research, October 2020
5) Source: "Global Economic Prospects", World Bank, June 2020
6) Source: "World Economic Outlook", International Monetary Fund, October 2020

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 above the long-term average during the 2019/20 financial year. In Austria, the heating degree total – which defines the temperature-related demand for energy – was 1.5 percentage points below the previous year. The heating degree total in Bulgaria and North Macedonia was also substantially lower due to the mild winter weather, with a decline of 10.0 percentage points in Bulgaria and 8.2 percentage points in North Macedonia.

The cooling-related demand for energy fell sharply by 45.1 percentage points in Austria and by 29.7 percentage points in North Macedonia during 2019/20. This decline was a result of the cooler weather during the summer months. In Bulgaria, the cooling degree total remained nearly constant at the prior year level.

The average EEX price for natural gas fell by half to nearly EUR 9.1 per MWh in 2019/20. Well-filled storage facilities due to the mild winter and higher liquid natural gas supplies in Europe were the main reasons for this development. The pressure on prices was further increased by the Covid-19-related drop in demand beginning in mid-March. This weaker demand was also responsible for a decline in the price of hard coal, which was 28.7% lower than the previous year at an average of EUR 44.6 per tonne. The price of CO_2 emission certificates followed a volatile course in 2019/20 and, at EUR 24.0 per tonne on average, was slightly higher than the previous year.

The market prices for base load and peak load electricity followed the development of primary energy prices. The declining prices for coal and natural gas, the sharp drop in CO_2 prices and reduced demand for electricity due to the Covid-19 pandemic led to a

Energy sector environment – indicators		2019/20	2018/19
Heating-related energy demand[1]	%		
Austria		95.5	97.0
Bulgaria		83.9	93.9
North Macedonia		88.7	96.9
Cooling-related energy demand[1]	%		
Austria		58.9	104.0
Bulgaria		105.4	105.0
North Macedonia		99.4	129.1
Primary energy and CO_2 emission certificates			
Crude oil – Brent	EUR/bbl	41.6	58.6
Natural gas – GIMP[2]	EUR/MWh	9.1	17.1
Hard coal – API#2[3]	EUR/t	44.6	62.6
CO_2 emission certificates	EUR/t	24.0	23.3
Electricity – EEX forward market[4]			
Base load	EUR/MWh	45.8	45.7
Peak load	EUR/MWh	54.8	55.6
Electricity – EPEX spot market[5]			
Base load	EUR/MWh	32.5	45.5
Peak load	EUR/MWh	38.7	52.4

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) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period
5) EPEX spot – European Power Exchange

year-on-year decrease in the average spot market prices for base load and peak load electricity, which fell by 28.5% to EUR 32.5 per MWh and by 26.2% to EUR 38.7 per MWh, respectively. On the forward market, the electricity price returned to the pre-corona level. The prices for base load electricity reflected the previous year at an average of EUR 45.8 per MWh (2018/19: EUR 45.7 per MWh). The average forward price for peak load electricity was slightly lower than the previous year at EUR 54.8 per MWh (–1.4% versus 2018/19).

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 174f

Effects of the Covid-19 pandemic

The most important effects of the Covid-19 pandemic on EVN's business development in the 2019/20 financial year are described in the following section:

- As a critical infrastructure operator, EVN was very well prepared to deal with the pandemic. The corporate guideline "EVN Pandemic Prevention", which was prepared in 2009, served as a benchmark for the necessary activities. The installation of a crisis staff and special protective measures for critical infrastructure operations (generation, networks, thermal waste utilisation, heat and drinking water supplies, telecommunications) were essential in this respect.
- The influence of Covid-19 on wholesale prices was generally limited to the short-term range, but an increase has also been visible here in recent months. The decline in short-term prices resulted chiefly from the anticipated weaker demand for electricity in the near term, especially from industrial customers. However, the development of electricity futures prices in the coming periods, as suggested by current market trends, and estimates by well-known providers of electricity price forecasts now indicate that Covid-19 will not have a significant influence on wholesale prices over the longer term.
- Energy sales volumes to industrial and commercial customers declined during the lockdown in spring 2020, which also had a negative effect on the business development of EnergieAllianz.
- The decline in electricity consumption was also evident in network sales volumes; however, this volume effect will be offset through future tariffs according to the Austrian regulatory methodology.
- In line with our clear commitment to our investment programme, the individual delays caused by the lockdown in spring 2020 will be offset during 2020/21.
- 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 is therefore postponed to the following years.
- Impairment testing as of 30 September 2020 led to the revaluation of energy generation assets in South East Europe and to the customer base in North Macedonia. In the first half of 2019/20, the Covid-19-related increase in the country risk premiums had led to a higher discount rate and, consequently, to impairment losses of these assets. Apart from this effect, Covid-19 had no direct impact on the impairment testing of intangible assets or property, plant and equipment in 2019/20.
- EVN determines the impairment losses for trade receivables in accordance with IFRS 9B5.5.35 based on regionally differentiated analyses of historical default incidents. Covid-19 was responsible for an increase of EUR 4.7m in the impairment losses to trade receivables in 2019/20.
- The Covid-19 crisis also had an effect on the market value of the securities in the R 138 fund, which are carried at fair value through profit or loss. The initially recognised, substantial losses were recovered in part towards the end of the financial year following an improvement on the stock markets. The price declines recognised to profit or loss as of 30 September 2020 totalled approximately EUR 5.6m.
- EVN has succeeded in protecting its high financial flexibility and solid liquidity reserves due to low net debt and a comfortable base of contractually committed, undrawn credit lines of EUR 605m as of 30 September 2020.

In summary, the corona crisis had a selective negative influence on EVN's operating results in 2019/20. Stabilising effects were provided, above all, by EVN's integrated business model and widely diversified customer base.

Statement of operations

Highlights 2019/20

- → Solid Group net result of EUR 199.8m at upper end of expected range
- → Individual negative effects from corona crisis; stabilisation through diversified business model
- → Return of EVN KG to positive contributions as key earnings driver
- → Earnings development negatively influenced by decline in electricity generation, impairment losses (especially in the power plants) and price and volume effects in the Networks Segment

Results of operations

Revenue recorded by the EVN Group totalled EUR 2,107.5m in 2019/20. The 4.4% year-on-year decline resulted chiefly from substantial reductions in thermal generation: The hard coal-fired power plant in Dürnrohr was in operation up to the beginning of August in the previous financial year, while the thermal power plants in Theiss (for network stabilisation) and Walsum 10 were used less frequently in 2019/20. Other major factors included a decline in revenue from network operations and natural gas trading as well as lower valuation effects in the reporting year from hedges for electricity production. In contrast, positive development was recorded in energy revenue from Bulgaria and revenue from the international project business.

The revenue generated by EVN outside Austria amounted to EUR 1,082.9m (previous year: EUR 978.7m). This represents an increase in the share of Group revenue from 44.4% in the previous year to 51.4% in 2019/20.

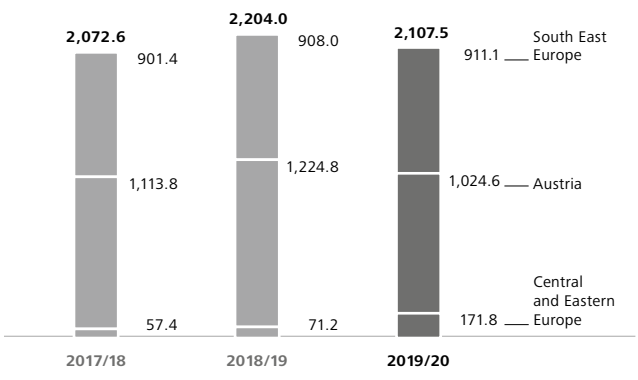
Other operating income declined by 45.4% to EUR 64.4m due to changes in inventories caused by the invoicing of customer projects.

The cost of electricity purchases from third parties and primary energy expenses reflected the development of energy revenue with a decline of 17.9% to EUR 888.3m in 2019/20. This reduction was based, above all, on the lower use of primary energy carriers due to the reduction in thermal generation, a decline in wholesale prices and lower electricity purchases. Moreover, the comparable prior year value was negatively influenced by the valuation of hedges and a resulting increase in expenses.

The cost of materials and services increased by 13.1% to EUR 316.9m due to contract performance in the international project business.

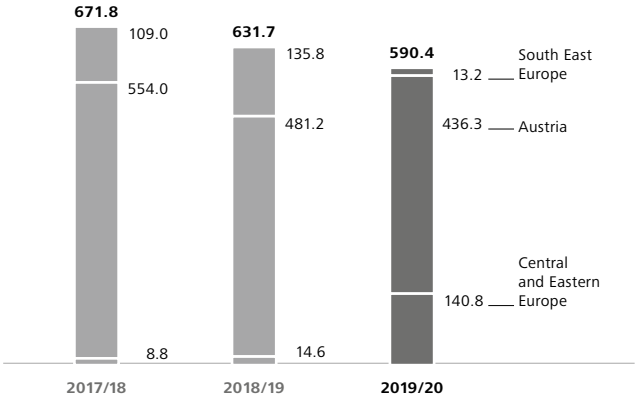
Revenue by region

EURm



EBITDA by region

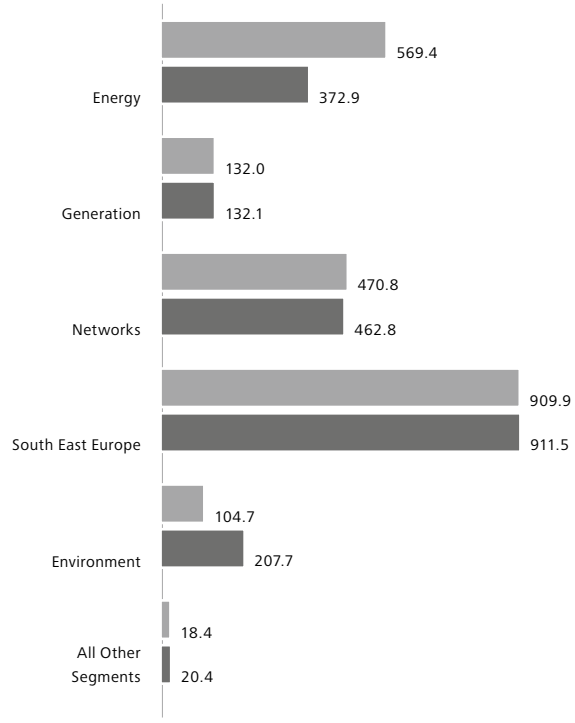
EURm



External revenue by segment

EURm

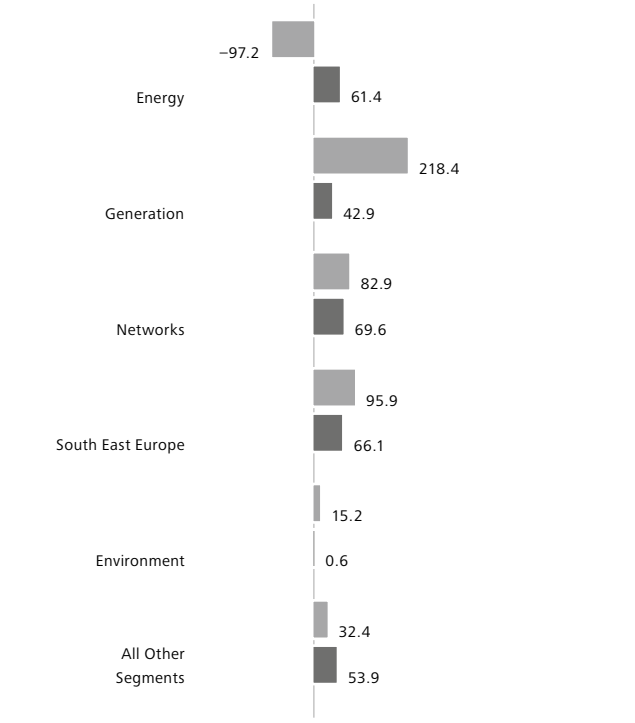
2018/19
2019/20



EBIT by segment

EURm

2018/19
2019/20



Personnel expenses were 3.1% higher than the previous year at EUR 349.3m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the realisation by WTE Wassertechnik of the large-scale project in Kuwait. The EVN Group had an average workforce of 7,007 in 2019/20 (previous year: 6,908 employees).

Other operating expenses nearly matched the previous year at EUR 121.1m in 2019/20 (previous year: EUR 120.2m).

The share of results from equity accounted investees with operational nature was influenced by contrary developments and fell by 27.8% year-on-year to EUR 94.1m. Positive factors included the normalisation of the earnings contribution from EVN KG and positive non-recurring effects at RAG and Energie Burgenland. Adverse factors included the decline caused by the effects of impairment testing, above all at Verbund Innkraftwerke GmbH: A revaluation of EUR 92.2m in the previous year was contrasted by an impairment loss of EUR 20.7m as of 30 September 2020 which resulted chiefly from an increase in the discount rate. In addition, an impairment loss of EUR 4.9m was recognised to the Ashta hydropower plant in the second quarter of 2019/20 (previous year: revaluation of EUR 0.9m) because of the Covid-19-related increase in the country risk premium. The development of business at EnergieAllianz was also negatively influenced by the corona crisis.

Based on these developments, EBITDA declined by 6.5% year-on-year to EUR 590.4m in 2019/20.

Higher investments, the capitalisation of rights of use following the initial application of IFRS 16 and revaluations to property, plant and equipment as of 30 September 2019 led to an increase of 10.0% in scheduled depreciation and amortisation to EUR 296.7m. In comparing the effects of impairment testing, it is important to note the positive effect of EUR 41.6m in the previous year which

Condensed consolidated statement of operations	2019/20 EURm	2018/19 EURm	+/– Nominal	+/– %	2017/18 EURm
Revenue	**2,107.5**	**2,204.0**	**–96.5**	**–4.4**	**2,078.7**
Other operating income	64.4	117.8	–53.4	–45.4	98.9
Electricity purchases and primary energy expenses	–888.3	–1,081.3	193.1	17.9	–961.3
Cost of materials and services	–316.9	–280.3	–36.6	–13.1	–275.1
Personnel expenses	–349.3	–338.7	–10.6	–3.1	–321.7
Other operating expenses	–121.1	–120.2	–0.9	–0.8	–135.7
Share of results from equity accounted investees with operational nature	94.1	130.5	–36.3	–27.8	188.0
EBITDA	**590.4**	**631.7**	**–41.3**	**–6.5**	**671.8**
Depreciation and amortisation	–296.7	–269.8	–26.9	–10.0	–258.3
Effects from impairment tests	–20.6	41.6	–62.2	–	–20.6
Results from operating activities (EBIT)	**273.1**	**403.5**	**–130.4**	**–32.3**	**392.9**
Financial results	**–15.8**	**–29.9**	**14.1**	**47.3**	**–37.2**
Result before income tax	**257.3**	**373.5**	**–116.2**	**–31.1**	**355.7**
Income tax	–28.7	–46.7	18.0	38.6	–76.1
Result for the period	**228.6**	**326.9**	**–98.3**	**–30.1**	**279.6**
thereof result attributable to EVN AG shareholders (Group net result)	199.8	302.4	–102.7	–33.9	254.6
thereof result attributable to non-controlling interests	28.9	24.5	4.4	18.0	25.0
Earnings per share in EUR[1]	**1.12**	**1.70**	**–0.6**	**–34.0**	**1.43**

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

resulted, among others, from revaluations to renewable generation assets, electricity procurement rights and district heating assets and to customer bases in Bulgaria and North Macedonia. Impairment testing as of 30 September 2020 resulted in impairment losses of EUR 22.1m which were related, above all, to EVN's investment in the Walsum 10 power plant (EUR 16.8m). The remaining impairment losses primarily involved electricity generation and district heating assets. Revaluations amounted to EUR 1.5m and were related chiefly to the Kavarna wind park in Bulgaria.

In the second quarter of 2019/20, impairment losses were recognised to energy generation equipment in South East Europe and to the customer base in North Macedonia to reflect the Covid-19-related increase in country risk premiums. These impairment losses are not included as of 30 September 2020 because the country risk premiums have declined in recent months and the framework conditions have improved.

EBIT for the 2019/20 financial year totalled EUR 273.1m (previous year: EUR 403.5m).

The result before income tax was 31.1% lower than the previous year at EUR 257.3m. After the deduction of EUR 28.7m in income tax expense (previous year: EUR 46.7m) and the earnings attributable to non-controlling interests, Group net result for the 2019/20 financial year equalled EUR 199.8m. Group net result in the previous year amounted to EUR 302.4m and was influenced by non-cash, non-recurring effects.

Statement of financial position

Asset and financial position

EVN's balance sheet total rose by 2.2% over the level on 30 September 2019 to EUR 8,365.7m as of 30 September 2020. The increase was based on non-current as well as current assets.

Non-current assets increased by 1.3% to EUR 7,427.6m based, for example, on the initial application of IFRS 16 and the related capitalisation of rights of use. Intangible assets and property, plant and equipment also increased as the result of higher investments during the reporting year and equity accounted investees. The latter resulted from the payment of the equity contribution to the project company for the Umm Al Hayman wastewater treatment plant

in Kuwait and a higher earnings contribution from EVN KG. The other investments declined during the reporting year due to the decrease in the Verbund share price (EUR 46.68 as of 30 September 2020 versus EUR 50.20 as of 30 September 2019). Other non-current assets increased, above all due to the capitalisation of project costs for the wastewater treatment plant project in Kuwait, and were contrasted by a lower balance of non-current securities in the R 138 fund and a reduction in non-current receivables from hedges.

Current assets grew by 9.4% to EUR 938.1m, supported by an increase in cash fund investments. In contrast, declines were recorded in inventories and receivables, in particular trade receivables and receivables from hedges, and in current tax receivables. The reduction in trade receivables resulted, above all, from the guarantee payment received in the first quarter of 2019/20 from the Republic of Montenegro for the wastewater treatment project in Budva.

Equity totalled EUR 4,543.3m as of 30 September 2020 (30 September 2019: EUR 4,552.1m). The positive effect from Group net result after tax was contrasted by the dividend payment in January 2020 for the 2018/19 financial year and a negative, share price-related effect from the valuation of the Verbund investment. The equity ratio equalled 54.3% as of 30 September 2020 (30 September 2019: 55.6%).

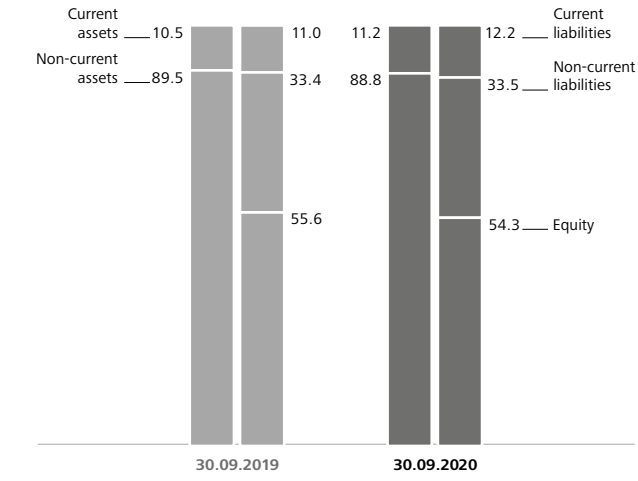
Non-current liabilities rose by 2.4% to EUR 2,798.3m as a result of different developments: Non-current financial liabilities were increased by the issue of a green promissory note loan (nominal

Condensed consolidated statement of financial position	30.09.2020 EURm	30.09.2019 EURm	+/– Nominal	+/– %	30.09.2018 EURm
Assets					
Non-current assets					
Intangible assets and property, plant and equipment	3,920.3	3,798.0	122.3	3.2	3,620.8
Investments in equity accounted investees and other investments	3,170.9	3,297.5	–126.6	–3.8	2,939.9
Other non-current assets	336.4	235.4	101.0	42.9	321.2
	7,427.6	**7,330.9**	**96.7**	**1.3**	**6,881.9**
Current assets	**938.1**	**857.7**	**80.4**	**9.4**	**949.1**
Non-current assets held for sale	–	–	–	–	–
Total assets	**8,365.7**	**8,188.6**	**177.1**	**2.2**	**7,831.1**
Equity and liabilities					
Equity					
Issued capital and reserves attributable to shareholders of EVN AG	4,282.1	4,295.6	–13.6	–0.3	3,832.8
Non-controlling interests	261.2	256.5	4.8	1.9	259.9
	4,543.3	**4,552.1**	**–8.8**	**–0.2**	**4,092.6**
Non-current liabilities					
Non-current loans and borrowings	1,045.3	990.0	55.3	5.6	1,040.5
Deferred tax liabilities and non-current provisions	996.4	1,081.2	–84.9	–7.8	951.8
Deferred income from network subsidies and other non-current liabilities	756.6	661.9	94.7	14.3	678.0
	2,798.3	**2,733.2**	**65.1**	**2.4**	**2,670.3**
Current liabilities					
Current loans and borrowings	110.0	68.8	41.3	60.0	89.1
Other current liabilities	914.1	834.6	79.5	9.5	979.1
	1,024.1	**903.3**	**120.8**	**13.4**	**1,068.1**
Total equity and liabilities	**8,365.7**	**8,188.6**	**177.1**	**2.2**	**7,831.1**

value: EUR 100.0m; term: 10 years) and reduced by the reclassification of loans from non-current to current. Other liabilities increased due to the recognition of non-current lease liabilities following the initial application of IFRS 16. The lower market price of the Verbund share led to a decrease in deferred taxes and the application of a higher discount rate to a decline in non-current employee-related provisions.

Current liabilities rose by 13.4% to EUR 1,024.1m, chiefly due to an increase in current financial liabilities, current tax liabilities and other current 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 6.2% for the reporting year (previous year: 5.2%). The economic value added (EVA®) generated in 2019/20 totalled EUR 32.3m (previous year: EUR –42.1m).

Liquidity position

EVN's net debt has remained constant at approximately EUR 1bn for three years, with fluctuations as of the respective balance sheet dates (net debt including non-current employee-related provisions as of 30 September 2020: EUR 1,037.7m; previous year: EUR 999.5m). The gearing ratio increased slightly from 22.0% to 22.8%.

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 205.0m. These bilateral commitments were not drawn as of 30 September 2020 and were therefore available in full. The syndicated credit line is seen as a strategic liquidity reserve: The second extension option included in the contract was exercised in May 2020, and the term was therefore extended from May 2024 to May 2025. The remaining terms of the bilateral credit lines concluded with nine banks range up to five years. These solid liquidity reserves underscore the EVN Group's financial stability and flexibility.

Value analysis

		2019/20	2018/19	+/– %	2017/18
Average equity	EURm	4,547.7	4,322.4	5.2	3,621.4
WACC after income tax[1)2)]	%	5.5	6.3	–0.8	6.3
Operating ROCE (OpROCE)[1)3)]	%	6.2	5.2	1.0	7.7
Average capital employed[3)]	EURm	4,405.7	4,135.4	6.5	4,094.2
Net operating profit after tax (NOPAT)[3)]	EURm	274.6	216.3	26.9	314.8
EVA®	EURm	32.3	–42.1	–	58.9

1) Changes reported in percentage points
2) The WACC given (exact value previous years: 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	30.09.2020 EURm	30.09.2019 EURm	+/– Nominal	+/– %	30.09.2018 EURm
Non-current loans and borrowings	1,045.3	990.0	55.3	5.6	1,040.5
Current loans and borrowings	110.0	68.8	–41.3	–60.0	89.1
Cash and cash equivalents	–140.0	–246.2	106.3	43.2	–214.5
Non-current and current securities	–325.8	–187.2	–138.5	–74.0	–274.8
Non-current and current loans receivable	–36.8	–36.8	0.0	0.1	–42.2
Financial net debt	656.2	592.0	64.2	10.8	598.0
Net debt	1,037.7	999.5	38.2	3.8	963.7
Equity	4,543.3	4,552.1	–8.8	–0.2	4,092.6
Gearing (%)[1]	22.8	22.0	–	0.9	23.5

1) Changes reported in percentage points

Statement of cash flows

Gross cash flow was 9.7% lower year-on-year at EUR 497.1m in 2019/20. The main factors for the decline included the reduction in the result before income tax and a higher non-cash earnings contribution from equity accounted investees. The increase in depreciation and amortisation was only able to partly offset these effects.

