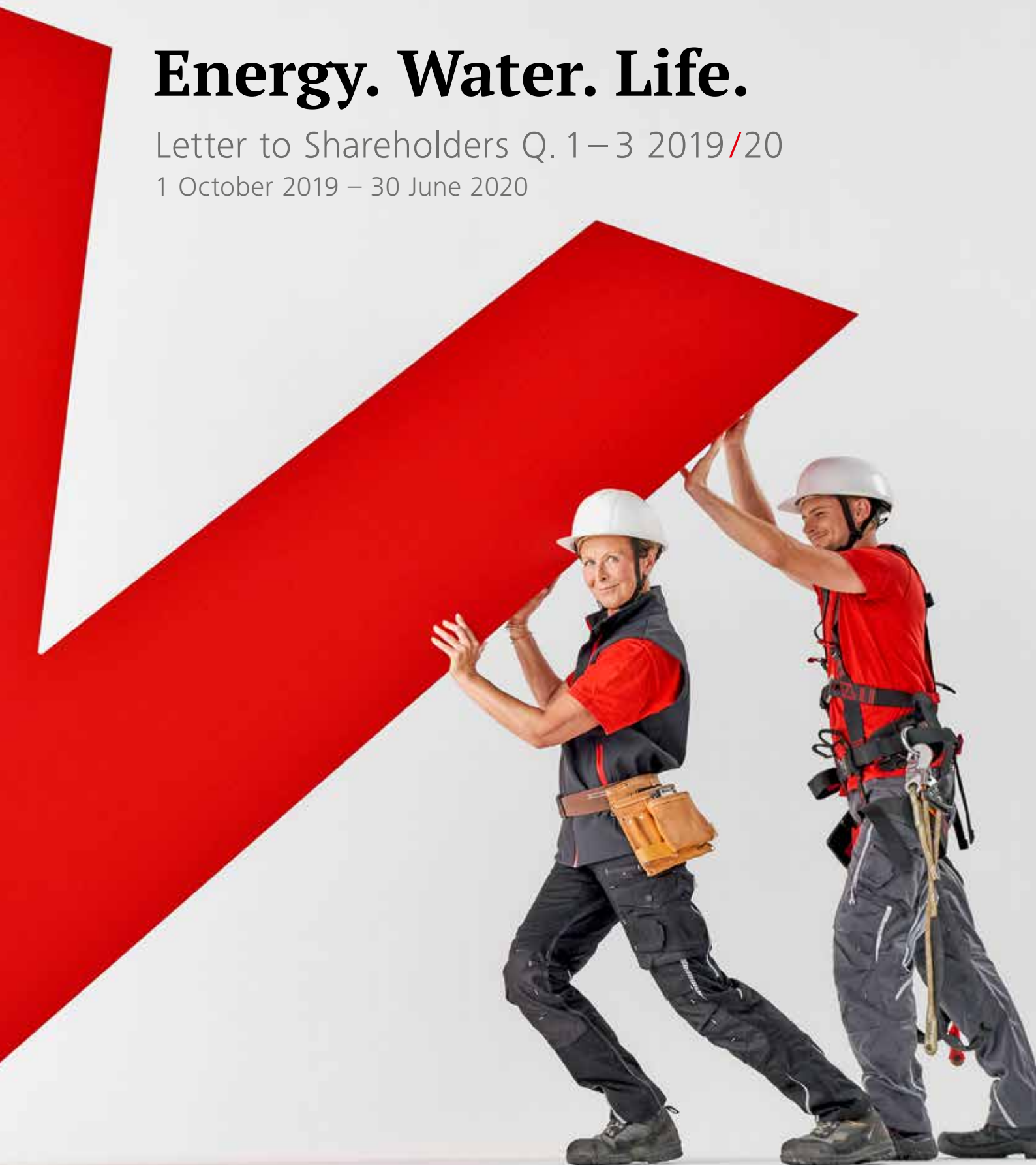


Energy. Water. Life.