Cash flow from operating activities fell to EUR 412.0m (previous year: EUR 429.7m) due to the development of working capital as of 30 September 2020. However, the year-on-year decline was lower than the change in gross cash flow despite an increase in income tax payments.

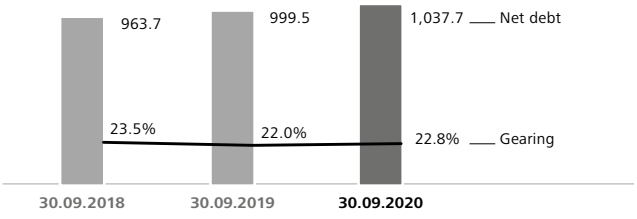
Cash flow from investing activities totalled EUR –428.6m (previous year: EUR –207.1m) and was influenced by investments in property, plant and equipment as well as the investment of liquidity in cash funds. In contrast, the volume of investments in the R 138 fund, which is also included in this position, was reduced during 2019/20. Other factors included the guarantee payment from the Republic of Montenegro for the wastewater treatment project in Budva and – as a contrasting aspect – the payment of the equity contribution to the project company for the Umm Al Hayman wastewater treatment assignment in Kuwait.

Cash flow from financing activities amounted to EUR –88.8m (previous year: EUR –191.0m). This amount includes the dividend for the 2018/19 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 promissory note loan (nominal value: EUR 100.0m).

In total, cash flow amounted to EUR –105.4m in 2019/20 and cash and cash equivalents equalled EUR 140.0m as of 30 September 2020. The EVN Group also had contractually agreed, undrawn credit lines of approximately EUR 605.0m at its disposal to service potential short-term financing requirements.

Net debt and gearing

EURm and %



For additional information on the composition and terms of non-current financial liabilities, see page 211f

Investments

Capital expenditure was 6.0% lower year-on-year at EUR 367.9m in 2019/20, primarily because the lockdown implemented in spring 2020 to contain the Covid-19 pandemic led to delays in some projects. Plans call for the offset of the resulting individual delays during 2020/21. In line with its strategy, EVN's investments focused on the electricity and gas networks, 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 district heating networks. One project involved the start of construction on a new biomass heating plant in Klosterneuburg and the parallel expansion of the local district heating network.

In the Generation Segment, investments were lower than the previous year but continued to concentrate on the expansion of wind power capacity in Lower Austria.

Investments in the Lower Austrian network infrastructure were particularly affected by the above-mentioned Covid-19-related delays and were therefore also lower than the previous year. However, nearly half of EVN's total investments in 2019/20 were directed to the Networks Segment. This weighting confirms the company's strategic focus on massive investments in the expansion and strengthening of the pipeline networks and in the construction of new transformer stations and substations. The related projects are intended to support the integration of the growing volume of decentralised renewable generation while protecting supply security and quality.

EVN's investments in the South East Europe Segment increased over the previous year and concentrated mainly on new connections, the replacement of meters and the expansion of the distribution networks to support supply security. A new office building was acquired in Skopje to consolidate three offices which were previously located in different areas of the city.

Condensed consolidated statement of cash flows	2019/20 EURm	2018/19 EURm	+/– Nominal	+/– %	2017/18 EURm
Result before income tax	257.3	373.5	–116.2	–31.1	355.7
Non-cash items	239.8	176.9	62.9	35.5	204.6
Gross cash flow	**497.1**	**550.5**	**–53.4**	**–9.7**	**560.3**
Changes in current and non-current balance sheet items	–40.7	–114.2	73.5	64.3	45.2
Income tax paid	–44.3	–6.6	–37.7	–	–2.0
Net cash flow from operating activities	**412.0**	**429.7**	**–17.6**	**–4.1**	**603.5**
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	–300.1	–321.8	21.8	6.8	–262.3
Changes in financial assets and other non-current assets	34.0	65.4	–31.4	–48.0	–54.3
Changes in current securities	–162.5	49.3	–211.8	–	–140.6
Net cash flow from investing activities	**–428.6**	**–207.1**	**–221.5**	**–**	**–457.1**
Net cash flow from financing activities	**–88.8**	**–191.0**	**102.2**	**53.5**	**–153.5**
Net change in cash and cash equivalents	**–105.4**	**31.5**	**–136.9**	**–**	**–7.1**
Cash and cash equivalents at the beginning of the period	**246.2**	**214.5**	**31.7**	**14.8**	**221.8**
Currency translation differences on cash and cash equivalents	–0.9	0.2	–1.1	–	–0.1
Cash and cash equivalents at the end of the period	**140.0**	**246.2**	**–106.3**	**–43.2**	**214.5**

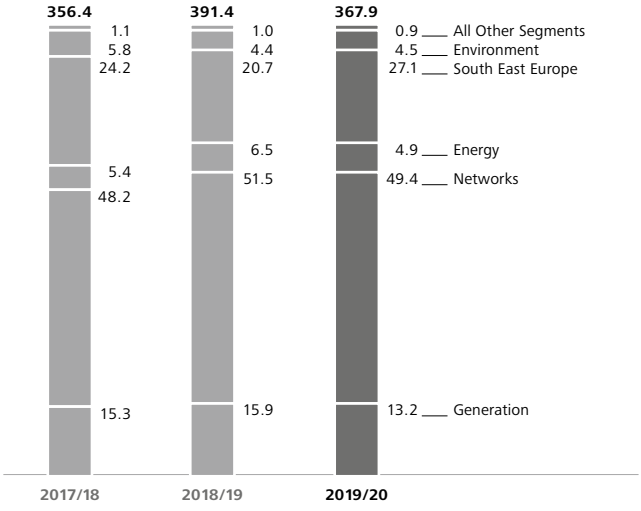
Investment priorities[1]	2019/20 EURm	2018/19 EURm	+/– Nominal	+/– %	2017/18 EURm
Energy	17.9	25.6	–7.7	–30.2	19.2
Generation	48.4	62.2	–13.7	–22.1	54.6
thereof renewable energy Lower Austria	17.8	51.7	–33.9	–65.5	43.3
thereof thermal power plants	30.3	10.5	19.9	–	11.1
Networks	181.8	201.7	–19.9	–9.9	171.6
thereof electricity networks	130.7	134.6	–3.9	–2.9	108.6
thereof natural gas networks	30.3	43.7	–13.4	–30.7	40.6
thereof cable TV and telecommunications networks	20.8	23.4	–2.6	–11.1	22.3
South East Europe	99.7	81.1	18.5	22.9	86.4
Environment	16.8	17.4	–0.6	–3.5	20.7
thereof cross-regional supply pipelines and local networks for drinking water	15.4	14.8	0.5	3.6	17.3
All Other Segments	3.3	3.5	–0.1	–4.0	4.0
Total	367.9	391.4	–23.5	–6.0	356.4

1) After consolidation

△ GRI indicator: GRI 203-1

Structure of investments

%, total in EURm



In agreement with EVN's strategic orientation, investments in the Environment Segment concentrate on improving the security and quality of drinking water supplies in Lower Austria. The investment volume remained nearly unchanged in year-on-year comparison, and projects focused on the expansion of the cross-regional pipeline networks – for example, the construction of the first section of the new transport pipeline from Krems to Zwettl. At Petronell, EVN is also constructing its fifth natural filter plant in the Lower Austrian supply area to reduce the hardness of the water by natural means.

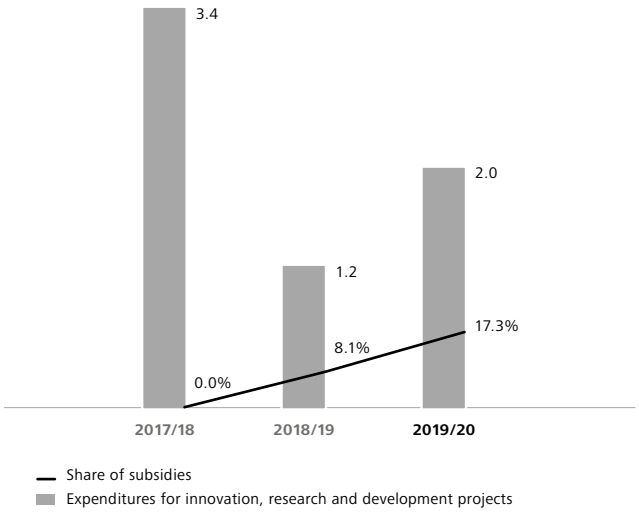
Innovation, research and development

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. In 2019/20 we spent EUR 2.0m (of which 17.3% was financed through public subsidies; previous year: EUR 1.2m) on innovation, research and development projects.

One of the major projects in 2019/20 was the Green Energy Lab. EVN is a founding member and active participant in this Austrian innovation project in support of green energy. The Green Energy Lab 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 is currently responsible for two Green Energy Lab projects.

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

→ **R2EC (regional renewable energy cells):** The project is designed to raise the share of renewable energy in local energy communities. Its goal is to promote the direct use of regionally generated energy by the communities and, in this way, support the decentralised expansion of renewable energy. Consequently, the concept is also part of the Austrian federal government's draft of the Renewable Energy Expansion Act that is expected to take effect in 2021. EVN's specific responsibility is the design, testing and measurement of a renewable energy cell in the Tulln region together with selected end customers and prosumers who utilise their own decentralised generation equipment.

→ **Open Data Platform (open data platform for research in the energy sector):** All results generated in the Green Energy Lab flow into this central interface. The project's goal is to consolidate findings and insights on connections in the energy systems. Users from households as well as small and medium-sized businesses, in particular, will benefit from this project in the future. The data collected from end users provides information on equipment with high energy consumption (e. g. heat pump systems, warm water boilers or e-charging stations) which creates a better understanding for energy costs. Efficiency data from photovoltaic equipment is also collected. As the only industrial partner in this project, EVN serves as the central interface between participants. Each of them receives EVN's joulie optimisation assistant which visualises the energy flows from the locally generated energy in the individual users' households, increases the own consumption rate and makes it possible for participants to operate on the energy market.

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.

Sustainability has high priority for EVN, and sustainability risks therefore represent interdisciplinary material in all risk categories and are the subject of integrated reporting. The risk analysis in 2019/20 focused, in particular, on the identification of climate risks as interdisciplinary material together with their classification as transition or physical risks with assignment to EVN's individual risk categories.

Analysis of potential risks for EVN from the Covid-19 pandemic

The announcement of the first official measures to combat the further spread of Covid-19 in Austria at the end of February and beginning of March 2020 immediately led to a Group-wide analysis

by EVN's central risk management of the potential risks and effects of the corona crisis. The results indicated that the relevant uncertainties and effects of a pandemic for EVN could be assigned to the existing risk categories. The risks identified in connection with the corona crisis were then assessed from a qualitative and quantitative standpoint according to the risk categories listed in the table on the following pages.

The following major uncertainties were identified: the future development of primary energy prices, the cost of capital, economic growth and potential impairment losses to trade receivables in EVN's relevant markets. The increase in primary energy prices and country risk premiums caused by the Covid-19 crisis initially led to a higher discount rate but signs of normalisation were visible during the second half of 2019/20. Higher valuation adjustments were also recorded to trade receivables based on regional analyses.

For information on the major effects of Covid-19 on EVN's business development in 2019/20, also see page 134

Expansion of the risk inventory in accordance with the Sustainability and Diversity Improvement Act

Prior to the enactment of the Sustainability and Diversity Improvement Act, the potential effects of sustainability aspects on the individual risk categories were also identified and analysed (e. g. risks involving supply security, employees or the environment). The risk inventory was expanded during 2017/18 in line with the Sustainability and Diversity Improvement Act 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. Their financial impact on the EVN Group was then assessed. 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

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.

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

Risk assessment and control activities

Multi-stage control measures have been implemented to prevent material misstatements in the presentation of transactions in order to ensure that the individual financial statements of all subsidiaries are recorded correctly. These measures include automated controls that are executed by the consolidation software as well as manual controls by the involved corporate services. These corporate service departments carry out extensive plausibility checks of the individual subsidiaries' financial statements to ensure their correct transfer to the consolidated financial statements. The review of the financial statement data includes analyses at the position, segment and Group levels, both before and after consolidation. The consolidated financial statements are not released until these quality controls are complete at all levels.

EVN AG and the major domestic and foreign subsidiaries use SAP software (FI module, finance and accounting) for their accounting. The IFRS consolidated financial statements are prepared with the Hyperion Financial Management software, whereby the data from the individual financial statements of the consolidated companies are transferred by means of an interface. The accounting systems and all upstream systems are protected by restricted access as well as automated and mandatory manual control steps.

The ICS for financial reporting and all accounting-related processes are reviewed by the auditor at least once each year to verify compliance with the required controls, to evaluate any risk incidents that occurred during the financial year and to determine whether the controls are still suitable to deal with the existing risks. In the reporting period, a number of process adjustments and improvements were made as part of the continuous efforts to further develop the ICS for financial reporting.

Information, communication and monitoring
The Executive Board provides the Supervisory Board with quarterly reports on EVN's asset, financial and earnings position, together with a statement of financial position and a statement of operations. The Executive Board and the Audit Committee also receive a report on the ICS for financial accounting twice each year, which contains basic information to evaluate the efficiency and effectiveness of the ICS and is designed to support the management of the ICS by the responsible corporate bodies. The report is prepared by ICS management in cooperation with the ICS Committee based on information supplied by the managers responsible for ICS, the persons who carried out the controls and the auditors.

This information is also distributed to management and key personnel in the involved companies to facilitate monitoring and control activities and thereby ensure the accuracy of accounting and reporting procedures. EVN's internal audit department carries out regular reviews of the ICS for financial accounting, and their findings are also included in the continuous improvement of this system.

△ GRI indicators: GRI 102-31, GRI 102-33

Consolidated non-financial report

The consolidated non-financial statement required by the Austrian Sustainability and Diversity Improvement Act was prepared in accordance with § 267a of the Austrian Commercial Code and is presented as an independent non-financial report.

□ See page 1ff

Disclosures required by § 243a of the Austrian Commercial Code

1. The share capital of EVN AG totalled EUR 330,000,000 as of 30 September 2020 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.
3. Based on these 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 2020, EVN AG held treasury shares representing 1.0% of share capital and free float equalled 19.6%.
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 ten and a maximum of 15 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 2019/20 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 2020/21 financial year

Against the backdrop of the uncertainties and economic distortions caused by the Covid-19 pandemic, EVN's integrated and diversified business model has proven to be robust. The focus on regulated and stable business areas, in particular, has been very successful.

The recent intensification of the corona crisis in autumn 2020 and the renewed implementation of restrictions on public life with consequences for the entire economy make it clear that EVN's business development in 2020/21 could be influenced by developments that are difficult to plan and quantify at the present time. Included here, above all, are future trends for energy prices and the demand for energy in EVN's markets. Volume-based fluctuations in the Austrian network business have, however, only a temporary effect on earnings because they are offset by tariff adjustments in subsequent periods based on the regulatory methodology.

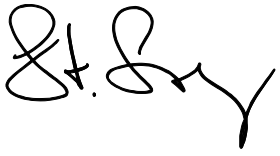
EVN remains committed to its ambitious investment programme for the future – irrespective of the Covid-19 pandemic. Plans call for a continued increase in annual investments over the coming years to an average of up to EUR 450m, depending on the projects in progress. Roughly three-fourths of this investment volume will be directed to projects in the areas of renewable generation, networks, district heating and drinking water in Lower Austria. Wind and photovoltaic projects will also be developed in the core markets outside Lower Austria.

The basis for this investment programme is EVN's Strategy 2030. The existing strategy was updated by management during the reporting year as part of a Group-wide process and approved by the Executive Board and Supervisory Board in October 2020. The revision of the strategy was decisively influenced by the social and political developments which currently have the greatest impact on the European energy sector. These developments include, above all, the transformation to a functioning CO_2-free energy system, the advancement of the circular economy and digitalisation.

In the international project business, EVN intends to concentrate on existing contracts. These assignments include the large-scale project in Kuwait as well as strategically important projects for the construction of thermal sewage sludge treatment plants in Germany, Lithuania and Bahrain which will serve as references for future assignments. However, the intensification of the corona crisis could influence the realisation of international projects through its impact on the economic development in the countries where WTE Wassertechnik is currently active and through its effects on international suppliers.

Assuming average conditions in the energy business environment, Group net result is expected to range from approximately EUR 200m to EUR 230m in 2020/21. However, the further course of the corona crisis and the resulting macroeconomic effects could have a negative influence on individual business areas at EVN and, in turn, on the development of earnings for the entire Group. The focus of investments in the regulated and stable business areas of network infrastructure, renewable generation and drinking water supplies is designed to protect the solid operating basis and drive continued growth.

Maria Enzersdorf, 16 November 2020



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 is accounted for as a joint operation.
3) Dividends are included under financial results.

Key energy business indicators	GWh	2019/20	2018/19	+/– Absolut	+/– %	2017/18
Electricity generation volumes		**3,785**	**5,594**	**–1,809**	**–32.3**	**5,526**
thereof renewable energy sources		2,250	2,315	–65	–2.8	2,213
thereof thermal energy sources		1,535	3,279	–1,744	–53.2	3,313
Network distribution volumes						
Electricity		22,154	22,734	–581	–2.6	22,520
Natural gas[1)]		15,228	16,080	–852	–5.3	17,126
Energy sales volumes to end customers						
Electricity		**19,813**	**19,924**	**–111**	**–0.6**	**18,413**
thereof Central and Western Europe[2)]		8,463	7,941	521	6.6	7,080
thereof South East Europe		11,351	11,983	–632	–5.3	11,333
Natural gas		**4,957**	**5,083**	**–126**	**–2.5**	**5,178**
Heat		**2,303**	**2,196**	**107**	**4.9**	**2,219**
thereof Central and Western Europe[2)]		2,111	1,987	125	6.3	2,011
thereof South East Europe		192	209	–17	–8.3	208

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

Energy

Highlights 2019/20

- → Higher electricity and heat sales volumes, decline in natural gas
- → Corona-related declines in electricity offset by new industrial customers
- → Return to positive earnings contributions from EVN KG
- → EBITDA, EBIT and result before income tax above previous year

Development of energy sales volumes

EVN's energy sales volumes to end customers followed different trends in 2019/20. Electricity sales volumes increased, in total, due to the acquisition of new industrial customers in Austria and Germany and offset the corona-related volume declines. Electricity sales volumes rose by 6.6% to 8,463 GWh and heat sales volumes by 5.9% to 2,111 GWh. Natural gas sales volumes, by contrast, declined 2.8% year-on-year to 4,839 GWh due to the warmer weather and market competition.

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 that is reported in this segment. These generation volumes were substantially lower in 2019/20 because the prior year volume also included electricity generation from the hard coal-fired power plant in Dürnrohr which was closed at the beginning of August 2019. In addition, the Walsum 10 hard coal-fired power plant was not continuously in operation during the reporting year owing to energy sector conditions, and the Theiss gas-fired power plant was called less frequently to support network stability. The revenue decline resulting from these factors was intensified by a year-on-year decrease in valuation effects from hedges and lower revenue from natural gas trading and heat supplies. Revenue in this segment fell by 33.1% to EUR 383.6m in 2019/20.

Operating expenses

Operating expenses were 45.8% lower at EUR 339.3m. This decline resulted chiefly from a reduction in primary energy use, lower procurement prices, a year-on-year decrease in valuation effects from hedges and the partial release of a previously created provision for onerous contracts from the marketing of EVN's electricity production.

Results from equity accounted investees

The share of results from equity accounted investees with operational nature improved substantially to EUR 39.4m in 2019/20 (previous year: EUR –32.7m). This increase was supported by the return of EVN KG to positive earnings contributions, which were the result of a reduction of effects from the valuation of hedges at the end of the reporting year and the normalisation of the operating business.

Key indicators – Energy		2019/20	2018/19	+/– Nominal	+/– %	2017/18
Key energy business indicators	GWh					
Electricity sales volumes		8,463	7,941	521	6.6	7,080
Natural gas sales volumes		4,839	4,974	–135	–2.8	5,083
Heat sales volumes		2,111	1,987	125	5.9	2,011
Key financial indicators	EURm					
External revenue		372.9	569.4	–196.5	–34.5	463.0
Internal revenue		10.7	4.1	6.6	–	19.4
Total revenue		**383.6**	**573.5**	**–189.9**	**–33.1**	**482.4**
Operating expenses		–339.3	–625.8	286.5	45.8	–518.5
Share of results from equity accounted investees with operational nature		39.4	–32.7	72.1	–	117.0
EBITDA		**83.8**	**–85.0**	**168.8**	–	**80.8**
Depreciation and amortisation including effects from impairment tests		–22.3	–12.2	–10.1	–82.7	–23.4
Results from operating activities (EBIT)		**61.4**	**–97.2**	**158.7**	–	**57.4**
Financial results		–1.6	–2.2	0.6	26.3	–3.3
Result before income tax		**59.9**	**–99.4**	**159.2**	–	**54.2**
Total assets		774.8	827.6	–52.8	–6.4	862.7
Total liabilities		641.9	696.5	–54.6	–7.8	764.6
Investments[1)]		28.8	26.4	2.4	9.0	19.5

1) In intangible assets and property, plant and equipment

Operating results

EBITDA in this segment amounted to EUR 83.8m in 2019/20 (previous year: EUR –85.0m). Depreciation and amortisation, including the effects of impairment testing, rose by 82.7% to EUR 22.3m due to an increase in investments, the capitalisation of rights of use by EVN Wärme in connection with the initial application of IFRS 16 and the revaluation of district heating assets as of 30 September 2019. This amount also includes impairment losses of EUR 1.7m (previous year: EUR 1.4m) to district heating equipment which were recognised to reflect changes in the economic environment. EBIT in the Energy Segment equalled EUR 61.4m in 2019/20 (previous year: EUR –97.2m).

Financial results and result before income tax

Financial results improved by 26.3% to EUR –1.6m, and the result before income tax for 2019/20 amounted to EUR 59.9m (previous year: EUR –99.4m).

Investments

Investments in this segment rose by 9.0% year-on-year to EUR 28.8m and were related entirely to the expansion of the heating plants and networks. Projects included the construction of a new biomass heating plant in Klosterneuburg and the parallel expansion of the local district heating network.

Outlook

The results for 2019/20 were positively influenced, above all, by more favourable procurement prices for EVN Wärme and the release of a previously created provision for onerous contracts from the marketing of EVN's electricity production. In contrast, energy sales showed a normalised result. Segment results for 2020/21 are therefore expected to be lower than the previous year, whereby the further course of the corona crisis could have a negative effect on energy sales.

Generation

Highlights 2019/20

- → Renewable electricity generation below previous year (lower water flows)
- → Substantial decline in electricity generation at thermal power plants (termination of electricity generation at the Dürnrohr power plant in August 2019)
- → Increase in share of renewable electricity generation to 59.5% (previous year: 41.4%)
- → EBITDA, EBIT and result before income tax below previous year, which was influenced by revaluations

Development of power generation

EVN's renewable electricity generation declined by 2.7% year-on-year to 1,888 GWh in 2019/20. A slight rise in wind power was unable to fully offset the reduction in electricity production from hydropower. The increase in wind power production was based on the commissioning of 49 MW of additional capacity that was operational for the first time for an entire year in 2019/20. Wind flows matched the long-term average in 2019/20 but were lower than the high prior year level. As of 30 September 2020, EVN had an installed wind power capacity of 367 MW. Two wind power plants with a hub height of 160 m and output of 4.2 MW per wind turbine are currently under construction and scheduled for commissioning by the end of 2020.

Thermal electricity generation dropped by 58.9% to 1,195 GWh in 2019/20. This sharp reduction resulted from the closure of the Dürnrohr hard coal-fired power plant at the beginning of August 2019, whereby the prior year volume still included this generation. Moreover, the Walsum 10 hard coal-fired power plant was not continuously in operation during the reporting year owing to energy sector conditions, and the Theiss gas-fired power plant was called less frequently to support network stability.

Key indicators – Generation		2019/20	2018/19	+/– Nominal	+/– %	2017/18
Key energy business indicators	GWh					
Electricity generation volumes		**3,083**	**4,850**	**–1,767**	**–36.4**	**4,794**
thereof renewable energy sources		1,888	1,941	–53	–2.7	1,771
thereof thermal energy sources		1,195	2,909	–1,714	–58.9	3,023
Key financial indicators	EURm					
External revenue		132.1	132.0	0.1	0.1	71.4
Internal revenue		161.8	204.7	–42.8	–20.9	200.8
Total revenue		**293.9**	**336.7**	**–42.8**	**–12.7**	**272.1**
Operating expenses		–156.2	–178.2	21.9	12.3	–155.1
Share of results from equity accounted investees with operational nature		–22.3	102.1	–124.4	–	6.6
EBITDA		**115.4**	**260.6**	**–145.2**	**–55.7**	**123.7**
Depreciation and amortisation including effects from impairment tests		–72.5	–42.3	–30.2	–71.5	–45.3
Results from operating activities (EBIT)		**42.9**	**218.4**	**–175.5**	**–80.4**	**78.4**
Financial results		–12.9	–15.4	2.5	16.2	–14.0
Result before income tax		**30.0**	**203.0**	**–173.0**	**–85.2**	**64.4**
Total assets		1,123.4	1,169.7	–46.3	–4.0	1,056.8
Total liabilities		710.2	781.9	–71.7	–9.2	804.5
Investments[1)]		53.4	67.8	–14.4	–21.3	58.9

1) In intangible assets and property, plant and equipment

Revenue development

Revenue in the Generation Segment fell by 12.7% to EUR 293.9m in line with the reduction in electricity generation. Lower electricity prices in the renewable generation also contributed to the decline.

Operating expenses

The reduction in thermal electricity production was accompanied by a year-on-year decrease of 12.3% in operating expenses to EUR 156.2m.

Results from equity accounted investees

The share of results from equity accounted investees fell to EUR –22.3m in 2019/20 (previous year: EUR 102.1m). The previous year was influenced by a positive non-recurring effect through revaluations of EUR 92.2m at Verbund Innkraftwerke GmbH, while a higher discount rate applied to impairment testing as of 30 September 2020 led to the recognition of impairment losses totalling EUR 20.7m in the reporting year. In addition, an impairment loss of EUR 4.9m was recorded to the Ashta hydropower plant in the second quarter of 2019/20 due to a Covid-19-related increase in the country risk premium (previous year: revaluation of EUR 0.9m).

Operating results

EBITDA in the Generation Segment declined by 55.7% to EUR 115.4m. In contrast, depreciation and amortisation, including the effects of impairment testing, rose by 71.5% to EUR 72.5m. The expansion of wind power capacity and the higher depreciation base which followed revaluations in 2018/19 was accompanied by an increase in scheduled depreciation and amortisation to EUR 71.1m (previous year: EUR 61.8m). In addition, a year-on-year comparison shows different effects from impairment testing: revaluations of EUR 25.9m and impairment losses of EUR 6.3m were recorded in 2018/19, but 30 September 2020 brought revaluations of EUR 1.5m and impairment losses of EUR 2.8m. In total, EBIT equalled EUR 42.9m (previous year: EUR 218.4m).

Financial results and result before income tax

Financial results in the Generation Segment improved by 72.0% to EUR –4.3m, and the result before income tax amounted to EUR 38.6m (previous year: EUR 203.0m).

Investments

Investments in this segment were 21.3% lower year-on-year at EUR 53.4m following the project-related expansion of wind power in 2018/19.

Outlook

Under the assumption that wind and water flows reflect the long-term average and excluding the impairment loss recorded to the equity-accounted Verbund Innkraftwerke GmbH in 2019/20, earnings in this segment are expected to exceed the previous year in 2020/21.

The Covid-19 pandemic is not expected to have a significant influence on EVN's electricity production. However, the corona crisis could influence the future development of energy prices.

Networks

Highlights 2019/20

- → Decline in electricity and natural gas network sales volumes
- → Revenue negatively influenced by price and volume effects
- → EBITDA, EBIT and result before income tax below previous year
- → Delays in investments due to Covid-19 crisis

Development of network distribution volumes

EVN recorded a decline in electricity and natural gas network distribution volumes during 2019/20. Electricity distribution volumes fell by 1.2% to 8,411 GWh due to the warmer weather in year-on-year comparison and, among others, due to a reduction of demand from commercial customers following the government-ordered Covid-19 measures. Natural gas network distribution volumes were 5.5% lower at 14,967 GWh, chiefly due to the reduced use of power plants for network stabilisation. These volume effects will be offset in future tariff adjustments in accordance with the Austrian regulatory methodology.

Revenue development

The lower weighted average cost of capital for the electricity distribution networks according to the new regulatory period was applied for the first time for the full twelve months during 2019/20. As of 1 January 2020, electricity network tariffs for household customers were raised by an average of 0.3%, while natural gas network tariffs were reduced by an average of 8.1%. The decline

Key indicators – Networks		2019/20	2018/19	+/– Nominal	+/– %	2017/18
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		8,411	8,511	–100	–1.2	8,565
Natural gas		14,967	15,838	–871	–5.5	16,927
Key financial indicators	EURm					
External revenue		462.8	470.8	–8.0	–1.7	489.6
Internal revenue		55.1	63.2	–8.1	–12.8	64.7
Total revenue		**517.9**	**534.0**	**–16.0**	**–3.0**	**554.4**
Operating expenses		–318.0	–325.8	7.7	2.4	–301.0
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**199.9**	**208.2**	**–8.3**	**–4.0**	**253.4**
Depreciation and amortisation including effects from impairment tests		–130.3	–125.3	–5.0	–4.0	–110.8
Results from operating activities (EBIT)		**69.6**	**82.9**	**–13.3**	**–16.1**	**142.6**
Financial results		–12.6	–17.1	4.5	26.5	–17.1
Result before income tax		**57.0**	**65.8**	**–8.8**	**–13.3**	**125.4**
Total assets		2,090.4	2,010.5	79.9	4.0	1,944.7
Total liabilities		1,457.2	1,410.9	46.3	3.3	1,332.1
Investments[1)]		181.8	202.1	–20.3	–10.0	173.0

1) In intangible assets and property, plant and equipment

in natural gas distribution networks generally represents the offset for the positive volume effect in previous years.

For information on the regulatory environment, see page 131

The volume and price effects in the energy business were offset in part by revenue growth at kabelplus. However, segment revenue declined by 3.0% to EUR 517.9m.

Operating expenses and operating results

Operating expenses declined by 2.4% to EUR 318.0m due to a decrease in upstream network costs and lower expenses for third party services. EBITDA in the Networks Segment amounted to EUR 199.9m (previous year: EUR 208.2m). Scheduled depreciation and amortisation increased by 4.0% to EUR 130.3m as the result of investments, and EBIT therefore fell by 16.1% year-on-year to EUR 69.6m.

Financial results and result before income tax

Positive effects from the partial sale of the R 138 fund supported an improvement of 26.5% in financial results over the previous year to EUR –12.6m. The Networks Segment generated result before income tax of EUR 57.0m in 2019/20 (previous year: EUR 65.8m).

Investments

EVN's investments in the Networks Segment totalled EUR 181.8m in 2019/20 and were 10.0% lower than the previous year. The Covid-19-related lockdown in spring 2020 caused delays on individual projects which, however, will be offset in the near term. The continuing high level of investments confirms EVN's strategic focus on the massive expansion and strengthening of the networks and on the construction of new transformer stations and substations to integrate the growing volume of decentralised renewable generation while protecting supply security and quality.

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 temperature-related demand for energy, the extent to which the Theiss power plant is used to stabilise the networks and the further course of the corona crisis. However, volume-based fluctuations are offset by the tariffs in subsequent periods in accordance with the applied regulatory methodology.

South East Europe

Highlights 2019/20

- → Network and energy sales volumes reduced by mild winter and Covid-19
- → EBIT and result before income tax below previous year, which was influenced by revaluations
- → Natural gas concession received for a further county in Croatia

Energy sector and regulatory development

In South East Europe, the unusually mild temperatures and the corona crisis were responsible for weaker energy demand in 2019/20. Electricity network sales volumes fell by 3.4% to 13,742 GWh, and electricity sales volumes to end customers were 5.3% lower at 11,351 GWh. Heat sales in Bulgaria declined by 8.3% year-on-year to 192 GWh.

Electricity generation in South East Europe was characterised by different developments during the reporting year. Renewable generation rose by 2.9% over the previous year to 128 GWh, supported by better water flows at the small hydropower plants in North Macedonia. Thermal generation was 9.9% lower at 270 GWh owing to the decline in production at the co-generation plant in Plovdiv which resulted from the mild winter and a scheduled inspection.

In Croatia, EVN expanded its radius of action in the construction and operation of natural gas networks through the signing of a concession agreement with Lika-Senj county on 31 August 2020. EVN plans to construct a gas distribution network for the cities of Gospić and Otočac based on this agreement and will invest roughly EUR 3.2m over the coming years. Gas distribution networks have been built and are operated by EVN based on concessions in the counties of Zadar, Šibenik-Knin and Split-Dalmatia.

For information on the regulatory environment, see page 131

Revenue development

Revenue in the South East Europe Segment totalled EUR 912.2m in 2019/20 and was slightly higher than the previous year (+0.2%).

Operating expenses and operating results

Operating expenses declined by 0.5% to EUR 775.5m. The reduction in procurement costs for network losses in Bulgaria and North Macedonia was contrasted by higher personnel expenses and an increase in receivables write-offs in North Macedonia. EBITDA increased by 4.3% to EUR 136.7m.

The increase in the country risk premiums caused by the Covid-19 pandemic led to an upward adjustment of the discount rate during the second quarter of 2019/20 and, in turn, to the recognition of impairment losses to energy generation equipment in South East Europe and to the customer base in North Macedonia. The impairment tests carried out as of 30 September 2020 subsequently resulted in the revaluation of these assets because of the decline in the country risk premiums during recent months and the positive development of framework conditions. Consequently, the impairment losses recognised during the second quarter had no effect on the full financial year. Depreciation and amortisation, including the results of impairment testing, amounted to EUR 70.6m in 2019/20, whereby a year-on-year comparison (previous year: EUR 35.2m) is influenced by a higher level of investments in 2019/20 as well as positive non-recurring revaluation effects of EUR 28.0m in 2018/19. These revaluations involved the customer bases in Bulgaria and North Macedonia, the Bulgarian district heating company TEZ Plovdiv and natural gas activities in Croatia.

Financial results and result before income tax

Financial results were nearly unchanged at EUR –20.4m, and the result before income tax amounted to EUR 45.7m (previous year: EUR 75.3m).

Key indicators – South East Europe		2019/20	2018/19	+/– Nominal	+/– %	2017/18
Key energy business indicators	GWh					
Electricity generation volumes		**399**	**425**	**–26**	**–6.2**	**385**
thereof renewable energy		128	125	4	2.9	172
thereof thermal power plants		270	300	–30	–9.9	213
Network distribution volumes		**13,742**	**14,223**	**–481**	**–3.4**	**13,955**
Sales volumes to end customers		**11,661**	**12,302**	**–641**	**–5.2**	**11,636**
thereof electricity		11,351	11,983	–632	–5.3	11,333
thereof natural gas		118	109	9	8.1	95
thereof heat		192	209	–17	–8.3	208
Key financial indicators	EURm					
External revenue		911.5	909.9	1.7	0.2	902.0
Internal revenue		0.7	0.8	–0.2	–20.9	0.8
Total revenue		**912.2**	**910.7**	**1.5**	**0.2**	**902.8**
Operating expenses		–775.5	–779.6	4.2	0.5	–798.2
Share of results from equity accounted investees with operational nature		–	–	–	–	–
EBITDA		**136.7**	**131.1**	**5.6**	**4.3**	**104.6**
Depreciation and amortisation including effects from impairment tests		–70.6	–35.2	–35.5	–	–64.4
Results from operating activities (EBIT)		**66.1**	**95.9**	**–29.8**	**–31.1**	**40.2**
Financial results		–20.4	–20.6	0.2	1.2	–20.6
Result before income tax		**45.7**	**75.3**	**–29.6**	**–39.3**	**19.6**
Total assets		1,219.2	1,211.6	7.6	0.6	1,207.7
Total liabilities		893.7	913.1	–19.4	–2.1	956.5
Investments[1)]		99.7	81.1	18.5	22.9	86.4

1) In intangible assets and property, plant and equipment

Investments

EVN's investments in South East Europe rose by 22.9% year-on-year to EUR 99.7m and focused, above all, on network connections, the replacement of meters and on the expansion of the distribution networks to strengthen supply security. Also included was the acquisition of a new office building in Skopje to consolidate the three offices which were previously located in different areas of the city.

Outlook

Under the assumption of stable regulatory and energy sector framework conditions on the markets in South East Europe, EBIT in this segment is expected to range from EUR 40m to EUR 60m in 2020/21. However, the further course of the corona crisis and the potential impact on business in this segment is impossible to estimate at the present time.

Environment

Highlights 2019/20

- → Successes in the international project business
  - – General contractor assignments received for thermal sewage sludge treatment plants in Berlin, Hanover and Straubing
  - – Start of work on the Umm Al Hayman wastewater treatment project in Kuwait at the end of July
- → EBITDA, EBIT and result before income tax below previous year

International project business

The contract for construction of the Umm Al Hayman wastewater treatment project in Kuwait was awarded to the consortium comprising WTE Wassertechnik and a Kuwaiti financial investor (50% investment each) on 23 January 2020. Based on an agreement between the Kuwaiti Ministry of Public Works and the proj-ect company founded for this assignment (WTE: indirect investment of 20%), the wastewater treatment project will be realised within the framework of a public-private partnership. WTE Wassertechnik will serve as the general contractor for planning and construction, in particular for a wastewater treatment plant (contract value: approximately EUR 600m, converted) and – together with partners – for a sewage network with pumping stations (contract value: approximately EUR 950m, converted). The closing for the project, which had been delayed by the corona-related lockdown, took place on 29 July 2020 and marked the completion of all requirements for the start of the project. The required equity contribution of EUR 28.9m by WTE Wassertechnik to the project company was paid in full during 2019/20.

In Moscow, the thermal waste incineration plant built and financed by EVN was transferred in accordance with the contract at the end of June 2020 after 13 years of operation by EVN. Activities in Moscow are now limited to the operation of two sludge-fired combined heat and power plants.

In the business area of thermal sludge utilisation, WTE Wassertechnik successfully acquired three projects in Germany during 2019/20: In Berlin-Waßmannsdorf, the company received a general contractor assignment for the planning and construction of a new plant (contract volume: approximately EUR 190m, EVN's share: roughly 50%). Construction is scheduled to begin during autumn 2021, and the commissioning is planned for 2025. WTE Wassertechnik also acquired two further projects through sludge2energy, a 50:50 joint venture with Huber SE, in Hanover and Straubing (contract volume for sludge2energy: roughly EUR 40m respectively EUR 50m). In addition to these new contracts, WTE Wassertechnik is working on the realisation of other projects in this area in Halle-Lochau in Germany, Utena in Lithuania and Tubli in Bahrain.

As of 30 September 2020, WTE Wassertechnik was working on the planning and construction of ten projects in Germany, Poland, Lithuania, Romania, Croatia, Bahrain and Kuwait. The two contracts received by the joint venture sludge2energy are not included in these orders.

The guarantee issued by the Republic of Montenegro and the municipality of Budva for the wastewater treatment plant project in Budva was called by WTE Wassertechnik and resulted in the payment of the EUR 29.3m share guaranteed by the Republic of Montenegro in December 2019. Furthermore, arbitration proceedings were initiated in January 2020 to enforce claims against the municipality of Budva arising from the related guarantees. As of 31 January 2020, WTE Wassertechnik terminated the temporary takeover of operations at the wastewater treatment plant; this step followed the early termination of the investment contract for the project in May 2018 due to non-fulfilment of contractual obligations by the municipality of Budva. WTE Wassertechnik is also preparing an arbitration action against the municipality of Budva for the non-fulfilment of the investment contract and is evaluating other options, above all in the area of investment protection.

Revenue development

Revenue in the Environment Segment rose to EUR 208.1m in 2019/20 (previous year: EUR 105.1m) based on the higher contract volume in the international project business and the weather-related higher demand for drinking water to service cross-regional supplies and end customers.

Operating expenses

Operating expenses in this segment rose to EUR 204.2m (previous year: EUR 94.6m), generally in line with the development of revenue and primarily due to an increase in third-party services and other material costs. The inventory changes included under operating expenses represented a contrasting, negative factor.

Results from equity accounted investees

The results from equity accounted investees declined by 17.8% to EUR 13.3m. A comparison with the previous year shows the positive effects of timing shifts in earnings from the wastewater treatment project in Zagreb and earnings contributions from the wastewater treatment project in Prague.

Key financial indicators – Environment	EURm	2019/20	2018/19	+/– Nominal	+/– %	2017/18
External revenue		207.7	104.7	103.1	98.5	137.7
Internal revenue		0.4	0.5	0.0	–8.4	13.1
Total revenue		**208.1**	**105.1**	**103.0**	**98.0**	**150.8**
Operating expenses		–204.2	–94.6	–109.6	–	–133.7
Share of results from equity accounted investees with operational nature		13.3	16.2	–2.9	–17.8	13.0
EBITDA		**17.3**	**26.8**	**–9.5**	**–35.4**	**30.1**
Depreciation and amortisation including effects from impairment tests		–16.7	–11.6	–5.2	–44.8	–20.8
Results from operating activities (EBIT)		**0.6**	**15.2**	**–14.7**	**–96.3**	**9.3**
Financial results		–5.9	–11.7	5.8	49.6	–10.4
Result before income tax		**–5.3**	**3.5**	**–8.8**	**–**	**–1.1**
Total assets		862.0	682.0	180.0	26.4	644.1
Total liabilities		716.9	530.1	186.8	35.2	498.4
Investments[1)]		17.1	17.4	–0.3	–1.8	20.7

1) In intangible assets and property, plant and equipment

Operating results

EBITDA in the Environment Segment declined by 35.4% to EUR 17.3m in 2019/20. Depreciation and amortisation, including the effects of impairment testing, rose by 44.8% to EUR 16.7m due to the scheduled amortisation of capitalised advance project costs for the wastewater treatment project in Kuwait. EBIT therefore declined to EUR 0.6m (previous year: EUR 15.2m).

Financial results and result before income tax

Financial results amounted to EUR –5.9m, compared with EUR –11.7m in 2018/19. However, the previous year included a negative foreign exchange effect from EVN's remaining activities in Moscow. The Environment Segment reported result before income tax of EUR –5.3m in 2019/20 (previous year: EUR 3.5m).

Investments

EVN's investments in the Environment Segment nearly matched the previous year at EUR 17.1m in 2019/20 (previous year: EUR 17.4m) and continued to focus mainly on drinking water supplies. Projects involved the expansion of cross-regional pipeline networks, e. g. construction of the first section of the new transport pipeline from Krems to Zwettl. The entire supply pipeline, which will protect services for up to 120,000 residents in the Waldviertel region, is expected to be completed in 2025. EVN is also constructing a further natural filter plant in Petronell to reduce the hardness of the water by natural means and thereby improve supply quality. This fifth plant of its type in EVN's supply area will provide nearly 50,000 residents in ten communities in the region east of Vienna International Airport with softened drinking water starting in early 2022.

Outlook

The development of earnings in the Environment Segment is significantly influenced by the realisation of assignments in the international project business. The 2019/20 financial year was influenced by corona-related project delays and subsequent earnings shifts but – assuming progress as scheduled on current projects, above all the large-scale project in Kuwait – an increase in segment earnings is expected in 2020/21.

An intensification of the corona crisis can influence the international project business through the economic development in the countries where WTE Wassertechnik is currently active and through negative effects on international suppliers. An estimate of the potential impact is not possible at the present time.

Key financial indicators – All Other Segments	EURm	2019/20	2018/19	+/– Nominal	+/– %	2017/18
External revenue		20.4	18.4	2.1	11.2	15.0
Internal revenue		69.0	64.3	4.7	7.4	61.0
Total revenue		**89.4**	**82.7**	**6.8**	**8.2**	**76.0**
Operating expenses		–96.8	–93.2	–3.6	–3.9	–87.2
Share of results from equity accounted investees with operational nature		63.6	44.8	18.8	42.1	51.4
EBITDA		**56.3**	**34.2**	**22.0**	**64.3**	**40.2**
Depreciation and amortisation including effects from impairment tests		–2.4	–1.8	–0.5	–30.1	–0.9
Results from operating activities (EBIT)		**53.9**	**32.4**	**21.5**	**66.2**	**39.3**
Financial results		**53.3**	**52.2**	**1.1**	**2.1**	**43.8**
Result before income tax		**107.2**	**84.6**	**22.6**	**26.7**	**83.1**
Total assets		4,600.0	4,586.5	13.5	0.3	4,374.4
Total liabilities		1,781.9	1,674.4	107.5	6.4	1,670.8
Investments[1)]		3.3	3.5	–0.1	–4.0	4.0

1) In intangible assets and property, plant and equipment

All Other Segments

Highlights 2019/20

- → Higher results from equity accounted investees with operational nature
- → EBITDA, EBIT and result before income tax above previous year

Revenue, EBITDA and EBIT development

Revenue in this segment rose by 8.2% to EUR 89.4m in 2019/20, while operating expenses increased by 3.9% to EUR 96.8m.

The results from equity accounted investees with operational nature increased by 42.1% to EUR 63.6m. This improvement was supported by a positive non-recurring effect at RAG from the sale of crude oil production facilities in Lower Austria and by a positive non-recurring effect at Energie Burgenland where the early termination of a US cross-border leasing transaction concluded in 2001 more than offset the unscheduled receivables write-off that resulted from the bankruptcy of an Austrian regional bank.

These developments were also responsible for an increase of 64.3% in EBITDA to EUR 56.3m. Depreciation and amortisation, including the effects of impairment testing, were EUR 0.5m higher at EUR 2.4m. EBIT amounted to EUR 53.9m, compared with EUR 32.4m in the previous year.