Letter to Shareholders Q. 1–3 2019/20

1 October 2019 – 30 June 2020



Contents

Key figures	3
Highlights	4
Interim management report	5
Energy sector environment	5
Business development	6
Shareholder structure	9
Segment reporting	10
Consolidated interim report	17
Consolidated statement of operations	17
Consolidated statement of comprehensive income	18
Consolidated statement of financial position	19
Consolidated statement of changes in equity	20
Condensed consolidated statement of cash flows	21
Notes to the consolidated interim report	22

Key figures

		2019/20 Q. 1–3	2018/19 Q. 1–3	+/- %	2019/20 Q. 3	2018/19 Q. 3	+/- %	2018/19
Sales volumes								
Electricity generation volumes	GWh	2,880	4,367	-34.1	734	1,392	-47.3	5,594
thereof from renewable energy	GWh	1,720	1,860	-7.5	566	676	-16.4	2,315
Electricity sales volumes to end customers	GWh	15,322	15,289	0.2	4,417	4,580	-3.6	19,924
Natural gas sales volumes to end customers	GWh	4,598	4,762	-3.4	692	760	-9.0	5,083
Heat sales volumes to end customers	GWh	1,940	1,933	0.4	359	364	-1.3	2,196
Consolidated statement of operations								
Revenue	EURm	1,596.9	1,712.6	-6.8	402.5	466.4	-13.7	2,204.0
EBITDA	EURm	513.6	435.7	17.9	124.8	105.4	18.4	631.7
EBITDA margin ¹⁾	%	32.2	25.4	6.7	31.0	22.6	8.4	28.7
Results from operating activities (EBIT)	EURm	284.5	236.4	20.3	53.7	38.3	40.2	403.5
EBIT margin ¹⁾	%	17.8	13.8	4.0	13.4	8.2	5.1	18.3
Result before income tax	EURm	277.8	222.0	25.1	76.1	47.0	61.9	373.5
Group net result	EURm	210.7	168.2	25.2	58.0	39.2	47.9	302.4
Earnings per share	EUR	1.18	0.95	25.2	0.33	0.22	47.8	1.70
Statement of financial position								
Balance sheet total	EURm	7,807.3	7,696.4	1.4	7,807.3	7,696.4	1.4	8,188.6
Equity	EURm	4,335.8	4,269.2	1.6	4,335.8	4,269.2	1.6	4,552.1
Equity ratio ¹⁾	%	55.5	55.5	0.1	55.5	55.5	0.1	55.6
Net debt ²⁾	EURm	1,086.4	1,000.4	8.6	1,086.4	1,000.4	8.6	999.5
Gearing ¹⁾	%	25.1	23.4	1.6	25.1	23.4	1.6	22.0
Cash flow and investments								
Gross cash flow	EURm	392.3	474.1	-17.3	71.2	85.0	-16.2	550.5
Net cash flow from operating activities	EURm	205.8	238.8	-13.8	174.6	131.7	32.6	429.7
Investments ³⁾	EURm	201.1	220.6	-8.9	72.7	86.2	-15.7	391.4
Share performance								
Share price at 30 June	EUR	15.02	13.30	12.9	15.02	13.30	12.9	16.14
Value of shares traded ⁴⁾	EURm	167.0	129.4	29.1	-	-	-	190.1
Market capitalisation at 30 June	EURm	2,702	2,392	13.0	2,702	2,392	13.0	2,903
Employees	∅	6,999	6,889	1.6	6,956	6,917	0.6	6,908

1) Changes reported in percentage points

2) Incl. non-current personnel provisions

3) In intangible assets and property, plant and equipment

4) Vienna Stock Exchange, single counting

Highlights

Business development confirms outlook for 2019/20

- Revenue below previous year (–6.8%), improvement in EBITDA (+17.9%), EBIT (+20.3%) and Group net result (+25.2%)
- Return to positive earnings contribution from EVN KG as key earnings driver
- Integrated business model and broad customer diversification as stabilising factors during the corona crisis; only selective impacts on operating results (in particular, lower energy consumption and a subsequent decline in network sales volumes)
- Group net result of EUR 180m to EUR 200m expected for the 2019/20 financial year – under the assumption of average conditions in the energy business environment and a stable situation in connection with the corona crisis during the fourth quarter of this financial year

Energy sector environment

- Temperature-related energy demand in Austria below previous year and long-term average; unusually mild temperatures in South East Europe
- Wind flows above long-term average but lower than the previous year
- Hydrological conditions for small hydropower plants clearly less favourable than in the exceptionally good previous year
- Normalisation of forward prices for base load and peak load electricity, above all owing to an increase in CO₂ emission certificate prices to the pre-crisis level of roughly EUR 25 per tonne