Financial results and result before income tax

Financial results rose by 2.1% year-on-year to EUR 53.3m, chiefly due to the dividend of EUR 0.69 per share distributed by Verbund AG on 6 July 2020 for the 2019 financial year (previous year: EUR 0.42 per share) and a reduction in interest expense based on the low interest rates for refinancing. These positive factors were contrasted by the performance of the R 138 fund.

The result before income tax in this segment was 16.6% higher than the previous year at EUR 98.6m.

Outlook

Results in this segment are influenced primarily by the earnings contributions from RAG, Energie Burgenland and Verbund AG. Since the earnings contributions from RAG and Energie Burgenland in 2019/20 were influenced by positive non-recurring effects, segment results for 2020/21 are expected to be lower than the previous year.

Consolidated financial statements for 2019/20

According to International Financial Reporting Standards

Consolidated statement of operations

EURm	Note	2019/20	2018/19
Revenue	24	2,107.5	2,204.0
Other operating income	25	64.4	117.8
Cost of materials and services	26	–1,205.2	–1,361.6
Personnel expenses	27	–349.3	–338.7
Other operating expenses	28	–121.1	–120.2
Share of results from equity accounted investees with operational nature	29	94.1	130.5
EBITDA		**590.4**	**631.7**
Depreciation and amortisation	30	–296.7	–269.8
Effects from impairment tests	30	–20.6	41.6
Results from operating activities (EBIT)		**273.1**	**403.5**
Share of results from equity accounted investees with financial nature		0.0*)	0.0*)
Results from other investments		33.3	23.2
Interest income		4.5	8.1
Interest expense		–47.0	–51.5
Other financial results		–6.7	–9.8
Financial results	31	**–15.8**	**–29.9**
Result before income tax		**257.3**	**373.5**
Income tax	32	–28.7	–46.7
Result for the period		**228.6**	**326.9**
thereof result attributable to EVN AG shareholders (Group net result)		199.8	302.4
thereof result attributable to non-controlling interests		28.9	24.5
Earnings per share in EUR[1)]	33	1.12	1.70
Dividend per share in EUR		0.49[2)]	0.50

*) Small amount

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

2) Proposal to the Annual General Meeting: dividend of EUR 0.49 per share

Consolidated statement of comprehensive income

EURm	Note	2019/20	2018/19
Result for the period		228.6	326.9
Other comprehensive income from			
Items that will not be reclassified to profit or loss		–112.0	233.5
Remeasurements IAS 19	45	10.2	–55.4
Investments in equity accounted investees	45	–2.2	–10.7
Shares and other equity instruments measured at fair value and reported in other comprehensive income[1)]		–156.5	381.6
Thereon apportionable income tax expense	45	36.5	–82.0
Items that may be reclassified to profit or loss		–14.8	5.1
Currency translation differences	5	–3.8	10.8
Cash flow hedges	45	2.8	–0.1
Investments in equity accounted investees	45	–14.1	–7.3
Thereon apportionable income tax expense	45	0.3	1.8
Total other comprehensive income after tax		–126.8	238.6
Comprehensive income for the period		101.8	565.5
thereof income attributable to EVN AG shareholders		74.5	546.0
thereof income attributable to non-controlling interests		27.3	19.5

Consolidated statement of financial position

EURm	Note	30.09.2020	30.09.2019
Assets			
Non-current assets			
Intangible assets	34	216.9	218.5
Property, plant and equipment	35	3,703.4	3,579.6
Investments in equity accounted investees	36	1,002.1	972.1
Other investments	37	2,168.7	2,325.4
Deferred tax assets	49	75.4	72.1
Other non-current assets	38	261.0	163.3
		7,427.6	**7,330.9**
Current assets			
Inventories	39	66.6	104.1
Trade and other receivables	40	403.2	417.4
Securities and other current financial investments	41	253.8	89.7
Cash and cash equivalents	59	214.6	246.6
		938.1	**857.7**
Total assets		**8,365.7**	**8,188.6**
Equity and liabilities			
Equity			
Issued capital and reserves attributable to shareholders of EVN AG	42–46	4,282.1	4,295.6
Non-controlling interests	47	261.2	256.5
		4,543.3	**4,552.1**
Non-current liabilities			
Non-current loans and borrowings	48	1,045.3	990.0
Deferred tax liabilities	49	490.0	543.8
Non-current provisions	50	506.4	537.5
Deferred income from network subsidies	51	619.1	615.7
Other non-current liabilities	52	137.5	46.2
		2,798.3	**2,733.2**
Current liabilities			
Current loans and borrowings	53	110.0	68.8
Taxes payable and levies[1)]		75.5	71.7
Trade payables	54	298.4	301.0
Current provisions	55	96.2	90.4
Other current liabilities[1)]	56	444.0	371.5
		1,024.1	**903.3**
Total equity and liabilities		**8,365.7**	**8,188.6**

1) The comparative information was reclassified to other current liabilities.

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 01.10.2018	**330.0**	**253.4**	**2,295.5**	**994.0**	**–20.0**	**–20.5**	**3,832.4**	**259.4**	**4,091.7**
Comprehensive income	–	–	302.4	232.8	10.7	–	546.0	19.5	565.5
Dividends 2017/18	–	–	–83.7	–	–	–	–83.7	–22.5	–106.1
Change in treasury shares	–	0.2	–	–	–	0.8	1.0	–	1.0
Change in the scope of consolidation	–	–	0.0*)	–	–	–	0.0*)	–	–
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**
Note	42	43	44	45	5	46		47	

*) Small amount

Consolidated statement of cash flows

EURm	Note	2019/20	2018/19
Result before income tax		**257.3**	**373.5**
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment and other non-current assets	30	317.3	228.2
– Results of equity accounted investees and other investments	36, 37	–127.5	–153.7
+ Dividends from equity accounted investees and other investments		113.3	161.1
+ Interest expense		47.0	51.5
– Interest paid		–40.2	–41.4
– Interest income		–4.5	–8.1
+ Interest received		3.8	7.4
+ Losses/– gains from foreign exchange translations		4.1	9.9
+/– Other non-cash financial results		0.7	–1.6
– Release of deferred income from network subsidies	60	–52.1	–50.6
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment		–0.7	–3.1
– Decrease/+ increase in non-current provisions	50	–21.4	–22.6
Gross cash flow		**497.1**	**550.5**
+ Decrease/– increase in inventories and receivables		–127.7	109.7
+ Increase/– decrease in current provisions		5.8	–1.0
+ Increase/– decrease in trade payables and other liabilities		81.2	–222.8
– Income tax paid		–44.3	–6.6
Net cash flow from operating activities		**412.0**	**429.7**
+ Proceeds from the disposal of intangible assets and property, plant and equipment		6.7	5.7
+ Proceeds from network subsidies		60.7	64.4
+ Proceeds from the disposal of financial assets and other non-current assets		65.5	72.4
+ Proceeds from the disposal of current securities and other current financial investments		89.4	49.3
– Acquisition of intangible assets and property, plant and equipment		–367.5	–391.9
– Acquisition of financial assets and other non-current assets		–31.5	–7.0
– Acquisition of current securities other current financial investments		–251.9	–
Net cash flow from investing activities		**–428.6**	**–207.1**
– Dividends paid to EVN AG shareholders	44	–89.0	–83.7
– Dividends paid to non-controlling interests		–22.6	–22.5
+ Sales of treasury shares	58	1.0	1.0
+ Increase in financial liabilities	58	100.0	3.2
– Decrease in financial liabilities	58	–72.7	–89.1
– Decrease in leasing liabilities	58	–5.5	–
Net cash flow from financing activities		**–88.8**	**–191.0**
Net change in cash and cash equivalents[1]		**–105.4**	**31.5**
Net change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period[1]	58	246.2	214.5
Currency translation differences on cash and cash equivalents		–0.9	0.2
Cash and cash equivalents at the end of the period[1]		140.0	246.2
Net change in cash and cash equivalents[2]		**–105.4**	**31.5**

1) The addition of bank overdrafts results in cash and cash equivalents as reported on the consolidated statement of financial position.
2) Additional information on the consolidated statement of cash flows can be found in note 58. Consolidated statement of cash flows.

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. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates.

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 2019/20 financial year:

Standards and interpretations applied for the first time		Effective[1]	Expected material effects on EVN's consolidated financial statements
New standards and interpretations			
IFRS 16	Leases	01.01.2019	See below
IFRIC 23	Uncertainty over Income Tax Treatments	01.01.2019	None
Revised standards and interpretations			
IAS 19	Plan Amendment, Curtailment or Settlement	01.01.2019	None
IAS 28	Long-term Interests in Associates and Joint Ventures	01.01.2019	None
IFRS 9	Prepayment Features with Negative Compensation	01.01.2019	None
Several	Annual Improvements 2015–2017	01.01.2019	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.

IFRS 16 Leases

The IASB published IFRS 16 in January 2016 as a replacement for the previous standard on leases (IAS 17) and related interpretations. IFRS 16 requires mandatory application for financial years beginning on or after 1 January 2019. It includes a new definition of the term "lease" and introduces major changes in the accounting rules for lessees. The goal of the new standard is the balance sheet recognition of nearly all leases and the related contractual rights and obligations for the lessee as rights of use or lease liabilities, which means the former differentiation between finance and operating leases is no longer applicable. 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. The accounting rules for the lessor do not change materially in comparison with the previously applied IAS 17. The business transactions in which EVN serves as the lessor are immaterial.

Conversion to IFRS 16

EVN selected the modified retrospective approach for the conversion to IFRS 16, which means the prior year data were not adjusted. The lease liability represents the discounted present value of the remaining lease payments based on the application of an incremental borrowing rate as of the initial application date. The weighted average incremental borrowing rate for the lease liabilities initially recognised as of 1 October 2019 equalled 0.67%.

An option provided by IFRS 16 was applied, which permits the recognition of a right of use at an amount equal to the lease liability less any advance lease payments. EVN differentiates between non-lease and lease components and waives the application of the practical expedient defined by IFRS 16.15. Moreover, EVN did not reassess whether a contract includes a lease in the sense of IFRS 16, provided the contract was previously identified as a lease as of the initial application date. Conversely, IFRS 16 is not applied to agreements which were classified as agreements without leases under IAS 17 in connection with IFRIC 4. The practical expedients provided by IFRS 16 were applied to low-value leases, short-term leases (< 12 months) and leases with a remaining term of twelve months or less as of the initial application date. These payments are still recorded under other expenses. In line with the transitional relief, the option to waive impairment testing was applied. The identified leases were instead reviewed as of the initial application date to determine whether they represent onerous contracts. In the event a lease was identified as onerous, the capitalised right of use was reduced by an existing provision.

The rules defined by IAS 36 for impairment testing also apply analogously to the rights of use recognised under IFRS 16. A liability must be remeasured when there is a change in the expected lease payments or in the term of the lease. Changes in estimates lead to a corresponding adjustment of the carrying amount of the right of use as subsequent purchase costs.

Material changes resulting from the initial application of IFRS 16

EVN initially applied IFRS 16 as of 1 October 2019. As previously explained, the comparative data from previous periods were not adjusted.

The following table shows the effects of the initial application of IFRS 16 on the consolidated financial statements and, in particular, on the statement of financial position.

Adjustments to the consolidated statement of financial position EURm	30.09.2019	Adjustments IFRS 16	01.10.2019
Assets			
Non-current assets			
Property, plant and equipment	3,579.6	75.8	3,655.4
	7,330.9	**75.8**	**7,406.7**
Current assets			
	857.7		**857.7**
Total assets	**8,188.6**	**75.8**	**8,264.4**
Equity and liabilities			
Equity			
	4,552.1		**4,552.1**
Non-current liabilities			
Other non-current liabilities	46.2	70.6	116.9
	2,733.2	**70.6**	**2,803.8**
Current liabilities			
Other current liabilities	304.9	5.2	310.0
	903.3	**5.2**	**908.5**
Total equity and liabilities	**8,188.6**	**75.8**	**8,264.4**

The initial application of IFRS 16 and the resulting recognition of rights of use led to an equal increase in property, plant and equipment and in liabilities. The new accounting rules led to a slight decline in the equity ratio for EVN and to an immaterial increase in net debt.

In accordance with IFRS 16.47, rights of use can be presented separately from other assets as a separate line item in the notes. EVN presents the rights of use under property, plant and equipment in the notes because the related amount is immaterial (also see note **35. Property, plant and equipment).**

Effects on the consolidated statement of operations EURm	2019/20
Other operating expenses	6.0
EBITDA	**6.0**
Depreciation and amortisation	–5.5
Results from operating activities (EBIT)	**0.5**
Interest expense	–0.5
Financial result	**–0.5**

Lease payments have been split into an interest and a principal portion since 1 October 2019. The capitalised rights of use are amortised over the defined useful life. The conversion in 2019/20 resulted in an EBIT effect of EUR 0.5m.

The changed presentation of lease payments led to minor reclassifications on the consolidated cash flow statement of the EVN Group. Prior to the application of IFRS 16, lease payments were reported in full under cash flow from operating activities. Following the application of IFRS 16, the principal portions are now reported under cash flow from financing activities and the interest portions under cash flow from operating activities.

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			
IFRS 3	Definition of a Business	01.01.2020	None
IAS 39, IFRS 7, IFRS 9	Interest Rate Benchmark Reform	01.01.2020[2]	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 IASB, these standards are applicable to financial years beginning on or after the effective date.
2) Voluntary premature application as of 01.10.2019

Voluntary premature application – interest rate benchmark reform

EVN applied the changes to IAS 39 and IFRS 7 "Interest Rate Benchmark Reform" (IBOR) which were published in September 2019 prematurely as of 1 October 2019. 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 are not 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 amounts accumulated in the cash flow hedge reserve at that time. However, no adjustments were required to the cash flow hedge reserve in 2019/20 because no effects were identified.

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

EUR/JPY cross-currency swaps are generally used to hedge the JPY bond. The cross-currency swaps (for a nominal value of JPY 12bn up to 15 January 2019 and for a nominal value of JPY 10bn since that date) represent a fair value hedge; 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 involved 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 BMR and will therefore not lead to any changes in existing contracts.

Standards and interpretations not yet applicable

The following standards and interpretations had been issued by the IASB as of 30 September 2020, 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 16	Proceeds before Intended Use	01.01.2022	None
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	01.01.2022	None
IFRS 3	Reference to the Conceptual Framework	01.01.2022	None
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	01.01.2021	None
IAS 39, IFRS 4, IFRS 7, IFRS 9, IFRS 16	Interest Rate Benchmark Reform – Phase 2	01.01.2021	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.

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, 28 domestic and 32 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2020 (previous year: 29 domestic and 32 foreign subsidiaries). A total of 13 subsidiaries (previous year: 19) 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 50.00%. 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 247. **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
30.09.2018	**63**	**1**	**16**	**80**
Initial consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
Reorganisation[1)]	–1	–	–	–1
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**
thereof foreign companies	32	1	6	39

1) Internal reorganisation

WTE O&M Kuwait Sewerage Treatment S.P.C. is a newly founded, wholly owned Kuwaiti subsidiary which was initially included through full consolidation as of 1 October 2019.

WTE Abwicklungsgesellschaft Kuwait mbH is a wholly owned subsidiary with headquarters in Germany and was not fully consolidated in previous years for materiality reasons. Following the financial close for the Umm Al Hayman project on 29 July 2020, the company was initially included through full consolidation.

AO EVN MSZ 3, Moscow, Russia, which was previously included through full consolidation, was deconsolidated as of 30 June 2020 due to the transfer of shares to the city of Moscow.

Umm Al Hayman Holding Company W.L.L., Kuwait City, Kuwait, is a 50% subsidiary of the WTE Group and was not consolidated at equity in the previous year for materiality reasons. Following the financial close for the Umm Al Hayman project on 29 July 2020, this company was consolidated at equity.

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 –3.8m in 2019/20 (previous year: EUR 10.8m) and include EUR –1.2m which were reclassified from other comprehensive income to the consolidated statement of operations.

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

Currency	2019/20 Exchange rate on the balance sheet date	2019/20 Average[1]	2018/19 Exchange rate on the balance sheet date	2018/19 Average[1]
Albanian lek	124.05000	123.80231	122.11000	123.80077
Bulgarian lev[2]	1.95583	1.95583	1.95583	1.95583
Croatian kuna	7.55650	7.50682	7.41100	7.41497
Kuwaiti dinar[3]	0.35880	0.34429	–	–
Hungarian forint	365.53000	345.04385	334.83000	323.84923
North Macedonian denar	61.69500	61.63588	61.49500	61.51280
Polish zloty	4.54620	4.39806	4.37820	4.30480
Russian rouble	91.77630	78.32732	70.75570	73.92941
Serbian dinar	117.58030	117.56362	117.52830	118.05547
Czech koruna	27.23300	26.19492	25.81300	25.75438

1) Average of the exchange rates on the last day of each month
2) The exchange rate was determined by Bulgarian law.
3) No foreign currency translation to KWD in 2018/19

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.

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.

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 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" under IFRS 9 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.

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, among others, 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 remaining 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 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 investement certificate, 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

%	2019/20	2018/19
Country of residence		
Austria	25.0	25.0
Albania	15.0	15.0
Bulgaria	10.0	10.0
Germany – Environment	30.3	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 through the formation of one such tax group as of 30 September 2020 (previous year: one). NÖ Landes-Beteiligungsholding GmbH, St. Pölten, serves as the head of this group, which includes EVN AG as a member. 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, which is based on the stand-alone method, when the aggregated results are positive. 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 2040).

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. The development of the average was adjusted in 2019/20 by using different scenarios. This adjustment is intended to present a balanced picture of the future development of electricity prices. The valuation therefore fully reflects the risks that could influence electricity prices in the future.

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 and an appropriate beta coefficient based on peer group capital market indicators. The debt component of the WACC equals the basis interest rate plus a country-specific premium and a rating dependent risk premium. The equity and debt components are weighted according to a capital structure that is appropriate for the CGU based on peer group data at market values. The resulting WACC is used to discount the cash flows in the respective CGU.

For the purpose of estimating the recoverable amount, EVN initially assesses the value in use. In cases where this amount is lower than the carrying amount of the asset, or the CGU, the fair value less costs of disposal is calculated if necessary.

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.

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 29.25m) and the municipality of Budva (EUR 64.59m). 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 35.34m, including interest. Moreover, WTE is preparing an arbitration action against the municipality of Budva for non-fulfilment of the investment contract and is evaluating further options, above all from investment protection. 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 most important effects of the Covid-19 pandemic on EVN's business development in the 2019/20 financial year are described in the following section:

- → The influence of Covid-19 on wholesale prices was generally limited to the short-term range, but a recovery has also been visible here in recent months. The decline in short-term prices resulted chiefly from the anticipated weaker demand for electricity in the near term, especially from industrial customers. However, the development of electricity futures in the coming periods, as suggested by current market trends, and estimates by well-known electricity price forecasters now indicate that Covid-19 will not have a significant influence on wholesale prices over the longer term.

- → Energy sales volumes to industrial and commercial customers declined during the lockdown in spring 2020 and had a negative effect on business development at EnergieAllianz, which is included in EVN's consolidated financial statements at equity. The decline in electricity consumption was also evident in network sales volumes; however, this volume effect will be offset through future tariffs according to the Austrian regulation methodology.

→ The lockdown in spring 2020 also caused individual delays in the realisation of the investment programme, but these delays will be recovered in 2020/21.

→ 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 will therefore be postponed to the following years.

→ In the first half of 2019/20, the Covid-19-related increase in the country risk premiums led to a higher discount rate and, consequently, to impairment losses. Impairment testing as of 30 September 2020 generally led to the revaluation of energy generation assets in South East Europe and to the customer base in North Macedonia (see notes **34. Intangible assets** and **35. Property, plant and equipment).**

→ EVN determines the impairment losses for trade receivables in accordance with IFRS 9B5.5.25 based on regionally differentiated analyses of historical default incidents. Covid-19 was responsible for an increase of EUR 4.7m in the impairment losses to trade receivables in 2019/20 (see **Credit and default risk** in note **59. Risk management).**

→ The Covid-19 crisis also had an effect on the market value of the securities in the R 138 fund, which are carried at fair value through profit or loss. The initially recognised, substantial price losses were recovered in part towards the end of the financial year following an improvement on the stock markets. The price declines recognised to profit or loss as of 30 September 2020 totalled approximately EUR 5.6m.

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 of EUR 605m as of 30 September 2020. In summary, the corona crisis had a selective negative influence on EVN's operating results in 2019/20. 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	2019/20	2018/19
Revenue from contracts with customers	2,091.5	2,123.9
Other revenue	16.0	80.0
Total	**2,107.5**	**2,204.0**

Other revenue mainly relates to income from the valuation of electricity derivatives attributable to the Energy Segment.

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

Revenue from contracts by segment and product

EURm	2019/20	2018/19
Electricity	152.1	241.2
Natural gas	40.8	69.8
Heat	136.1	135.3
Other	27.8	43.0
Energy	**356.9**	**489.3**
Electricity	71.0	72.7
Other	61.0	59.1
Generation	**132.1**	**131.8**
Electricity	291.4	293.5
Natural gas	96.3	106.3
Other	75.2	70.0
Networks	**462.8**	**469.8**
Electricity	894.2	891.1
Natural gas	5.3	5.4
Heat	8.8	9.3
Other	3.3	4.1
South East Europe	**911.5**	**909.9**
Environmental services	207.7	104.7
Environment	**207.7**	**104.7**
Other	20.4	18.4
All Other Segments	**20.4**	**18.4**
Total	**2,091.5**	**2,123.9**

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 GmbH in connection with the thermal waste utilisation plant in Dürnrohr, where revenue is recognised at a specific point in time. The related revenue amounted to EUR 53.8m in 2019/20 (previous year: EUR 54.8m).

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 2020, mainly relate to network subsidies, the international project business and other performance obligations from energy generation.

In total, the remaining performance obligations amount to EUR 1,663.1m at the balance sheet date. Of this amount, 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 two to 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

2019/20 financial year

EURm

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

2018/19 financial year[1)]

EURm

	< 1 year	1–5 years	> 5 years
Network subsidies	6.5	26.8	42.7
International project business	49.0	267.0	–
Other performance obligations from energy generation	21.7	37.6	–
Total	**77.2**	**331,4**	**42,7**

1) The comparative information was adjusted.

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

	2019/20	2018/19
Income from the reversal of deferred income from network subsidies	45.6	44.5
Own work capitalised	23.6	24.5
Rental income	4.8	3.1
Insurance compensation	2.9	7.9
Income from the disposal of intangible assets and property, plant and equipment	0.7	3.1
Change in work in progress	–26.5	15.0
Miscellaneous other operating income	13.2	19.6
Total	**64.4**	**117.8**

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	2019/20	2018/19
Electricity purchases from third parties and primary energy expenses	888.3	1,081.3
Third-party services and other materials and services	316.9	280.3
Total	**1,205.2**	**1,361.6**

Expenses for electricity purchases and from third parties and primary energy expenses include in particular electricity, natural gas, hard coal and biomass procurement costs and the expenses incurred 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	2019/20	2018/19
Salaries and wages	272.7	261.4
Severance payments	5.1	4.3
Pension costs	7.1	10.0
Compulsory social security contributions and payroll-related taxes	57.0	55.6
Other employee-related expenses	7.5	7.5
Total	**349.3**	**338.7**

Personnel expenses include contributions to the VBV Pensionskasse in the amount of EUR 6.9m (previous year: EUR 6.8m) and contributions to company employee provision funds in the amount of EUR 1.4m (previous year: EUR 1.3m). Due to the Pension Adjustment Act 2020, BGBl. 98/2019, and the amended provisions of § 728 ASVG there were fewer pension adjustments than in the past. This reduced pension expenses by EUR 3.3m.