Successful reduction of CO₂ footprint in energy generation

- Share of renewable generation rises to 59.7% (previous year still influenced by electricity production in Dürnrrohr: 42.6%)

Clear commitment to extensive investment programme

- Annual investments of approximately EUR 400m, including roughly EUR 300m in Lower Austria
- Focal points: network infrastructure, renewable generation and drinking water supplies in Lower Austria
- Sporadic delays resulting from the lockdown will be recovered as soon as possible

Focus of expansion on cross-regional drinking water pipelines to cover demand peaks

- Start of construction on a 60 km pipeline from Krems to Zwettl

Achievements in international project business

- General contractor assignments for thermal sludge treatment plants in Berlin, Hanover and Straubing
- All requirements met as of 29 July 2020 for the start of the Umm Al Hayman wastewater treatment plant project in Kuwait

New shareholder structure following closing of the transaction between Wiener Stadtwerke and EnBW on 5 August 2020

- 51.0% NÖ Landesbeteiligungsholding GmbH
- 28.4% Wiener Stadtwerke GmbH
- 20.6% free float (incl. 1.0% treasury shares)

Interim management report

Energy sector environment

Energy sector environment		2019/20 Q. 1–3	2018/19 Q. 1–3	2019/20 Q. 3	2018/19 Q. 3
Temperature-related energy demand¹⁾					
Austria	%	95.4	98.5	–	–
Bulgaria	%	83.9	93.8	–	–
North Macedonia	%	88.7	96.9	–	–
Primary energy and CO₂ emission certificates					
Crude oil – Brent	EUR/bbl	43.1	59.9	25.2	62.0
Natural gas – NCG ²⁾	EUR/MWh	9.6	19.2	5.7	13.6
Hard coal – API#2 ³⁾	EUR/t	45.1	66.7	39.1	48.5
CO ₂ emission certificates	EUR/t	23.0	22.1	19.4	24.4
Electricity – EEX forward market⁴⁾					
Base load	EUR/MWh	47.8	45.7	40.9	43.1
Peak load	EUR/MWh	58.0	56.3	46.7	50.0
Electricity – EPEX spot market⁵⁾					
Base load	EUR/MWh	30.7	47.8	20.8	36.8
Peak load	EUR/MWh	36.7	55.4	23.4	40.2

1) Calculated based on the heating degree total; the basis (100%) corresponds to the adjusted long-term average for the respective countries.

2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period

5) EPEX spot – European Power Exchange

EVN's key energy business indicators	2019/20 Q. 1–3	2018/19 Q. 1–3	+/-		2019/20 Q. 3	2018/19 Q. 3	+/- %
			Nominal	%			
GWh							
Electricity generation volumes	2,880	4,367	-1,487	-34.1	734	1,392	-47.3
Renewable energy sources	1,720	1,860	-140	-7.5	566	676	-16.4
Thermal energy sources	1,160	2,507	-1,347	-53.7	168	715	-76.5
Network distribution volumes							
Electricity	17,052	17,466	-414	-2.4	4,887	5,169	-5.5
Natural gas ¹⁾	12,964	13,486	-522	-3.9	2,628	2,791	-5.8
Energy sales volumes to end customers							
Electricity	15,322	15,289	33	0.2	4,417	4,580	-3.6
thereof Central and Western Europe ²⁾	6,404	6,020	384	6.4	1,982	1,922	3.2
thereof South Eastern Europe	8,918	9,269	-351	-3.8	2,435	2,658	-8.4
Natural gas	4,598	4,762	-164	-3.4	692	760	-9.0
Heat	1,940	1,933	8	0.4	359	364	-1.3
thereof Central and Western Europe ²⁾	1,760	1,735	26	1.5	335	341	-1.6
thereof South Eastern Europe	180	198	-18	-9.1	23	23	2.5

1) Incl. network distribution volumes to EVN power plants

2) Central and Western Europe covers Austria and Germany.