The average number of employees was as follows:

Employees by segment[1)]	2019/20	2018/19
Generation	255	252
Networks	1,279	1,255
Energy	295	304
South East Europe	4,153	4,126
Environment	481	432
All Other Segments	544	539
Total	**7,007**	**6,908**

1) Average for the year

The average number of employees comprised 97.7% salaried and 2.3% wage employees (previous year: 97.5% salaried and 2.5% 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	2019/20	2018/19
Business operation taxes and duties	19.1	18.9
Write-up/write-off of receivables	12.0	–1.3
Advertising expenses	11.8	11.9
Transportation and travelling expenses, automobile expenses	10.5	12.6
Telecommunications and postage	10.2	9.5
Insurance	9.9	10.1
Legal and consulting fees, expenses related to process risks	8.9	15.9
Maintenance	8.6	10.5
Rents	2.4	8.0
Employee training	2.1	2.5
Miscellaneous other operating expenses	25.6	21.6
Total	**121.1**	**120.2**

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

The change in write-up and write-off of receivables is mainly due to the one-time effects in the South East Europe Segment in fiscal year 2018/19. In the previous year, a settlement of fully impaired receivables in the amount of EUR 4.3m had been made. In addition, EVN included Covid-19 effects in the 2019/20 fiscal 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	2019/20	2018/19
RAG	42.9	32.6
EVN KG	39.5	–36.2
Energie Burgenland	20.8	12.2
ZOV; ZOV UIP	12.6	13.9
Verbund Innkraftwerke	–19.0	96.3
Ashta	–4.3	4.4
Other companies	1.7	7.1
Total	**94.1**	**130.5**

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 fell to EUR 92.8m in 2019/20 (previous year: EUR 130.5m). This was mainly due to the share of earnings of Verbund Innkraftwerke, which had included a write-up of EUR 92.2m in the previous year. In the current fiscal year, however, an impairment loss of EUR 20.8m had to be recognised due to the increase in WACC (see note **36. Investments in equity accounted investees).**

EVN KG had a positive effect on the share of results from equity accounted investees with operational nature. The earnings of EVN KG improved by a total of EUR 74.4m. In the previous year, the earnings of EVN KG had been negatively affected by higher procurement costs and by valuation effects from hedging transactions as of the reporting date.

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	2019/20	2018/19
Intangible assets	19.3	14.9
Property, plant and equipment	294.9	275.5
Other non-current assets[1)]	4.5	–
Write-up of intangible assets	–0.1	–42.1
Write-up of property, plant and equipment	–1.4	–20.2
Total	**317.3**	**228.2**

1) Depreciation of capitalised contract costs

Depreciation and amortisation and effects from impairment tests

EURm	2019/20	2018/19
Scheduled depreciation and amortisation	296.7	269.8
Effects from impairment tests (impairment)[1)]	22.1	20.6
Effects from impairment tests (reversal of impairment)[1)]	–1.5	–62.3
Total	**317.3**	**228.2**

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

31. Financial results

Financial results EURm	2019/20	2018/19
Income from investments		
Dividend payments	33.4	23.0
thereof Verbund AG	30.3	18.4
thereof Verbund Hydro Power GmbH	1.7	1.0
thereof Wiener Börse AG	1.1	0.9
thereof other companies	0.2	2.6
Write-down/Disposals	–0.1	0.2
Results from other investments	**33.3**	**23.2**
Total income from investments	**33.4**	**23.3**
Interest results		
Interest income on financial assets	2.4	5.0
Other interest income	2.1	3.1
Total interest income	**4.5**	**8.1**
Interest expense on financial liabilities	–39.0	–41.3
Interest expense personnel provisions	–3.2	–7.3
Other interest expense	–4.8	–2.9
Total interest expense	**–47.0**	**–51.5**
Total interest results	**–42.5**	**–43.4**
Other financial results		
Results from changes in exchange rates and the disposal of non-current financial assets	–5.6	2.2
Results from changes in exchange rates and the disposal of current financial assets	1.5	–1.4
Currency gains/losses	–1.9	–7.9
Other financial results	–0.6	–2.8
Total other financial results	**–6.7**	**–9.8**
Financial results	**–15.8**	**–29.9**

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 both financial years this is a small amount that is reported in the consolidated statement of operations.

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 4.0m (prior year: EUR 5.8m).

Interest expense on financial liabilities represents regular interest payments on issued bonds and bank loans. Other interest expense includes interest expense for leasing liabilities, the accrued interest expense on non-current provisions, expenses for current loans as well as lease costs for biomass equipment, distribution and heating networks. The interest expense on liabilities not designated at fair value through profit or loss totalled EUR 43.3m (previous year: EUR 44.2m).

32. Income tax expense

Income tax expense EURm	2019/20	2018/19
Current income tax income and expense	50.2	57.5
thereof Austrian companies	31.2	44.7
thereof foreign companies	19.0	12.8
Deferred tax income and expense	–21.5	–10.9
thereof Austrian companies	–9.9	–23.1
thereof foreign companies	–11.7	12.3
Total	**28.7**	**46.7**

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2020 (previous year: 25.0%) and the tax expense based on the Group net result reported on the consolidated statement of operations for the 2019/20 financial year:

Calculation of the effective tax rate	2019/20		2018/19	
	%	EURm	%	EURm
Result before income tax		257.3		373.5
Income tax rate/income tax expense at nominal tax rate	25.0	64.3	25.0	93.4
– Different corporate income tax rates in other countries	–3.4	–8.6	–2.7	–10.2
– Effect of tax rate change	–	–	–	–
– Tax-free income from investments	–7.9	–20.2	–12.8	–48.0
+ Revaluation of deferred taxes	–1.9	–5.0	–1.6	–5.9
+/– Tax share valuations and impairment on Group receivables	–2.7	–6.9	3.1	11.5
+ Non-deductible expenses	1.6	4.1	0.9	3.4
– Other tax-free income	–0.5	–1.4	–0.5	–1.9
+ Aperiodic tax increases	0.6	1.6	1.2	4.4
–/+ Other items	0.3	0.7	–	–0.1
Effective tax rate/effective income tax expense	**11.1**	**28.7**	**12.5**	**46.7**

The changes in the revaluation of deferred taxes resulted primarily from the recognition of previously unrecognised tax losses.

The tax share valuations mainly relate to the write-down of the participation OOO EVN Umwelt Service, which was carried out with tax implications in the financial year under review (previous year: write-ups of the participations in EVN UBS, OOO EVN Umwelt Service, EVN Bulgaria and BG FW Holding).

The effective tax burden on EVN for the 2019/20 financial year amounts to 11.1% of earnings before taxes (previous year: 12.5%). 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 2019/20, i. e. 178,079,704 (previous year: 178,006,833). 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 199.8m for the 2019/20 financial year (previous year: EUR 302.4m), earnings per share equalled EUR 1.12 (previous year: EUR 1.70).

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

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	–	0.0*)	–	0.0*)
Additions	–	0.1	–	0.1
Disposals	–	2.2	6.6	8.8
Transfers	–	–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**

*) Small amount

2018/19 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2018	**216.7**	**413.1**	**76.0**	**705.8**
Additions	–	9.0	–	9.0
Disposals	–	–6.4	–3.5	–9.8
Transfers	–	0.3	–	0.3
Gross value 30.09.2019	**216.7**	**416.0**	**72.5**	**705.2**
Accumulated amortisation 30.09.2018	**–160.9**	**–288.4**	**–74.4**	**–523.7**
Scheduled amortisation	–	–14.3	–0.6	–14.9
Impairment losses	–	0.0*)	–	0.0*)
Additions	–	19.1	23.0	42.1
Disposals	–	6.3	3.5	9.8
Accumulated amortisation 30.09.2019	**–160.9**	**–277.3**	**–48.5**	**–486.8**
Net value 30.09.2018	**55.8**	**124.7**	**1.5**	**182.1**
Net value 30.09.2019	**55.8**	**138.7**	**24.0**	**218.5**

*) Small amount

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 356.0m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 492.6m. A WACC after tax of 3.88% (previous year: 4.17%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 4.25% (previous year: 4.59%). The recoverable amount of the CGU was thus 38.36% 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 93.4m higher in fiscal year 2019/20 (excess cover of EUR 192.0m). With a WACC after tax of 6.04%, the recoverable amount would correspond to the carrying amount.

In the South East Europe Segment, the customer base of the CGU "electricity distribution Northern Macedonia" was impaired as of 31 March 2020 due to increased country risk premiums. After the WACC had fallen again as of 30 September 2020 compared with 31 March 2020, the impairment test resulted in a write-up in the full amount of EUR 3.0m. The recoverable amount at the CGU "electricity distribution Northern Macedonia" was determined on the basis of the value in use and amounted to EUR 314.1m. A WACC after tax of 8.59% (previous year: 7.04%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 9.90% (previous year: 8.17%).

In 2019/20, a total of EUR 2.0m (previous year: EUR 1.2m) was invested in research and development; EUR 0.1m thereof were capitalised (previous year: EUR 0.4m).

35. Property, plant and equipment

Reconciliation of property, plant and equipment

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	66.97	0.36	0.6	–	7.87	–	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

2018/19 financial year EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2018	849.6	4,259.7	3,013.6	264.7	195.1	196.2	8,778.9
Currency translation differences	–	–	5.0	–	–	0.1	5.1
Additions	19.9	127.8	83.0	20.3	30.5	116.6	398.2
Disposals	–6.7	–27.7	–14.8	–16.0	–19.9	–1.3	–86.5
Transfers	10.3	57.6	32.6	–	5.0	–105.5	0.1
Gross value 30.09.2019	873.1	4,417.5	3,119.4	269.0	210.8	206.0	9,095.7
Accumulated amortisation 30.09.2018	–509.3	–2,342.5	–2,178.9	–157.8	–142.7	–9.0	–5,340.2
Currency translation differences	–	–	–4.1	–	–	–	–4.1
Scheduled depreciation	–21.5	–111.1	–87.1	–15.7	–19.5	–	–254.9
Impairment losses	–3.7	–0.5	–14.0	–	–1.0	–1.3	–20.6
Revaluation	6.0	7.5	6.6	–	–	–	20.2
Disposals	5.8	27.4	14.3	15.6	19.5	0.9	83.4
Accumulated amortisation 30.09.2019	–522.8	–2,419.2	–2,263.1	–158.0	–143.8	–9.4	–5,516.2
Net value 30.09.2018	340.3	1,917.2	834.7	106.9	52.4	187.2	3,438.7
Net value 30.09.2019	350.3	1,998.3	856.3	111.1	67.0	196.6	3,579.6

Land and buildings included land with a value of EUR 62.7m (previous year: EUR 61.0m). EVN held a mortgage with a maximum value of EUR 1.8m as of 30 September 2020, unchanged from the previous year.

Additions to property, plant and equipment included capitalised borrowing costs of EUR 1.3m (previous year: EUR 1.3m). The interest rate used for capitalisation ranged from 2.5% to 3.6% (previous year: 1.4% to 3.8%).

As in the previous year, no property, plant and equipment or intangible assets were pledged as collateral as of 30 September 2020.

The impairment testing of assets in accordance with IAS 36 led to the recognition of the following impairment losses and write-ups in 2019/20:

Due to the worsened assessment of the combined long-term electricity price, primary energy and emission certificate price development (Clean Dark Spread), which is based on current market analyses, an impairment loss of EUR 16.8m had to be recognised for the Walsum 10 power plant, which is proportionately included as a joint operation.[1)] The recoverable amount was determined based on the value in use and amounted to EUR 78.2m. A WACC after tax of 3.62% (previous year: 3.27%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 5.54% (previous year: 5.27%). An increase (decrease) of the WACC by 0.5 percentage points would have resulted in an impairment of EUR 19.3m (impairment of EUR 14.2m) in fiscal year 2019/20 ceteris paribus. If the underlying electricity price assumptions had been increased (decreased) by 5%, there would have been a reversal of an impairment loss of EUR 3.3m (impairment of EUR 37.1m) in fiscal year 2019/20 ceteris paribus.

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".

Impairment tests at EVN Wärme led to impairment losses of EUR 1.7m in the Energy Segment due to deterioration in the economic climate at five heating plants. The recoverable amount was calculated on the basis of the value in use and amounted to EUR 11.8m in total. The discount rate used was a WACC after tax within a range of 3.97% – 4.04%, which corresponds to an iteratively derived pre-tax WACC within a range of 5.30% – 5.39%.

In Bulgaria, an impairment loss of EUR 9.9m was recognised during the year on the co-generation assets of TEZ Plovdiv in the South East Europe Segment. Due to changes in the regulatory framework, an impairment test was performed again as at 30 September 2020, resulting in a reversal of an impairment loss in the amount of EUR 9.9m. 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 51.2m. A WACC after tax of 6.91% was used as the discount rate. The present value model on which the measurement is based includes a detailed planning period of five years, a rough planning phase until 2030 and a perpetual annuity.

Furthermore, the Kavarna wind park in the Generation Segment was impaired by EUR 1.3m during the year. Due to changes in the regulatory framework, a new impairment test was performed at the reporting date, which resulted in a write-up of EUR 2.6m. The recoverable amount was determined based on the value in use and amounted to EUR 11.8m. The discount rate used was a WACC after tax of 6.55% for the subsidised feed-in tariff phase and 6.62% for the free marketing phase, which corresponds to an iteratively derived pre-tax WACC of 7.28% and 7.35% respectively.

EVN as the lessee

Rights of use totalling EUR 80.3m were contrasted by lease liabilities with a present value of EUR 75.0m as of 30 September 2020. The short-term portion of the lease liabilities equalled 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 2019/20 led to an addition of 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:

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	–0.0*)	–	–0.0*)	–0.0*)	–0.0*)
Rights of use 30.09.2020	**66.8**	**6.5**	**0.4**	**6.6**	**80.3**

*) Small amount

The determination of the rights of use and corresponding lease liabilities includes all sufficiently probable cash outflows. The cash outflows from leases totalled EUR 11.2m in 2019/20. The consolidated statement of operations contains 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 0.5m in 2019/20.

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 247. 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.

Reconciliation of investments in equity accounted investees

2019/20 financial year EURm	
Gross value 30.09.2019	889.5
Additions	30.4
Disposals	0.0*)
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

*) Small amount

2018/19 financial year EURm	
Gross value 30.09.2018	**911.2**
Additions	0.5
Disposals	–22.2
Gross value 30.09.2019	**889.5**
Accumulated amortisation 30.09.2018	**84.4**
Currency translation differences	0.5
Disposals	21.8
Revaluation	93.1
Proportional share of results	37.4
Dividends	–137.9
Transfers	1.3
Changes recognised in other comprehensive income	–18.0
Accumulated amortisation 30.09.2019	**82.6**
Net value 30.09.2018	**995.7**
Net value 30.09.2019	**972.1**

In fiscal year 2019/20, the increase in WACC at Verbund Innkraftwerke resulted in an impairment loss of EUR 20.8m. The recoverable amount for EVN's share in Verbund Innkraftwerke was determined on the basis of the value in use and amounted to EUR 143.6m. The discount rate used was a WACC after tax of 3.93% (previous year: 3.39%), which corresponds to an iteratively derived pre-tax WACC of 5.10% (previous year: 4.41%) (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 an impairment loss of EUR 40.6m (write-up of EUR 4.5m) ceteris paribus in fiscal year 2019/20. If the underlying electricity price assumptions had increased (decreased) by 5%, there would have been an impairment loss of EUR 5.6m (impairment loss of EUR 35.9m) in fiscal year 2019/20 ceteris paribus.

In addition, in connection with the Ashta hydropower plant at Ashta Beteiligungsverwaltung GmbH, an impairment loss of EUR 4.9m was recognised as of 31 March 2020, due to increased 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 0.0m. A WACC after tax of 11.64% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 12.02%. Due to changed framework conditions, a new impairment test was performed at the reporting date 30 September 2020. This confirmed the earnings as of 31 March 2020 (see also note **29. Share of results from equity accounted investees with operational nature).**

The additions to companies accounted for using the equity method mainly relate to Umm Al Hayman Holding Company W.L.L.

The shares in ZOV, whose pro-rata equity owned by EVN amounted to EUR 104.9m as of 30 September 2020 (previous year: EUR 113.9m), 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 4.5m in 2019/20 (previous year: EUR 4.5m). The other investments classified as FVOCI consist primarily of shares

in Verbund AG with a value of EUR 2,048.4m (previous year: EUR 2,202.9m) and miscellaneous other investments of EUR 115.9m (previous year: EUR 118.0m). 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 2019/20, the valuation of the investment in Wiener Börse AG based on the discounted cash flow method resulted in a write-up of EUR 0.8m. 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 19.5m. A WACC after tax of 7.04% 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 2019/20 based on the discounted cash flow method resulted in a write-down of EUR 3.3m. 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 93.4m. A WACC after tax of 4.43% was used as the discount rate. The present value model underlying the valuation assumes publicly available information on the annual financial statements and, based on available data for electricity prices, forecasts the development of the coming years up to 2040 and a perpetual annuity without a growth rate. In the previous year, the valuation was based on electricity forward prices for the next four years and a perpetual annuity without growth rate. As EVN uses long-term electricity price forecasts up to 2040 for the valuation of its own generation portfolio due to the long-term nature of these investments (see also note **21. Procedure and effects of impairment tests),** it was decided to use this method to establish a valuation symmetry for the purpose of determining the fair value of the shares in Verbund Hydro Power AG.

The valuation of the investment in AGGM Austrian Gas Grid Management AG in 2019/20 based on the discounted cash flow method resulted in a write-up of EUR 0.4m. 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 2.9m. A WACC after tax of 3.65% 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 2016–2019 and a forecast for the 2020 financial year.

38. Other non-current assets

Other non-current assets

EURm	30.09.2020	30.09.2019
Non-current financial assets		
Securities	72.0	97.6
Loans receivable	32.9	33.0
Lease receivables	15.4	18.3
Receivables arising from derivative transactions	1.0	12.0
Trade receivables	10.9	–
Non-current other assets		
Contract assets	44.7	0.6
Contract costs	82.2	–
Primary energy reserves	0.7	0.7
Remaining other non-current assets	1.3	1.1
Total	261.0	163.3

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.

Receivables from leasing transactions 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 30.09.2020			Remaining term to maturity as of 30.09.2019		
	Principal components	Interest components	Total	Principal components	Interest components	Total
<5 years	5.4	1.0	6.4	5.8	1.4	7.2
>5 years	9.9	0.3	10.2	12.4	1.4	13.9
Total	**15.4**	**1.3**	**16.6**	**18.3**	**2.8**	**21.1**

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 2019/20 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 as well as cross-currency swaps.

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 2020. 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 in 2019/20 and will be amortised on a systematic basis in line with the expected timing of the contract on which the costs are based and depending on how the goods or services are transferred to the customer. The amortisation periods generally range from 2.5 to 4 years. Amortisation of EUR 4.5m in 2019/20 reduced the carrying amount to EUR 82.2m (also see note **30. Depreciation and amortisation and effects from impairment tests).**

Current assets

39. Inventories

Inventories EURm	30.09.2020	30.09.2019
Primary energy inventories	26.2	36.6
CO_2 emission certificates	12.6	4.7
Raw materials, supplies, consumables and other inventories	25.6	34.2
Customer orders not yet invoiced	2.1	28.6
Total	**66.6**	**104.1**

Primary energy inventories consist primarily of natural gas, since the oil reserves were mostly sold during 2019/20.

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 12.4m as of 30 September 2020. Positive changes in the market value resulted in a revaluation through profit or loss of EUR 5.3m as of 30 September 2020.

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 1.4m were recognised to inventories in 2019/20 (previous year: EUR 9.2m) and were contrasted by revaluations of EUR 0.1m (previous year: EUR 0.3m). The inventories are not subject to any restrictions on disposal or other encumbrances.

The customer contracts outstanding as of 30 September 2019 were settled or included according to the percentage of completion method on the respective projects.

40. Trade and other receivables

Trade and other receivables EURm	30.09.2020	30.09.2019
Financial assets		
Trade accounts receivable	217.0	259.3
Receivables from investments in equity accounted investees	24.5	24.1
Receivables from non-consolidated subsidiaries	–	6.7
Receivables from employees	–	0.1
Receivables arising from derivative transactions	6.4	33.6
Lease receivables	3.0	12.5
Other receivables and assets	36.9	24.4
	287.9	**360.8**
Other receivables		
Taxes and levies receivable	24.6	38.1
Prepayments	90.2	18.5
Contract assets	0.5	–
	115.3	**56.6**
Total	**403.2**	**417.4**

Trade accounts receivable relate mainly to electricity, natural gas and heating customers and customers from the international project busniess. Notes to impairment losses and default risks for trade receivables can be found in note **59. Risk management.**

Receivables from investments in equity accounted investees and receivables from non-consolidated subsidiaries arise primarily from intragroup transactions related to energy supplies as well as Group financing and services provided to those companies.

The receivables from derivative transactions consist chiefly of the positive market values of derivatives in the financial area and energy business.

Other receivables and assets include, among others, receivables from insurances and short-term loans receivable.

The increase in prepayments resulted primarily from contract orders in the international project business.

Impairment losses of EUR 0.8m were recognised to contract assets in 2019/20 (previous year: EUR 0.0m).

As of 30 September 2020, 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	30.09.2020	30.09.2019
Funds	236.4	89.7
thereof cash funds	236.2	89.4
thereof other fund products	0.2	0.3
Time deposits	17.4	–
Total	**253.8**	**89.7**

A write-up of EUR 0.2m through profit or loss was recorded in 2019/20 to reflect the decline in market prices (previous year: write-down of EUR –0.8m 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 2019/20 and 2018/19 is shown on page 167.

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 2,624.0m (previous year: EUR 2,514.2m) 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	2019/20
Reported result for the period 2019/20	220.9
Retained earnings from the 2018/19 financial year	0.1
Less additions to voluntary reserves	–133.6
Distributable result for the period	87.3
Proposed dividend	–87.3
Retained earnings for the 2020/21 financial year	0.0*)

*) Small amount

Liabilities do not include the dividend of EUR 0.49 per share for the 2019/20 financial year which will be proposed to the Annual General Meeting.

The 91st Annual General Meeting on 16 January 2020 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 0.47 per share for the 2018/19 financial year plus a one-time bonus dividend of EUR 0.03 per share on the occasion of EVN's 30th anniversary of the listing on the vienna stock exchange. This resulted in a total dividend payment of EUR 89.0m. Ex-dividend day was 22 January 2020, dividend payment day was 24 January 2020.

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 –1.5m (previous year: EUR –5.0m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see **Consolidated statement of comprehensive income,** page 165).

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	30.09.2020 Before tax	 Tax	 After tax	30.09.2019 Before tax	 Tax	 After tax
Items recognised under other comprehensive income from						
Financial assets classified at fair value through other comprehensive income	1,703.9	–425.9	1,278.0	1,860.5	–465.1	1,395.4
Cash flow hedges	–22.0	7.3	–14.7	–24.7	8.2	–16.5
Remeasurements IAS 19	–163.5	40.4	–123.1	–173.7	43.1	–130.7
Investments in equity accounted investees	–37.0	2.5	–34.5	–22.7	1.3	–21.4
Total	**1,481.5**	**–375.8**	**1,105.7**	**1,639.3**	**–412.5**	**1,226.8**

In 2019/20, cash flow hedges totalling EUR 1.9m (previous year: EUR 1.9m) were transferred from other comprehensive income to the consolidated statement of operations. Due to the ineffectiveness of the hedges an amount of EUR 0.0m (previous year: EUR –1.3m) was recognised in profit or loss.

46. Treasury shares

A total of 69,578 treasury shares were sold during the reporting year to permit their issue as a special payment in accordance with a company agreement (previous year: 73,528 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
30.09.2018	**179,878,402**	**–1,883,824**	**177,994,578**
Purchase of treasury shares	–	–	–
Disposal of treasury shares	–	73,528	73,528
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**

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 178,079,704 shares (previous year: 178,006,833 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	30.09.2020			30.09.2019		
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	193.0	39.5	28.5	190.4	39.1	25.9
Result attributable to non-controlling interests	21.4	5.5	2.7	16.3	3.2	4.3
Dividends attributable to non-controlling interests	20.0	2.6	–	20.0	2.5	–
Statement of financial position						
Non-current assets	385.7	186.6	368.6	380.6	185.8	338.2
Current assets	0.2	9.4	36.8	0.2	8.8	50.1
Non-current liabilities	–	0.6	97.3	–	0.5	105.2
Current liabilities	–	–	19.8	–	–	22.7
	2019/20			**2018/19**		
Statement of operations						
Revenue	–	–	–	–	–	237.3
Result after income tax	42.9	20.8	28.8	32.6	12.2	45.8
Net cash flows						
Net cash flow from operating activities	40.0	10.3	40.2	40.0	9.9	34.4
Net cash flow from investing activities	–	–	–35.4	–	–	–44.9
Net cash flow from financing activities	–40.0	–9.8	–10.3	–40.0	–9.5	–0.2

Non-current liabilities

48. Non-current loans and borrowings

Breakdown of non-current loans and borrowings

	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2020 EURm	Carrying amount 30.09.2019 EURm	Fair value 30.09.2020 EURm
Bonds				514.5	519.3	592.3
EUR bond	4.250	2011–2022	EUR 293.0m	290.7	289.2	312.7
JPY bond	3.130	2009–2024	JPY 12.0bn	100.9	107.3	105.7
EUR bond	4.125	2012–2032	EUR 100.0m	98.3	98.2	139.2
EUR bond	4.125	2012–2032	EUR 25.0m	24.7	24.6	34.8
Bank loans (incl. promissory note loans)	0.00–4.99	until 2068	–	530.8	470.7	613.3
Total				1,045.3	990.0	1,205.6

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 30.09.2020 <5 years	>5 years	Total	Remaining term to maturity as of 30.09.2019 <5 years	>5 years	Total
Bonds	391.5	123.0	514.5	396.5	122.8	519.3
thereof fixed interest	290.7	123.0	413.7	289.2	122.8	412.0
thereof variable interest	100.9	–	100.9	107.3	–	107.3
Bank loans	161.2	369.6	530.8	155.5	315.2	470.7
thereof fixed interest	151.6	369.3	520.8	145.4	314.3	459.7
thereof variable interest	9.6	0.4	10.0	10.1	0.9	11.0
Total	**552.7**	**492.6**	**1,045.3**	**552.0**	**438.0**	**990.0**

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 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 121.5m) promissory note loans that were issued in October 2012 and April 2020. The increase in this item is due to the green promissory note loan with a nominal value of EUR 100m issued in April 2020.

Accrued interest is reported under other current liabilities.

49. Deferred taxes

Deferred taxes EURm	30.09.2020	30.09.2019
Deferred tax assets		
Employee-related provisions	–52.5	–58.6
Tax loss carryforwards	–53.1	–22.4
Investment depreciation	–16.2	–19.6
Property, plant and equipment	–52.4	–47.4
Financial instruments	–9.3	–11.4
Provisions	–17.3	–11.1
Other deferred tax assets	–0.1	–
Deferred tax liabilities		
Property, plant and equipment	70.5	49.5
Intangible assets	2.9	2.9
Financial instruments	399.1	481.6
Provisions	96.2	96.7
Other deferred tax liabilities	46.8	11.4
Total	**414.6**	**471.6**
thereof deferred tax assets	–75.4	–72.1
thereof deferred tax liabilities	490.0	543.8

Deferred taxes developed as follows:

Changes in deferred taxes EURm	2019/20	2018/19
Deferred taxes on 01.10.	**471.6**	**402.1**
– Changes recognised directly in equity resulting from currency translation differences and other changes	1.3	0.2
– Changes in deferred taxes recognised through profit and loss	–21.5	–10.9
– Changes in deferred taxes recognised directly in equity from the valuation reserve	–36.8	80.2
Deferred taxes on 30.09.	**414.6**	**471.6**

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 81.9m (previous year: EUR 88.9m) 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 76.0m) are attributable to EVN MVA 1. Of this total, EUR 1.5m will expire during the next five years (previous year: EUR 2.6m). The remaining loss carryforwards that were not capitalised can be carried forward for an indefinite period of time.

WTE Wassertechnik GmbH recorded a tax loss of approximately EUR 94.5m in 2019/20, which resulted primarily from the inability to capitalise contract costs for tax purposes. Deferred tax assets of approximately EUR 41.6m are contrasted by deferred tax liabilities of approximately EUR 24.9m. Tax planning indicates that the capitalised losses above this amount can be utilised during the coming years.

Deferred tax liabilities of EUR 97.8m (previous year: EUR 92.3m) on temporary differences of EUR 402.4m (previous year: EUR 383.9m) 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, 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 –39.1m; previous year: EUR 95.6m) and employee-related provisions (EUR 2.7m; previous year: EUR –13.8m).

50. Non-current provisions

Non-current provisions EURm	30.09.2020	30.09.2019
Provisions for pensions	260.5	283.1
Provisions for pension-related obligations	28.6	29.3
Provisions for severance payments	92.4	95.0
Other non-current provisions	124.9	130.0
Total	**506.4**	**537.5**

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 1.0% as of 30 September 2020 (previous year: 0.7%). The provisions for severance payments were measured with a discount rate of 0.7% (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	2019/20	2018/19
Present value of pension obligations (DBO) as of 01.10.	**283.1**	**253.7**
+ Service costs	–1.0	1.9
+ Interest costs	2.0	4.7
– Pension payments	–14.1	–16.8
+/– Actuarial loss/gain	–9.5	39.6
thereof		
Financial assumptions	–8.4	42.5
Assumptions based on experience	–1.1	–2.9
Present value of pension obligations (DBO) as of 30.09.	**260.5**	**283.1**

As of 30 September 2020, the weighted average remaining term equalled 14.1 years for the pension obligations (previous year: 14.7 years). Pension payments are expected to total EUR 14.3m in 2020/21 (previous year: EUR 14.4m).

Reconciliation of the provisions for pension-related obligations

EURm	2019/20	2018/19
Present value of the provisions for pension-related obligations (DBO) as of 01.10.	29.3	23.6
+ Service costs	0.5	0.4
+ Interest costs	0.2	0.4
– Payments	–0.9	–0.9
+/– Actuarial loss/gain	–0.5	5.7
thereof		
Financial assumptions	–1.7	5.7
Assumptions based on experience	1.1	–
Present value of the provisions for pension-related obligations (DBO) as of 30.09.	28.6	29.3

As of 30 September 2020, the weighted average remaining term equalled 18.3 years for the pension-related obligations (previous year: 19.1 years). The payments for pension-related obligations are expected to total EUR 1.0m in 2020/21 (previous year: EUR 0.9m).

Reconciliation of the provision for severance payments

EURm	2019/20	2018/19
Present value of severance payment obligations (DBO) as of 01.10.	95.0	88.4
– Currency translation differences	–0.0*)	–
+ Service costs	3.5	3.0
+ Interest costs	0.8	1.7
– Severance payments	–6.7	–8.3
+/– Actuarial loss/gain	–0.2	10.3
thereof		
Financial assumptions	0.1	9.6
Assumptions based on experience	–0.3	0.7
Present value of severance payment obligations (DBO) as of 30.09.	92.4	95.0

*) Small amount

As of 30 September 2020, the weighted average remaining term of the severance payment obligations equalled 8.9 years (previous year: 9.4 years). Severance payments are expected to total EUR 7.0m in 2020/21 (previous year: EUR 7.2m).

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

%		30.09.2020		30.09.2019	
	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	7.63	–6.75	7.99	–7.03
Remuneration increases	1.00	–2.71	2.95	–3.01	3.24
Pension increases	1.00	–11.02	13.55	–11.37	14.05
Remaining life expectancy	1 year	–5.05	5.17	–5.03	5.16

Sensitivity analysis for provision for pension-related obligations

%

		30.09.2020		30.09.2019	
	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	9.98	–8.66	10.47	–9.05
Remuneration increases	1.00	–	–	–	–
Pension increases	1.00	–13.62	17.26	–13.98	17.80
Remaining life expectancy	1 year	–4.21	4.27	–4.32	4.39

Sensitivity analysis for provision for severance payments

%

		30.09.2020		30.09.2019	
	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	4.66	–4.35	4.91	–4.58
Remuneration increases	1.00	–8.56	9.61	–8.98	10.13

The sensitivity analysis was carried out separately for each key actuarial parameter. Only one parameter was changed at a time during the examination, while the other variables remained constant (ceteris paribus). The method used to calculate the changed obligation reflected the calculation of the actual obligation. The analytical capacity of this method is limited because the interdependencies between the individual actuarial parameters are not taken into account. With respect to the severance compensation obligations, a sensitivity analysis was not carried out for the remaining life expectancy because this parameter has only an immaterial effect on the liability.

Reconciliation of other non-current provisions

EURm

	Service anniversary bonuses	Rents for network access	Process costs and risks	Environmental and disposal risks	Other non-current provisions	Total
Carrying amount 01.10.2019	26.2	6.6	8.1	85.2	3.9	130.0
Interest expense	0.2	–	0.3	0.7	–	1.2
Use	–2.1	–	–	–	–0.1	–2.2
Release	–	–0.3	–2.1	–4.3	–0.4	–7.1
Additions	1.0	0.1	0.8	0.9	0.5	3.3
Reclassification	–0.1	0.1	–0.1	–	–0.2	–0.3
Carrying amount 30.09.2020	25.2	6.5	6.9	82.5	3.7	124.9

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 two to 14 years.

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 01.10.2019	**67.6**	**483.5**	**64.6**	**615.7**
Currency translation differences	–	–0.3	–	–0.3
Additions	7.8	41.7	3.5	53.0
Reclassification	–7.2	–37.2	–4.9	–49.3
Carrying amount 30.09.2020	**68.2**	**487.7**	**63.2**	**619.1**

52. Other non-current liabilities

Other non-current liabilities
EURm

	30.09.2020	30.09.2019
Accruals from financial transactions	0.1	0.2
Liabilities from derivative transactions	16.9	20.2
Leasing liabilities	72.8	3.9
Remaining other non-current liabilities	47.7	22.0
Total	**137.5**	**46.2**

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 project financing related to the Walsum 10 power plant.

With the first-time application of IFRS 16, non-current leasing liabilities are reported under other non-current liabilities. The carrying amount at the reporting date is EUR 72.8m.

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 30.09.2020			Remaining term to maturity as of 30.09.2019		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Accruals from financial transactions	0.1	–	0.1	0.1	–	0.2
Liabilities from derivative transactions	15.5	1.4	16.9	17.3	2.9	20.2
Leasing liabilities	23.1	49.6	72.8	3.3	0.6	3.9
Remaining other non-current liabilities	43.1	4.7	47.7	18.0	3.9	22.0
Total	**81.8**	**55.7**	**137.5**	**38.8**	**7.4**	**46.2**

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

	30.09.2020	30.09.2019
Bank loans	35.4	68.4
Bank overdrafts and other current loans	74.6	0.3
Total	**110.0**	**68.8**

Loans of EUR 35.4m were reclassified to current financial liabilities because they are now due within one year (previous year: EUR 68.4m).

54. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 100.8m (previous year: EUR 115.2m).

55. Current provisions

Reconciliation of current provisions

EURm

	Personnel entitlements	Rents for network access	Process risks	Other current provisions	Total
Carrying amount 01.10.2019	**75.5**	**2.8**	**2.4**	**9.7**	**90.4**
Use	–10.7	–	–0.6	–3.3	–14.6
Release	–	–	–	–0.9	–0.9
Additions	13.0	–	0.2	7.8	20.9
Reclassification	–	–0.1	0.1	0.3	0.4
Carrying amount 30.09.2020	**77.8**	**2.7**	**2.0**	**13.7**	**96.2**

The provisions for personnel entitlements comprise special payments not yet due, outstanding leave and liabilities resulting from a voluntary early retirement programme for employees. The provisions for legally binding agreements totalled EUR 7.2m as of the balance sheet date (previous year: EUR 5.6m). In addition, a provision for impending losses in the amount of EUR 5.8m was recognised for a production project in fiscal year 2019/20. This resulted mainly from the negative exchange rate development.

56. Other current liabilities

Other current liabilities EURm	30.09.2020	30.09.2019
Financial liabilities		
Liabilities to investments in equity accounted investees	108.6	112.4
Liabilities to non-consolidated subsidiaries	4.5	0.6
Deferred interest expenses	14.5	14.6
Liabilities arising from derivative transactions	8.8	21.5
Leasing liabilities	5.2	–
Other financial liabilities	75.5	35.8
	217.1	**185.0**
Other liabilities		
Contract liabilities	43.6	16.7
Prepayments received	38.7	35.2
Deferred income from network subsidies	54.5	52.3
Liabilities relating to social security	16.2	15.6
Energy taxes	37.1	29.7
Value added tax	20.8	21.4
Other taxes and duties	15.9	15.4
	226.8	**186.5**
Total	**444.0**	**371.5**

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.

The increase in other financial liabilities is mainly due to liabilities in connection with capitalised contract costs in the amount of EUR 27.3m (prior year: EUR 0.0m). In addition, liabilities in connection with the tariff decision of 1 July 2014, in Bulgaria due to the repayment of proceeds from previous periods as well as liabilities to employees and deposits received are also reported.

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 as well as advance payments received for performance obligations from power generation in the amount of EUR 12.2m.

The contract liabilities reported in the previous year were fully recognised as sales revenues in fiscal year 2019/20.

Segment reporting

Segment reporting EURm	Energy		Generation		Networks		South East Europe	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19	**2019/20**	2018/19
External revenue	372.9	569.3	132.1	131.8	462.8	469.8	911.5	909.9
Internal revenue (between segments)	10.7	4.1[1]	161.8	204.7[1]	55.1	63.2[1]	0.7	0.8
Total revenue	**383.6**	**573.5**	**293.9**	**336.5**	**517.9**	**533.0**	**912.2**	**910.7**
Operating expenses	–339.3	–625.8	–156.2	–178.2	–318.0	–325.8	–775.5	–779.6
Share of results from equity accounted investees operational	39.4	–32.7	–22.3	102.1	–	–	–	–
EBITDA	**83.8**	**–85.0**	**115.4**	**260.5**	**199.9**	**207.3**	**136.7**	**131.1**
Depreciation and amortisation	–22.3	–12.2	–72.5	–42.3	–130.3	–125.3	–70.6	–35.2
thereof impairment losses	–1.7	–1.4	–2.8	–6.3	–	–	–0.1	–
thereof revaluation	–	8.4	1.5	25.7	–	–	–	28.0
Results from operating activities (EBIT)	**61.4**	**–97.3**	**42.9**	**218.2**	**69.6**	**81.9**	**66.1**	**95.9**
EBIT margin (%)	16.0	–17.0	14.6	64.9	13.4	15.5	7.2	10.5
Share of results from equity accounted investees financial	–	–	–	–	–	–	–	–
Interest income	–	0.1	0.8	0.9	0.2	0.2	–	0.1
Interest expense	–1.6	–2.3	–13.8	–15.4	–14.8	–17.3	–19.7	–20.7
Financial results	–1.6	–2.2	–12.9	–15.4	–12.6	–17.1	–20.4	–20.6
Result before income tax	**59.9**	**–99.4**	**30.0**	**202.9**	**57.0**	**64.8**	**45.7**	**75.3**
Goodwill	–	–	1.2	1.2	1.8	1.8	–	–
Carrying value of investments in equity accounted investees	137.9	109.6	150.7	175.6	–	–	–	–
Total assets	774.8	827.6	1,123.3	1,169.7	2,090.4	2,010.5	1,219.2	1,211.6
Total liabilities	641.9	696.5	710.1	781.9	1,457.2	1,410.9	893.7	913.1
Investments[2]	28.8	26.4	53.4	67.8	181.8	202.1	99.7	81.1

1) The comparative information was adjusted.

2) In intangible assets and property, plant and equipment

Segment reporting

EURm

	Environment		All Other Segments		Consolidation[1]		Total	
	2019/20	2018/19	**2019/20**	2018/19	**2019/20**	2018/19	**2019/20**	2018/19
External revenue	207.7	104.7	20.4	18.4	–	–	2,107.5	2,204.0
Internal revenue (between segments)	0.4	0.5	69.0	64.3	–297.7	–337.6[2]	–	–
Total revenue	**208.1**	**105.1**	**89.4**	**82.7**	**–297.7**	**–337.5**	**2,107.5**	**2,204.0**
Operating expenses	–204.2	–94.6	–96.8	–93.2	278.7	394.4	–1,611.3	–1,702.8
Share of results from equity accounted investees operational	13.3	16.2	63.6	44.8	–	–	94.1	130.5
EBITDA	**17.3**	**26.8**	**56.3**	**34.2**	**–19.0**	**56.8**	**590.4**	**631.7**
Depreciation and amortisation	–16.7	–11.6	–2.4	–1.8	–2.4	0.2	–317.3	–228.2
thereof impairment losses	–0.6	–	–	–	–16.8	–13.0	–22.1	–20.6
thereof revaluation	–	–	–	–	–	0.1	1.5	62.3
Results from operating activities (EBIT)	**0.6**	**15.2**	**53.9**	**32.4**	**–21.4**	**57.0**	**273.1**	**403.5**
EBIT margin (%)	0.3	14.5	60.3	39.2	–	–	13.0	18.3
Share of results from equity accounted investees financial	–	–	–	–	–	–	–	–
Interest income	1.5	3.0	27.4	28.8	–25.3	–24.8	4.5	8.1
Interest expense	–6.9	–5.8	–15.5	–14.9	25.3	24.9	–47.0	–51.5
Financial results	–5.9	–11.7	53.3	52.2	–15.8	–15.2	–15.8	–29.9
Result before income tax	**–5.3**	**3.5**	**107.2**	**84.6**	**–37.2**	**41.9**	**257.3**	**373.5**
Goodwill	52.9	52.9	–	–	–	–	55.8	55.8
Carrying value of investments in equity accounted investees	136.8	116.0	576.7	570.9	–	–	1,002.1	972.1
Total assets	862.0	682.0	4,600.0	4,586.5	–2,304.1	–2,299.3	8,365.7	8,188.6
Total liabilities	716.9	530.1	1,781.9	1,674.4	–2,379.4	–2,370.3	3,822.4	3,636.5
Investments[3]	17.1	17.4	3.3	3.5	–16.1	–6.8	367.9	391.4

1) Explained below in the notes to segment reporting
2) The comparative information was adjusted.
3) In intangible assets and property, plant and equipment

Segment information by product – revenue

EURm	2019/20	2018/19
Electricity	1,430.4	1,584.4
Natural gas	142.4	181.5
Heat	146.3	146.0
Environmental services	207.7	104.7
Others	180.6	187.5
Total	**2,107.5**	**2,204.0**

Segment information by country – revenue[1)]

EURm	2019/20	2018/19
Austria	1,024.6	1,225.2
Germany	133.5	41.4
Bulgaria	550.6	529.6
North Macedonia	360.4	378.4
Others	38.3	29.3
Total	**2,107.5**	**2,204.0**

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	30.09.2020		30.09.2019	
	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	129.9	2,646.1	126.2	2,600.6
Germany	44.5	104.0	44.8	132.9
Bulgaria	24.6	512.8	27.7	499.8
North Macedonia	17.9	322.3	19.7	304.4
Others	–	37.8	–	41.9
Total	**216.9**	**3,623.1**	**218.5**	**3,579.6**

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 is accounted for as a joint operation.
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. These circumstances led to a transition of EUR –21.4m (previous year: EUR 55.9m) 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	30.09.2020	30.09.2019
Cash	214.5	246.6
thereof cash on hand	0.1	0.2
thereof cash at banks	214.4	246.4
Bank overdrafts	–74.6	–0.3
Total	**140.0**	**246.2**

Of the reported bank balances, EUR 0.3m (prior year: EUR 0.4m) 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	2019/20	2018/19
Income from the reversal of network and investment subsidies (regulated business)	45.6	44.5
Revenue from the reversal of network subsidies (non-regulated business)	6.5	6.2
Total	**52.1**	**50.6**

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

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
Reclassification	35.4	–35.4	–	–
Balance on 30.09.2020	110.0	1,045.3	78.0	1,233.3

Cash flow from financing activities

2018/19 financial year

EURm	Current financial liabilities	Non-current financial liabilities	Total
Balance on 01.10.2018	**89.1**	**1,040.5**	**1,129.5**
Payments received	–	3.2	3.2
Payments made	–89.2	–	–89.2
Reclassification of liquid funds	0.3	–	0.3
Currency translation	–	0.9	0.9
Change in fair value	–	12.1	12.1
Change in costs for the procurement of funds	–	2.1	2.1
Reclassification	68.8	–68.8	–
Balance on 30.09.2019	**68.8**	**990.0**	**1,058.8**

59. Risik 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 recognized 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 3.8m as of 30 September 2020 (previous year: EUR 3.5m). The increase is mostly due to the issuance of an additional promissory note loan with a fixed interest rate and a term to maturity of ten years.

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 2020 (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, remains immaterial and amounted to EUR 0.5m (previous year: EUR 0.1m) after the inclusion of hedging instruments.

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 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 235 shows the outstanding contracts as of 30 September 2020 (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 1.7m for EVN as of 30 September 2020 (previous year: EUR 1.4m).

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 143.4m (previous year: EUR 105.1m), whereby the price would be influenced by the sale of a large block of Verbund shares by EVN. The year-on-year increase in the VaR resulted essentially due to the increased volatility of the stock markets in the wake of the Covid-19 pandemic.

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 2020 comprised cash and cash equivalents of EUR 214.6m (previous year: EUR 246.2m), short-term time deposits of EUR 17.4m (previous year: EUR 0.0m) and current securities of EUR 236.4m (previous year: EUR 89.7m) which can be sold at any time. Moreover, EVN had EUR 400.0m of contractually agreed and unused syndicated lines of credit (previous year: unused lines of credit totalling EUR 400.0m) and EUR 205.0m of contractually agreed and unused bilateral lines of credit (previous year: EUR 92.0m) as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 22.8% as of the balance sheet date (previous year: 22.0%) and underscores EVN's sound capital structure.

Expected occurrence of cash flows of loans and borrowings and other liabilities

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**

30.09.2019 EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows <1 year	1–5 years	>5 years
Bonds	519.3	638.9	21.1	453.8	164.1
Bank loans	539.1	644.1	80.3	193.5	370.3
Lease liabilities	4.7	5.3	1.0	3.8	0.5
Liabilities arising from derivative transactions	41.7	35.9	20.3	12.6	3.0
Total	**1,104.9**	**1,412.1**	**128.6**	**685.9**	**597.6**

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 238 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

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	0.00	–	–	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.