Business development

Statement of operations

Highlights

- Revenue: –6.8% to EUR 1,596.9m
 - EBITDA: +17.9% to EUR 513.6m
 - EBIT: +20.3% to EUR 284.5m
 - Financial results: +53.6% to EUR –6.7m
 - Group net result: +25.2% to EUR 210.7m
-

Revenue recorded by the EVN Group totalled EUR 1,596.9m in the first three quarters of 2019/20. The 6.8% year-on-year decline was caused, above all, by a substantial drop in thermal generation volumes. The previous year's results still contained operations in the Dürnröhr power plant, while the reporting period also included a reduction in the use of the thermal power plants in Theiss (for network stabilisation) and Walsum 10. Additional factors included revenue declines, especially in the networks business and in natural gas trading, as well as lower year-on-year effects from the valuation of hedges for electricity generation. Positive factors included higher energy revenue in Bulgaria and revenue growth in the international project business.

The changes to inventories which resulted from the invoicing of customer projects were responsible for a 27.0% decline in other operating income to EUR 68.1m.

The cost of electricity purchases from third parties and primary energy expenses reflected the trend in energy revenue with a 16.5% decline to EUR 711.7m. The main reasons for this development included the lower use of primary energy carriers which accompanied the reduction in thermal generation as well as lower wholesale prices and a cutback in purchased volumes. The negative effects from the valuation of hedges were also lower than the previous year.

The cost of materials and services rose by 1.2% to EUR 196.5m.

Personnel expenses were 2.9% higher than the previous year at EUR 259.5m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the large-scale contract in Kuwait which was awarded to WTE Wassertechnik. The average number of employees equalled 6,999 in the first three quarters of 2019/20 (previous year: 6,889 employees).

Other operating expenses fell by 7.2% to EUR 82.1m.

The share of results from equity accounted investees with operational nature rose to EUR 98.5m in the first three quarters of 2019/20 (previous year: EUR 17.3m). In addition to positive non-recurring effects from RAG and Energie Burgenland, this increase resulted mainly from a return to positive earnings contributions from EVN KG. This company's prior year results were influenced by rising wholesale prices and the related higher procurement costs and by negative effects from the valuation of hedges. Contrasting factors included the negative earnings contributions from the Ashta hydropower plant and EnergieAllianz. A EUR 4.9m impairment loss was recognised to the Ashta hydropower plant in the second quarter of 2019/20 to reflect the higher country risk premium that resulted from the Covid-19 pandemic, and the development of business at EnergieAllianz was also negatively affected by the corona crisis.

EBITDA recorded by the EVN Group rose by 17.9% to EUR 513.6m in the first nine months of 2019/20, and the EBITDA margin improved from 25.4% to 32.2%.

Higher investments, the capitalisation of rights of use following the initial application of IFRS 16 and the increased carrying amount of property, plant and equipment that resulted from revaluations as of 30 September 2019 led to an increase of 7.5% in scheduled depreciation and amortisation to EUR 214.6m. An increase in the country risk premiums to reflect the effects of the Covid-19 pandemic also led to the recognition of impairment losses to energy generation equipment in South East Europe and to the customer base in North Macedonia during the second quarter of 2019/20. EVN recorded an increase of 20.3% in EBIT to EUR 284.5m in the first three quarters of 2019/20.

An increase in the dividend from Verbund AG to EUR 0.69 per share for the 2019 financial year (previous year: EUR 0.42 per share) supported an improvement of 53.6% in financial results to EUR –6.7m (previous year: EUR –14.4m).

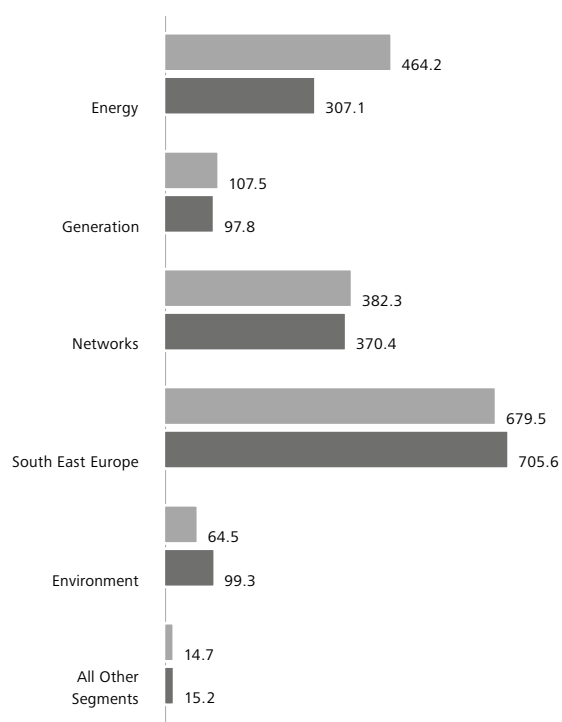
The result before income tax rose by 25.1% year-on-year to EUR 277.8m. After the deduction of EUR 43.4m (previous year: EUR 35.3m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period amounted to EUR 210.7m. This represents an increase of 25.2% over the previous year.