Major financial instruments covered by the ECL model

2018/19 financial year

EURm	Equivalent S&P	Default probability (%)[1]	Loans receivable	Lease receivables	Bank deposits[2]	Calculated impairment[3]
EVN rating class 1	AAA	0.00	–	–	246.4	–
EVN rating class 2	Up to AA–	0.03	19.6	7.1	–	–
EVN rating class 3	Up to A–	0.06	16.3	–	–	–
EVN rating class 4	Up to BBB–	0.24	–	15.9	–	–
EVN rating class 5a	Up to BB–	0.95	–	3.1	–	–
EVN rating class 5b	Up to B–	6.75	–	–	–	–
EVN rating class 5c	Up to D	26.89	–	–	–	–
No rating	–	–	0.9	4.7	–	–
Total			**36.8**	**30.8**	**264.4**	–

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 9B5.5.35 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.

Leading credit insurers expect an increase in the bankruptcy rate during 2021 as a result of the Covid-19 pandemic. In this connection, a higher volume of receivables defaults is also anticipated. The EVN Group has already integrated the forecasted growth in receivables defaults in the "forward-looking component", and trade receivables were adjusted accordingly. This led to an additional impairment loss of EUR 4.7m.

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 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	0.0*)
Up to 89 days overdue	0.1–1.8	–0.3	3.7	3.7	0.0*)
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**

*) Small amount

Expected credit losses in Austria 2018/19

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–1.1	0.1	21.7	21.7	0.0*)
Up to 89 days overdue	0.1–1.4	0.7	2.1	2.1	0.0*)
Up to 179 days overdue	3.3–34.9	20.3	0.4	0.3	0.1
Up to 359 days overdue	4.7–43.7	37.5	0.6	0.4	0.2
>360 days overdue	8.5–53.2	41.5	4.0	2.3	1.7
Remainder not included	–	–	13.9	13.9	–
Total			**42.7**	**40.7**	**2.0**

*) Small amount

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 Bulgaria 2018/19

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–0.2	0.2	57.9	57.8	0.1
Up to 89 days overdue	1.8–48.0	7.7	4.4	4.0	0.3
Up to 179 days overdue	36.4–100.0	47.3	0.7	0.4	0.4
Up to 359 days overdue	47.0–100.0	66.2	1.0	0.4	0.7
>360 days overdue	36.4–100.0	100.0	14.5	–	14.5
Remainder not included	–	–	0.3	0.3	–
Total			**78.8**	**62.9**	**16.0**

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	32.9
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**

Expected credit losses in North Macedonia 2018/19

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.3–5.5	5.2	59.5	56.4	3.1
Up to 89 days overdue	1.0–21.4	11.7	15.9	14.0	1.9
Up to 179 days overdue	33.8–68.4	66.5	5.3	1.8	3.5
Up to 359 days overdue	52.8–82.1	80.0	10.2	2.1	8.2
>360 days overdue	100.0	100.0	210.5	–	210.5
Total			**301.4**	**74.3**	**227.1**

The overview of expected credit losses in North Macedonia includes both current and non-current trade receivables. Following the conclusion of instalment agreements with customers in North Macedonia, existing trade receivables were reclassified as non-current. Gross receivables of EUR 41.6m and net receivables of EUR 10.9m were classified 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 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 12.1m (previous year: EUR 11.6m) were recognised for two receivables with a gross carrying amount of EUR 35.3m that fall into Level 3.

In fiscal year 2019/20, impairments of EUR 12.0m were recognised for trade receivables. The impairment mainly resulted from expected credit losses under consideration of an impairment matrix. In addition, contract assets were impaired in the amount of EUR 0.9m (previous year: EUR 0.0m).

The following table shows the development of impairment losses to trade receivables in 2019/20:

Impairment losses – trade receivables

EURm	2019/20	2018/19[1)]
Balance on 01.10.2019	**256.7**	**258.0**
Additions	12.0	3.5
Disposal	–4.1	–4.8
Balance on 30.09.2020	**264.6**	**256.7**

1) The comparative information was adjusted.

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2020 and 30 September 2019 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 2020, the equity ratio equalled 54.3% (previous year: 55.6%). Net debt coverage, which represents the ratio of funds from operations to net debt, equalled 47.6% (previous year: 50.9%). Net debt is calculated as the total of current and non-current financial liabilities minus cash and cash equivalents, current and non-current securities and loans receivable and plus non-current personnel provisions.

Capital management

EURm	30.09.2020	30.09.2019
Non-current loans and borrowings and leasing liabilities	1,118.1	993.9
Current loans and borrowings[1)]	40.6	68.4
Cash and cash equivalents	–140.0	–246.2
Non-current and current securities	–325.8	–187.2
Non-current and current loans receivable	–36.8	–36.8
Net financial debt	**656.2**	**592.0**
Non-current personnel provisions[2)]	381.5	407.5
Net debt	**1,037.7**	**999.5**
Funds from operations	**494.7**	**508.3**
Equity	**4,543.3**	**4,552.1**
Gearing (%)	**22.8**	**22.0**
Net debt coverage (%)	**47.7**	**50.9**

1) Excluding bank overdrafts contained in cash and cash equivalents
2) Excluding provisions for service anniversary bonuses

The EVN Group uses cash pooling to manage liquidity and optimise interest rates. EVN AG and each of the participating Group subsidiaries have concluded a corresponding contract that defines the modalities for cash pooling.

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)	30.09.2020 Carrying amount	30.09.2020 Fair value	30.09.2019 Carrying amount	30.09.2019 Fair value
Non-current assets						
Other investments						
Investments	FVOCI	Level 3	115.9	115.9	118.0	118.0
Miscellaneous investments	FVOCI	Level 1	2,048.4	2,048.4	2,202.9	2,202.9
Other non-current assets						
Securities	FVTPL	Level 1	72.0	72.0	97.6	97.6
Loans reveivable	AC	Level 2	32.9	37.0	33.0	40.4
Lease receivables	AC	Level 2	15.4	15.7	18.3	19.8
Receivables arising from derivative transactions	FVTPL	Level 2	0.1	0.1	5.4	5.4
Receivables arising from derivative transactions	Hedging	Level 2	1.0	1.0	6.5	6.5
Trade and other receivables	AC		10.9	10.9	–	–
Current assets						
Current receivables and other current assets						
Trade and other receivables	AC		281.4	281.4	327.2	327.2
Receivables arising from derivative transactions	FVTPL	Level 2	6.4	6.4	33.6	33.6
Securities	FVTPL	Level 1	**253.8**	**253.8**	**89.7**	**89.7**
Cash and cash equivalents						
Cash on hand and cash at banks	AC		214.6	214.6	246.6	246.6
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	514.5	592.3	519.3	615.8
Bank loans	AC	Level 2	530.8	613.3	470.7	559.9
Other non-current liabilities						
Accruals of financial transactions	AC		0.1	0.1	0.2	0.2
Other liabilities	AC		47.7	47.7	22.0	22.0
Liabilities arising from derivative transactions	FVTPL	Level 2	0.7	0.7	4.6	4.6
Liabilities arising from derivative transactions	Hedging	Level 2	16.2	16.2	15.7	15.7
Current liabilities						
Current loans and borrowings	AC		**110.0**	**110.0**	**68.8**	**68.8**
Trade payables	AC		**298.4**	**298.4**	**301.0**	**301.0**
Other current liabilities						
Other financial liabilities	AC		208.3	208.3	163.5	163.5
Liabilities arising from derivative transactions	FVTPL	Level 2	4.3	4.3	16.3	16.3
Liabilities arising from derivative transactions	Hedging	Level 2	4.6	4.6	5.2	5.2
thereof aggregated to measurement categories						
Fair value through other comprehensive income	FVOCI		2,164.3	–	2,320.8	–
Financial assets designated at fair value through profit or loss	FVTPL		332.2	–	226.2	–
Financial assets and liabilities at amortised cost	AC		2,265.0	–	2,170.5	–
Financial liabilities designated at fair value through profit or loss	FVTPL		5.0	–	20.8	–

Net results by measurement category[1)]
EURm

Classes	2019/20 Net result	2019/20 Of which impairment losses	2018/19 Net result	2018/19 Of which impairment losses
Fair value through other comprehensive income (FVOCI)	–	–	–	–
Financial assets at amortised cost (AC)	–13.5	–12.0	2.1	1.3
Financial assets and liabilities at fair value through profit or loss (FVTPL)	–20.8	–	33.5	–
Financial assets and liabilities (hedging)	–5.8	–	10.5	–
Financial liabilities at amortised cost (AC)	6.5	–	–13.0	–
Total	**–33.6**	**–12.0**	**33.1**	**1.3**

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

	30.09.2020 Nominal value[1)]		30.09.2020 Fair values[2)]			30.09.2019 Nominal value[1)]		30.09.2019 Fair values[2)]		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
Forward exchange transactions										
KWD[3)]	–	87.8	0.3	–2.5	–2.2	–	–	–	–	–
USD[3)]	–	174.7	–	–1.9	–1.9	–	–	–	–	–
Currency swaps										
JPYm (>5 years)[3)]	10,000.0	–	0.8	–0.1	0.7	10,000.0	–	6.5	–	6.5
Interest rate swaps										
EURm (<5 years)[3)]	13.2	–	–	–0.6	–0.6	15.6	–	–	–1.2	–1.2
EURm (>5 years)[3)]	121.6	–	–	–15.8	–15.8	137.5	–	–	–19.7	–19.7
Derivatives energy										
Swaps	11.3	–	0.2	–1.3	–1.1	28.4	–	0.4	–2.0	–1.6
Futures	6.2	–1.7	4.8	–	4.8	22.5	–16.0	33.6	–3.3	30.3
Forwards	0.5	–50.9	1.3	–3.5	–2.2	11.7	–93.2	4.9	–15.4	–10.5

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.

As of 30 September 2020, the EVN Group applied the hedge accounting rules under IFRS 9 to hedge a bond issued in JPY (see **note 48. Non-current laons and borrowings)** and to hedge future payments of variable-interest financial liabilities in connection with Walsum 10, to hedge a loan from evn naturkraft and to hedge the currency risk from the Umm Al Hayman wastewater treatment project.

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 –0.4m in 2019/20 (measurement of the bond EUR 5.4m and measurement of the swaps EUR –5.8m; previous year: earnings effect EUR –0.3m, including measurement of the bond EUR –12.1m and measurement of the swaps EUR 11.8m) 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 2020: EUR –0.8m and as of 30 September 2019 EUR –1.1m).

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. 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 2020.

Umm Al Hayman
EVN uses forward exchange contracts to hedge planned foreign currency revenue from the project business and applies a hedge ratio of 1:1. A Group guideline requires that the critical terms of these forward exchange contracts reflect the hedged transaction. The hedging does not result in any ineffectiveness.

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.

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	–5.8

Fair value hedging instruments – 30.09.2019 EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	6.5	Other non-current assets	10.0	11.8

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

Fair value hedge – underlying transaction 30.09.2019 EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	–89.5	–5.7	Non-current financial liabilities	10.0[1)]	–12.1

1) JPYbn

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 hedging instruments – 30.09.2019 EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Interest rate swaps Steag-EVN-Walsum 10 Kraftwerksgesellschaft	–19.7	Other current/non-current liabilities	137.5	–1.2[1)]
Interest rate swaps ENK (French lease)	–1.2	Other current/non-current liabilities	15.6	0.5

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.

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[1)]
ENK (French lease)	–0.6	0.6
Income from revenue (firm commitment)	2.2	1.9
Income from revenue (firm commitment)	1.9	1.7

1) Other comprehensive income included EUR 4.3m as of 30 September 2020 (previous year: EUR 5.9m) for the remaining balance of the cash flow hedges for which hedge accounting is no longer applied.

Cash flow hedges – underlying transactions 30.09.2019

EURm	Change in fair value	Reserve for measurement of cash flow hedges
Debt financing Steag-EVN Walsum 10 Kraftwerksgesellschaft	2.5	17.6[1)]
ENK (French lease)	–0.5	1.2

1) Other comprehensive income included EUR 5.9m as of 30 September 2019 (previous year: EUR 7.8m) for the remaining balance of the cash flow hedges for which hedge accounting is no longer applied.

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	0.0*)	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

*) Small amount

Effects on the statement of comprehensive income, statement of financial position and statement of operations 30.09.2019

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
Debt financing Steag-EVN Walsum 10 Kraftwerksgesellschaft	2.5	–1.3	Other financial results	–1.9	Interest expense
ENK (French lease)	–0.5	–	–	–	–

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

Nominal amount and average interest rate EURm	30.09.2021	30.09.2022	30.09.2023
Interest rate swaps			
Nominal amount	116.4	88.9	71.1
Fixed interest rate (%)	3.1	3.0	3.0

62. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 247 under **EVN's investments.**

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2019/20 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 classification of the equity accounted investees based on operating and financial criteria:

Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2020 in accordance with IFRS 11	Operational nature	Financial nature
Company		
Bioenergie Steyr GmbH	●	
Biowärme Amstetten-West GmbH	●	
Degremont WTE Wassertechnik Praha v.o.s.	●	
e&i EDV Dienstleistungsgesellschaft m.b.H.		●
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 30.09.2020 in accordance with IAS 28	Operational nature	Financial nature
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	30.09.2020			30.09.2019		
Joint venture	**EVN KG**	**RAG**	**ZOV**	EVN KG	RAG	ZOV
Statement of financial position						
Non-current assets	4.9	629.5	194.9	4.7	651.3	219.4
Current assets	185.4	55.6	69.3	166.9	94.8	60.3
Non-current liabilities	0.1	376.7	7.9	–	281.4	22.8
Current liabilities	100.0	61.5	40.1	110.6	227.6	22.0
Reconciliation of the carrying amount of the share of EVN in the joint venture						
Net assets	90.2	246.9	216.2	60.9	237.1	234.9
Share of EVN in net assets (%)	100.00	100.00	48.50	100.00	100.00	48.50
Share of EVN in net assets	90.2	246.9	104.9	60.9	237.1	113.9
+/– Revaluations	–	146.4	–	–	151.1	–
Carrying amount of the share of EVN in the joint venture	90.2	393.3	104.9	60.9	388.2	113.9

	2019/20			2018/19		
Statement of operations						
Revenue	516.2	227.8	16.7	517.1	436.7	19.3
Scheduled depreciation and amortisation	–0.2	–56.9	–	–0.1	–60.9	–
Interest income	–	2.2	0.1	–	1.2	0.3
Interest expense	–	–3.3	–2.6	–	–4.6	–4.0
Income tax	–	–18.8	–5.1	–	–14.7	–5.8
Result for the period	39.5	41.1	23.3	–36.2	36.2	26.3
Other comprehensive income	–4.5	2.2	–7.5	–6.7	–8.8	1.1
Comprehensive income	35.1	43.3	15.8	–42.9	27.5	27.4
Dividends received by EVN	5.7	40.0	18.1	70.4	40.0	11.4

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	2019/20	2018/19
Carrying value of the joint ventures as of the balance sheet date	85.9	61.6
Result for the period	2.3	10.6
Other comprehensive income	–0.3	–0.2
Comprehensive income	2.0	10.4

The following table provides summarised financial information on each individually material associate included in the consolidated financial statements:

Financial information of material associates

EURm	30.09.2020			30.09.2019		
Associate	**Verbund IKW**	**ZOV UIP**	**Energie Burgenland**	**Verbund IKW**	**ZOV UIP**	**Energie Burgenland**
Statement of financial position						
Non-current assets	1,129.6	0.4	659.5	1,080.9	0.3	708.9
Current assets	22.4	4.3	247.3	46.9	4.3	165.1
Non-current liabilities	51.8	–	187.0	40.4	–	170.7
Current liabilities	12.4	1.2	375.5	11.4	1.0	371.4
Reconciliation of the carrying amount of the share of EVN in the associate						
Net assets	1,087.8	3.6	344.4	1,076.1	3.5	331.9
Share of EVN in net assets (%)	13.00	31.00	36.08	13.00	31.00	36.08
Share of EVN in net assets	141.4	29.00	124.3	139.9	1.1	119.8
+/– Revaluations	2.2	–	59.0	24.0	–0.1	62.8
Carrying amount of the share of EVN in the associate	143.6	1.0	183.3	163.9	1.0	182.5
	2019/20			**2018/19**		
Statement of operations						
Revenue	90.7	14.4	339.3	87.0	12.5	342.0
Result for the period	27.1	4.4	39.2	24.0	4.1	24.8
Other comprehensive income	–	–90	–19.9	–	–	–5.0
Comprehensive income	27.1	4.4	19.4	24.0	4.1	19.8
Dividends received by EVN	1.3	1.2	10.3	1.3	1.0	9.8

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	30.09.2020	30.09.2019
Guarantees in connection with energy transactions	72.0	98.1
Guarantees in connection with projects in the Environment Segment	553.5	77.0
Guarantees related to the construction and operation of		
Energy networks	2.8	2.8
Power plants	119.7	101.0
Order obligations for investments in intangible assets and property, plant and equipment	131.2	89.6
Further obligations arising from guarantees or other contractual contingent liabilities	0.1	0.1
Total	**879.4**	**368.6**
thereof in connection with equity accounted investees	85.2	75.1

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 8.3m (previous year: EUR 0.0m).

Other obligations and risks increased by EUR 510.8m to EUR 879.4m compared to 30 September 2019. This change mainly resulted from an increase in scheduled orders for investments in intangible assets and property, plant and equipment as well as from an increase in guarantees for environmental projects

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 17.8m as of 30 September 2020. The nominal volume of the guarantees underlying this assessment was EUR 304.0m. As of 31 October 2020, the market price risk was EUR 38.1m based on an underlying nominal volume of EUR 304.0m.

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 247 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.

On 20 December 2013, EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, concluded a trust agreement with EnBW Trust within the framework of a so-called contractual trust arrangement model. As a result, EnBW transferred its share in EVN AG to EnBW Trust on a fiduciary basis. Wiener Stadtwerke GmbH acquired 51,000,000 EVN shares on 5 August 2020 based on a share purchase agreement concluded with EnBW Trust e.V. on 5 March 2020 following the completion of all requirements, in particular the

non-prohibition of the transaction by the antitrust authority. 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 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 and persons when a public body controls the reporting company.

Transactions with related parties

Main shareholder

A group and tax settlement agreement was concluded with NÖ Landes-Beteiligungsholding GmbH, St. Pölten, in connection with the inclusion of EVN AG in a corporate tax group as defined in § 9 of the Austrian Corporate Tax Act. EVN AG has since added further subsidiaries to the tax group based on this agreement. This resulted in a current liability of EUR 66.0m to NÖ Landes-Beteiligungsholding GmbH, St. Pölten, as of 30 September 2020 (previous year: EUR 54.5m). All other business relationships with the main shareholder or companies attributable to the main shareholder are carried out at arm's length.

EnBW Trust e.V.

There were no material business relations with EnBW Energie Baden-Württemberg AG or EnBW Trust e.V. in 2019/20, with the exception of the dividend payment.

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).**

EVN holds an electricity procurement contract with STEAG-EVN Walsum 10 Kraftwerksgesellschaft on behalf of Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH, based on a contract concluded in 2007 and charges a fee for electricity deliveries. The transaction volume totalled EUR 34.2m in 2019/20.

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	2019/20	2018/19
Revenue	190.5	307.2
Cost of services received	–47.9	–88.4
Trade accounts receivable	22.9	12.2
Other receivables	1.6	11.9
Trade accounts payable	14.6	16.6
Other liabilities	4.5	33.2
Loans	16.0	16.3
Liabilities from cash pooling	88.4	61.8
Interest income from loans	0.6	0.7

Transactions with associates included at equity EURm	2019/20	2018/19
Revenue	–	–
Cost of services received	–9.7	–9.3
Trade accounts receivable	–	–
Trade accounts payable	1.0	0.9

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 2019/20 totalled TEUR 1,245.4 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,234.9).

Remuneration of the active Executive Board TEUR	2019/20			2018/19		
	Fixed remuneration	Variable remuneration	Compensation in kind	Fixed remuneration	Variable remuneration	Compensation in kind
Stefan Szyszkowitz	426.7	153.5	2.9	414.8	162.3	11.4
Franz Mittermayer	398.2	125.5	13.9	387.1	124.6	13.9

In addition, pension fund contributions made in 2019/20 equalled TEUR 64.7 for Stefan Szyszkowitz (previous year: TEUR 62.8) and TEUR 59.7 for Franz Mittermayer (previous year: TEUR 58.0).

An addition of TEUR –272.9 (thereof TEUR 47.2 of interest expense and TEUR –569.9 of actuarial gains/losses) was made to the provision for pension obligations on behalf of Stefan Szyszkowitz in 2019/20. In the previous year, a change of TEUR 1,894.0 was recorded (thereof TEUR 88.5 of interest expense and TEUR 1,621.5 of actuarial gains/losses). The addition to the provision for pension obligations on behalf of Franz Mittermayer amounted to TEUR –116.9 (thereof TEUR 57.3 of interest expense and TEUR –466.3 of actuarial gains/losses). In the previous year, a change of TEUR 1,911.3 was recorded (thereof TEUR 114.8 of interest expense and TEUR 1,566.7 of actuarial gains/losses).

In 2019/20 contributions of TEUR 8.9 (previous year: TEUR 9.0) were made to an external employee fund on behalf of Stefan Szyszkowitz and TEUR 8.2 (previous year: TEUR 8.0) 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 1,461.1 in 2019/20 (previous year: TEUR 4,019.2).

Expenses for severance payments and pensions for active members of senior management totalled TEUR 144.8 in 2019/20 (thereof TEUR 22.8 of interest expense and TEUR -216.2 of actuarial gains/losses) and TEUR 1,198.7 in the previous year (thereof TEUR 41.7 of interest expense and TEUR 846.2 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 EUR 0.1m in 2019/20 (previous year: EUR 0.1m). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of EUR 0.1m during the reporting year (previous year: EUR 0.1m).

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 2019/20. The resulting items outstanding as of 30 September 2020 are reported under trade accounts receivable.

65. Significant events after the balance sheet date

The following material event occurred between the balance sheet date on 30 September 2020 and the editorial deadline for the consolidated financial statements on 16 November 2020:

On 15 October 2020 a 15-year green bond with a nominal value of EUR 101m was issued.

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-Chairman
Norbert Griesmayr
Willi Stiowicek

Members
Philipp Gruber
Dieter Lutz
Reinhard Meißl
Susanne Scharnhorst
Angela Stransky
Friedrich Zibuschka
Johannes Zügel

Employee representatives
Friedrich Bußlehner
Monika Fraißl
Paul Hofer
Uwe Mitter
Irene Pugl

67. Approval of the 2019/20 consolidated financial statements for publication

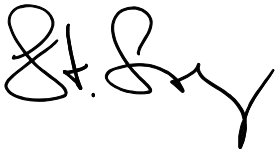
These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 15 December 2020 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 2019/20 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The costs for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, totalled EUR 0.5m (previous year: EUR 0.5m) and were distributed as follows: 61.7% for auditing services, 21.6% for audit-related services and 16.7% for other consulting services. Auditing and consulting fees for the Group amounted to EUR 1.9m for the reporting year (previous year: EUR 1.7m), whereby 34.0% are attributable to auditing, 7.0% to audit-related services, 49.9% to tax advising and 9.0% to other consulting services. All companies in the scope of consolidation were included.

Maria Enzersdorf, 16 November 2020

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

EVN's investments according to § 245a (1) in connection with § 265 (2) UGB

The following table lists EVN's investments classified by segment of business. The list of companies not included in the consolidated financial statements of EVN AG for materiality reasons is based on the companies' last available local annual financial statements as of the respective balance sheet date. The data from companies that report in a foreign currency is translated into euros at the exchange rate on the balance sheet date of EVN AG.

1. EVN's investments in the energy business ≥20.0% as of 30 September 2020

1.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2019/20
Ashta Beteiligungsverwaltung GmbH, Vienna	EVN Naturkraft	49.99	31.12.2019	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2020	E
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	31.12.2019	E
Elektrorazpredelenie Yug EAD ("EP Yug"), Plovdiv, Bulgaria	BG SN Holding	100.00	31.12.2019	V
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2020	E
EVN Bulgaria Elektrosnabdiavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	BG SV Holding	100.00	31.12.2019	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2019	V
EVN Bulgaria Fernwärme Holding GmbH ("BG FW Holding"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Bulgaria RES Holding GmbH ("EVN Bulgaria RES"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2020	V
EVN Bulgaria Stromerzeugung Holding GmbH ("BG SE Holding"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2020	V
EVN Bulgaria Stromnetz Holding GmbH ("BG SN Holding"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Bulgaria Stromvertrieb Holding GmbH ("BG SV Holding"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	BG FW Holding	100.00	31.12.2019	V
EVN Croatia Plin d.o.o, Zagreb, Croatia	Kroatien Holding	100.00	31.12.2019	V
ELEKTRODISTRIBUCIJA DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2019	V
EVN Energievertrieb GmbH & Co KG ("EVN EV"), Maria Enzersdorf	EVN	100.00	30.09.2020	E
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2020	V
EVN Home DOO, Skopje, North Macedonia	EVN Macedonia/ EVN Supply	100.00	31.12.2019	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Bulgaria RES	100.00	31.12.2019	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Kroatien Holding GmbH ("Kroatien Holding"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, North Macedonia	EVN Mazedonien	90.00	31.12.2019	V
EVN Macedonia Elektrani DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2019	V
EVN Macedonia Elektrosnabduvanje DOOEL ("EVN Supply"), Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2019	V
EVN Macedonia Holding DOOEL, Skopje, North Macedonia	EVN	100.00	31.12.2019	V
EVN Mazedonien GmbH ("EVN Mazedonien"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
evn naturkraft Erzeugungsgesellschaft m.b.H. ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2019	V
EVN Trading d.o.o. Beograd, Belgrade, Serbia	EVN Trading SEE	100.00	31.12.2019	V
EVN Trading DOOEL, Skopje, North Macedonia	EVN Trading SEE	100.00	31.12.2019	V
EVN Trading South East Europe EAD ("EVN Trading SEE"), Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2019	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2020	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 2019/20
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2020	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2019	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2020	E
Hydro Power Company Gorna Arda AD, Sofia, Bulgaria	BG SE Holding	76.00	31.12.2019	V
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2020	V
Netz Niederösterreich GmbH ("Netz NÖ"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH ("SEK"), Essen, Germany	EVN Kraftwerk	49.00	31.12.2019	JO
Verbund Innkraftwerke GmbH ("Verbund Innkraftwerke"), Töging, Germany[1)]	EVN Naturkraft	13.00	31.12.2019	E
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2020	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 2019/20
ARGE Digitaler Leitungskataster NÖ, Maria Enzersdorf	EVN Geoinfo	30.00	377 (382)	–6 (107)	31.12.2019 (31.12.2018)	NE
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	672 (474)	195 (3)	31.12.2019 (31.12.2018)	NV
EVN Asset Management EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	3 (3)	–1 (0)	31.12.2019 (31.12.2018)	NV
EVN Gorna Arda Development EOOD, Sofia, Bulgaria	EVN Bulgaria	100.00	77 (78)	–2 (2)	31.12.2019 (31.12.2018)	NV
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH („EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	46 (44)	1 (1)	30.09.2019 (30.09.2018)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	25 (–76)	110 (–66)	31.12.2019 (31.12.2018)	NE
FWG-Fernwärmeversorgung Amstetten registrierte Genossenschaft mit beschränkter Haftung in Liquidation, Amstetten	EVN Wärme	100.00	185 (184)	–1 (–4)	30.06.2020 (30.06.2019)	NV
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	44 (41)	3 (3)	31.12.2019 (31.12.2018)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	8.486 (7.937)	549 (391)	31.12.2019 (31.12.2018)	NE
EVN Beteiligung 60 GmbH („EVN Bet. 60"), Maria Enzersdorf	Utilitas	100.00	1.831 (1.783)	–2 (–1)	30.09.2020 (30.09.2019)	NV
EVN Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf	EVN Bet. 60	100.00	1.790 (1.788)	2 (2)	30.09.2020 (30.09.2019)	NV
Netz Niederösterreich Beteiligung 31 GmbH („Netz Bet. 31"), Maria Enzersdorf	Netz NÖ	100.00	5.058 (1.997)	–1 (–1)	30.09.2020 (30.09.2019)	NV
Netz Niederösterreich Liegenschaftsbesitz 31 GmbH, Maria Enzersdorf	Betz Bet 31	100.00	5.088 (3.890)	37 (1.921)	30.09.2020 (30.09.2019)	NV

2. EVN's investments in the environmental services business ≥20.0% as of 30 September 2020

2.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2019/20
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2020	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic	WTE Wassertechnik	35.00	31.12.2019	E
EVN Wärmekraftwerke GmbH ("EVN Wärmekraftwerke"), Maria Enzersdorf	EVN/EVN Bet. 52	100.00	30.09.2020	V
EVN Beteiligung 52 GmbH ("EVN Bet. 52"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2020	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/Utilitas	100.00	30.09.2020	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2020	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN Wasser GmbH ("evn wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2020	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2019	V
OOO EVN Umwelt, Moscow, Russia	EVN UBS	100.00	31.12.2019	V
sludge2energy GmbH, Berching, Germany	WTE Wassertechnik	50.00	31.12.2019	E
Storitveno podjetje Laško d.o.o., Laško, Slovenia	WTE Wassertechnik	100.00	30.09.2020	V
Umm Al Hayman Holding Company WLL, Kuwait City, Kuwait	WTE Wassertechnik	50.00	31.12.2019	E
WTE Abwicklungsgesellschaft Kuwait mbH, Essen, Germany	International	100.00	30.09.2020	V
WTE Abwicklungsgesellschaft Russland mbH, Essen, Germany	International	100.00	30.09.2020	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany	WTE Wassertechnik	100.00	30.09.2020	V
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Betrieb	100.00	31.12.2019	V
WTE International GmbH ("International"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2020	V
WTE O&M Kuwait Sewerage Treatment O.P.C., Kuwait City, Kuwait	International	100.00	30.09.2020	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE Wassertechnik	100.00	31.12.2019	V
WTE Projektna družba Bled d.o.o., Bled, Slovenia	WTE Wassertechnik	100.00	30.09.2020	V
WTE Wassertechnik GmbH ("WTE Wassertechnik"), Essen, Germany	EVN Bet. 52	100.00	30.09.2020	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warsaw, Poland	WTE Wassertechnik	100.00	30.09.2020	V
Zagrebačke otpadne vode d.o.o. ("ZOV"), Zagreb, Crotia	WTE Wassertechnik	48.50	31.12.2019	E
Zagrebačke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Crotia	WTE Wassertechnik	33.00	31.12.2019	E

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 2019/20
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	EVN Wärme-kraftwerke	26.00	70 (37)	33 (0)	31.12.2019 (31.12.2018)	NE
EVN Umwelt Finanz- und Service-GmbH ("EVN UFS"), Maria Enzersdorf	EVN Umwelt	100.00	42 (43)	–1 (–6)	30.09.2020 (30.09.2019)	NV
JV WTE Tecton Azmeel W.L.L, Al Seef (Manama), Bahrain	WTE Wassertechnik	50.00	20 (–)	0 (–)	30.09.2020 (–)	NE
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Crotia	WTE Wassertechnik	50.00	507 (566)	–29 (–12)	31.12.2019 (31.12.2018)	NE
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbh, Buckow, Germany	WTE Wassertechnik	49.00	556 (553)	3 (3)	31.12.2019 (31.12.2018)	NE
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	evn wasser	50.00	866 (866)	0 (0)	31.12.2019 (31.12.2018)	NE
WTE Baltic UAB, Kaunas, Lithuania	WTE Wassertechnik	100.00	187 (153)	34 (12)	30.09.2020 (30.09.2019)	NV
WTE Projektgesellschaft Kurjanovo mbH ("Kurjanovo"), Essen, Germany	WTE Wassertechnik	100.00	18 (18)	–1 (–1)	30.09.2020 (30.09.2019)	NV
WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany	EVN UFS/WTE Wassertechnik	100.00	25 (25)	0 (0)	30.09.2020 (30.09.2019)	NV

3. EVN's investments in other business activities ≥20.0% as of 30 September 2020

3.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2019/20
Burgenland Holding Aktiengesellschaft ("Burgenland Holding" or "BUHO"), Eisenstadt	EVN	73.63	30.09.2020	V
Energie Burgenland AG, Eisenstadt	BUHO	49.00	30.09.2020	E
EVN Business Service GmbH ("EVN Business"), Maria Enzersdorf	Utilitas	100.00	30.09.2020	V
EVN Finanzservice GmbH, Maria Enzersdorf	EVN	100.00	30.09.2020	V
EVN WEEV Beteiligungs GmbH in Liqu. ("EVN WEEV"), Maria Enzersdorf	EVN	100.00	31.08.2020	V
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	30.09.2020	E
R 138-Fonds, Vienna	EVN/Netz NÖ/ evn wasser	100.00	30.09.2020	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2020	V
RAG Austria AG ("RAG"), Vienna	RBG	100.00	31.12.2019	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H ("Utilitas"), Maria Enzersdorf	EVN	100.00	30.09.2020	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 2019/20
EVN Beteiligung 40 GmbH, Maria Enzersdorf	EVN	100.00	16	–4	30.09.2020	NV
			(20)	(–2)	(30.09.2019)	

Auditors' report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the **consolidated financial statements** of

EVN AG,
Maria Enzersdorf, Austria

and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2020, 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 year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2020, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees
Refer to notes 21, 29, 30, 34, 35 and 36 to the consolidated financial statements and the chapter Business development in the group management report.

Risk for the Financial Statements

Intangible assets, property, plant and equipment (PPE) and investments in equity accounted investees with a total carrying amount of EUR 4,922.4m account for 58.9% of total assets of the Group as of the balance sheet date.

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 Company assesses whether the impairment loss no longer exists and therefore needs to be reversed.

Impairment testing for items of intangible assets and PPE for which separate future cash inflows cannot be determined is performed at the level of the cash-generating unit (CGU). In testing impairment, the Company in general first determines the value in use and if necessary, the fair value less costs of disposal. The value in use as well as fair value less costs of disposal are calculated as the present value of the future cash flows using a discounted cash flow method.

The result of this measurement depends to a high degree on management's planning assumptions and estimates of future cash flows as well as on the discount rates used in the calculations. As such, these assumptions and estimations are subject to significant estimation uncertainties and therefore, impairment of intangible assets, property, plant and equipment and equity accounted investees was classified as a key audit matter.

Our response

We assessed the impairment of intangible assets, property, plant and equipment and equity accounted investees as follows:

- We analysed the documentation of the impairment processes of intangible assets, property, plant and equipment and equity accounted investees and critically questioned whether these processes are suitable for the appropriate measurement of intangible assets, property, plant and equipment and equity accounted investees. Moreover, we collected information about the significant internal controls and evaluated the key controls in respect of their design, implementation and operating effectiveness.
- We critically questioned the Company's assessment of whether there is any indication that intangible assets, property, plant and equipment and equity accounted investees may be impaired or whether an impairment loss recognised in prior periods may need to be reversed, and compared the assessment with our understanding gained during the audit of the consolidated financial statements.
- 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 reconciled – on a sample basis – planning data used in the measurement to medium-term planning approved by management.
- We assessed the appropriateness of planning estimates by comparing – on a sample basis – actual cash flows with prior period estimated cash flows and discussing deviations with management.
- We agreed the respective carrying amounts to the fixed assets sub ledger.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either 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

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 auditors' report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any exists. Misstatements may result from fraud or error and are considered material if, individually or in 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 AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of the internal control system 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 system.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- We communicate with the Audit Committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in the internal control system that we identify during our audit.
- We communicate to the Audit Committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit i. e. key audit matters. We describe these key audit matters in our auditors' report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our auditors' report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement
Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report, and the auditors' report

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 16 January 2020 and were appointed by the Supervisory Board on 17 February 2020 to audit the consolidated financial statements of the company for the financial year ending on 30 September 2020.

We have been the Group's auditors for more than 20 years without interruption.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence, throughout the course of the audit, from the audited Group.

Engagement Partner

The engagement partner is Mr. Rainer Hassler.

Vienna, 17 November 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

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.

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 2019/20. 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

General disclosures

GRI 102: General disclosures 2016

GRI standard	Disclosure	Reference to report page and online information or omission
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	32. Legal form: listed stock corporation
102-6	Markets served	7
102-7	Scale of the organisation	Cover, 8f. As of 30 September 2020, EVN AG, as the parent company, and 60 subsidiaries were included through full consolidation in the consolidated financial statements.
102-8	Information on employees and other workers	63, 72. d. Not applicable: The number of leased personnel represents 2.0% 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	36
102-10	Significant changes to the organisation and its supply chain	No material changes in the organisation or supply chain.
102-11	Precautionary principle or approach	58
102-12	External initiatives	104
102-13	Membership of associations	104
Strategy		
102-14	Statement from senior decision-maker	Editorial, 19ff
102-15[1)]	Key impacts, risks, and opportunities	23ff, 78ff

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	28f
102-17[1)]	Mechanisms for advice and concerns about ethics	30f
Governance		
102-18	Governance structure	22
102-19[1)]	Delegating authority	22
102-20[1)]	Executive-level responsibility for economic, environmental, and social topics	22
102-21[1)]	Consulting stakeholders on economic, environmental, and social topics	16f, 22, 102ff
102-22[1)]	Composition of the highest governance body and its committees	121ff (Corporate governance report)
102-23[1)]	Chair of the highest governance body	121ff (Corporate governance report)
102-24[1)]	Nominating and selecting the highest governance body	121ff (Corporate governance report)
102-25[1)]	Conflicts of interest	121ff (Corporate governance report)
102-26[1)]	Role of highest governance body in setting purpose, values, and strategy	22
102-27[1)]	Collective knowledge of highest governance body	22. 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	144ff (Risk management report)
102-31[1)]	Review of economic, environmental, and social topics	19, 76ff, 119f. 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	144ff (Risk management report)
102-34[1)]	Nature and total number of critical concerns	No critical concerns
102-36[1)]	Process for determining remuneration	121 (Corporate governance report) www.evn.at/remuneration-policy
102-37[1)]	Stakeholders' involvement in remuneration	No involvement of stakeholders in EVN's remuneration policy
Stakeholder engagement		
102-40	List of stakeholder groups	16
102-41	Collective bargaining agreements	70f
102-42	Identifying and selecting stakeholders	16
102-43	Approach to stakeholder engagement	16f, 102ff
102-44	Key topics and concerns raised	16ff
Reporting practice		
102-45	Entities included in the consolidated financial statements	148f (Notes). The non-financial report covers the fully consolidated companies included in EVN's scope of consolidation, which required reporting as of 30 September 2020 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

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
102-47	List of material topics	16f
102-48	Restatements of information	There were no major changes in the presentation of information or the scope of the report compared with the previous year (EVN Full Report 2018/19).
102-49	Changes in reporting	About this report. No major changes
102-50	Reporting period	The reporting period covers the financial year from 01.10.2019 to 30.09.2020.
102-51	Date of most recent report	EVN Full Report 2018/19, published on 12.12.2019
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	258ff
102-56	External assurance	115ff. External review of the non-financial report by KPMG 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	12ff, 15ff
103-2	The management approach and its components	12ff, 15ff
103-3	Evaluation of the management approach	12ff, 15ff

GRI 201: Economic performance 2016

201-1	Direct economic value generated and distributed	35
201-3[1)]	Defined benefit plan obligations and other retirement plans	73 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.

GRI 202: Market presence 2016

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	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	63. 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

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 204: Procurement practices 2016		
204-1	Proportion of spending on local suppliers	36f
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	29f. 100% of the operating locations were evaluated as part of the Group-wide risk inventory.
205-2[1)]	Communication and training about anti-corruption policies and procedures	28ff. 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	30
GRI 206: Anti-competitive behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	In 2019/20 two of the original four original lawsuits concerning alleged anti-competitive behaviour in Bulgaria were still pending. The two other lawsuits were terminated in 2020 and no sanctions were imposed. 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. 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	New suppliers that were screened using environmental criteria	No information available: This information does not have the necessary quality for disclosure. Appropriate data collection is planned for the report which will cover the 2020/21 financial year.
GRI 410: Security practices 2016		
410-1	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. Internal security personnel receive training (including the observance of human rights) as part of their introduction to compliance issues.

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 412: Human rights assessment 2016		
412-3	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	New suppliers that were screened using social criteria	No information available: This information does not have the necessary quality for disclosure. Appropriate data collection is planned for the report which will cover the 2020/21 financial year.
GRI 415: Public policy 2016		
415-1	Political contributions	Internal guidelines prohibit contributions to political parties and related organisations.
GRI 419: Socioeconomic compliance 2016		
419-1	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	40ff
103-2	The management approach and its components	40ff
103-3	Evaluation of the management approach	40ff
Company-specific supplementary indicators		
EU2[1)]	Energy generation by primary energy source	46
EU12[1)]	Efficiency of long-distance lines and distribution networks	42ff
EU26[1)]	Population in sales area without electricity supply	Full coverage of basic energy supply for the populations can be assumed in all countries where EVN is the electricity supplier.
EU28, EU29[1)]	Frequency and duration of a power failure	42ff
EU30[1)]	Average availability of power plants	42ff

Customer satisfaction

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	52ff
103-2	The management approach and its components	52ff
103-3	Evaluation of the management approach	52ff

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 416: Customer health and safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	56f
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	Requirements for product and service information and labelling	58
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	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59

Attractive employer

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	63ff
103-2	The management approach and its components	63ff
103-3	Evaluation of the management approach	63ff
GRI 401: Employment 2016		
401-1[1)]	New employee hires and employee turnover	68, 73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73 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	66f
GRI 402: Labour/Management relations 2016		
402-1	Minimum notice periods regarding operational changes	70f. There are no minimum notice periods under Austrian law or company agreements.
GRI 403: Occupational health and safety 2018		
403-1	Occupational health and safety management system	67ff
403-2	Hazard identification, risk assessment, and incident investigation	67ff
403-3	Occupational health services	67ff
403-4	Worker participation, consultation, and communication on occupational health and safety	70
403-5	Worker training on occupational health and safety	70
403-6	Promotion of worker health	67ff, 70

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
403-7	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	Work-related injuries	70. 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 (2.0%); a separate analysis is therefore not provided. See GRI 102-8. f. The data collection covers all subsidiaries with a total workforce of more than ten employees (incl. leased personnel).
GRI 404: Training and education 2016		
404-2	Programmes for upgrading employee skills and transition assistance programmes	71ff. b. EVN does not have an established programme for transition assistance at the present time.
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	63, 72. 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	Incidents of discrimination and corrective actions taken	30. 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	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 standard	Disclosure	Reference to report page and online information or omission
GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	76ff
103-2	The management approach and its components	76ff
103-3	Evaluation of the management approach	76ff
GRI 302: Energy 2016		
302-1[1)]	Energy consumption within the organisation	b. iv.: Not applicable: No steam purchases. d.: 152 (segment reporting) 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	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.
302-3[1)]	Energy intensity	80
302-4[1)]	Reduction of energy consumption	81
302-5	Reductions in energy requirements of products and services	80. Calculation method: 0.6% of the respective previous year's energy sales volume
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	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	Global Warming Potential (GWP) = 1 Source of emission factors: EVN's supply mix – annual calculation and review of current calendar year; residual mix (North Macedonia) – data from "Reliable Disclosure Systems for Europe" (Re-DISS); Grid Emission Factor (Bulgaria, Environmental Ministry); ENTSO-E factors as defined by ENTSO-E "European Network of Transmission System Operators for Electricity"; own generation factor

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
305-3[1)]	Other indirect (Scope 3) GHG emissions	Global Warming Potential (GWP) = 1 Source of emission factors: EVN's supply mix – annual calculation and review of current calendar year; residual mix (North Macedonia) – data from "Reliable Disclosure Systems for Europe" (Re-DISS); ENTSO-E factors as defined by ENTSO-E "European Network of Transmission System Operators for Electricity"; natural gas – emission factors from the current national greenhouse gas inventory
305-4[1)]	GHG emissions intensity	83
305-5[1)]	Reduction of GHG emissions	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	84

Environmental protection

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its boundary	76ff
103-2	The management approach and its components	76ff
103-3	Evaluation of the management approach	76ff

GRI 301: Materials 2016

301-1	Materials used by weight or volume	81
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

1) Performance indicator reported in addition to the "core" option

GRI standard	Disclosure	Reference to report page and online information or omission
GRI 303: Water and effluents 2018		
303-1	Interactions with water as a shared resource	86f. No plants in "areas of water stress" as defined by GRI
303-2	Management of water discharge-related impacts	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	87
303-4[1)]	Water discharge	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	87
GRI 304: Biodiversity		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	89
GRI 306: Effluents and waste 2016		
306-1	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	85
306-4[1)]	Transport of hazardous waste	85
GRI 307: Environmental compliance 2016		
307-1	Non-compliance with environmental laws and regulations	No relevant incidents

Innovation and digitalisation

GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	92ff
103-2	The management approach and its components	92ff
103-3	Evaluation of the management approach	92ff
Company-specific supplementary indicators		
	Expenses for research, innovation and digitalisation projects	92
	Research, innovation and digitalisation projects	94ff

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	102ff
103-2	The management approach and its components	102ff
103-3	Evaluation of the management approach	102ff

GRI 203: Indirect economic impacts 2016

203-1	Infrastructure investments and services supported	40ff 104f (Investments in social facilities and healthcare centres) 107 141f (Management report; all infrastructure investments are commercial in nature)
203-2[1)]	Significant indirect economic impacts	57

GRI 413: Local communities 2016

413-1	Operations with local community engagement, impact assessments and development programmes	16f, 76f, 73, 104. 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

Online report

EVN online Full Report 2019/20
www.investor.evn.at/gb/gb2020

Financial calendar 2020/21[1)]			
Record date Annual General Meeting[2)]	11.01.2021	Results Q. 1 2020/21	26.02.2021
92nd Annual General Meeting (virtual)[2)]	21.01.2021	Results HY. 1 2020/21	27.05.2021
Ex-dividend day[2)]	27.01.2021	Results Q. 1–3 2020/21	26.08.2021
Record date[2)]	28.01.2021	Annual results 2020/21	16.12.2021
Dividend payment day[2)]	29.01.2021		

1) Subject to change
2) Subject to the appropriate legal framework

Basic information[1)]	
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, negative (Standard & Poor's)

1) As of 30 September 2020

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