Statement of cash flows

Gross cash flow fell by 17.3% year-on-year to EUR 392.3m in the first nine months of 2019/20 despite an increase in the result before income tax and in scheduled depreciation and amortisation. This decline was based on a higher non-cash earnings contribution from equity accounted investees that was contrasted by lower dividends from these companies. Furthermore, the dividend approved by the 73rd Annual General Meeting of Verbund AG on

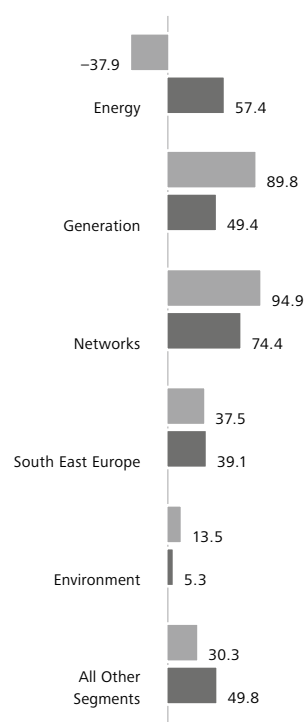
External revenue by segments Q. 1–3

EURm
2018/19
2019/20



EBIT by segments Q. 1–3

EURm
2018/19
2019/20



16 June 2020, which was reported as part of EVN's financial results as of 30 June 2020, was corrected under gross cash flow to show a non-cash earnings contribution because the dividend was only distributed on 6 July 2020.

Cash flow from operating activities fell to EUR 205.8m (previous year: EUR 238.8m) due to the negative development of working capital as of 30 June 2020.

Cash flow from investing activities amounted to EUR -216.3m (previous year: EUR -54.3m) and was influenced by the reduction of investments in property, plant and equipment because of the corona-based lockdown as well as a lower volume of securities investments in the R 138 fund. Another important factor was the guarantee payment from the Republic of Montenegro for the wastewater treatment plant project in Budva, which was contrasted by cash outflows for the equity contribution to the project company for the Umm Al Hayman

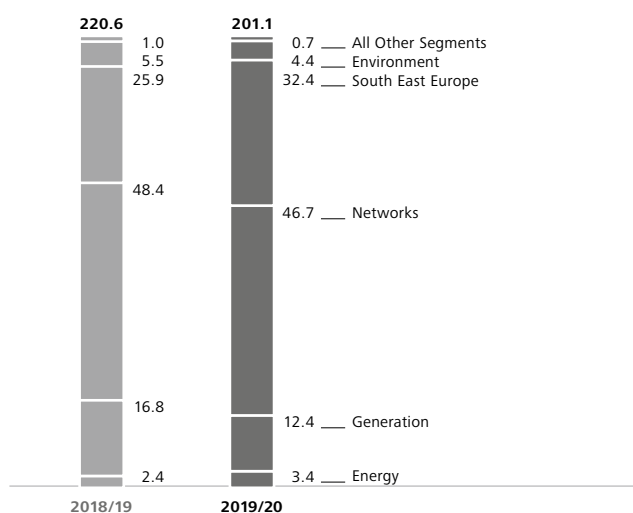
wastewater treatment plant project in Kuwait and by increased investments in cash funds.

Cash flow from financing activities totalled EUR -65.3m in the reporting period (previous year: EUR -187.7m) and includes the dividend payment 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. A contrary factor was the increase in long-term financial liabilities through the issue of a green promissory note loan (nominal volume: EUR 100.0m).

Cash flow amounted to EUR -75.8m in the first nine months of 2019/20, and cash and cash equivalents totalled EUR 169.9m as of 30 June 2020. The EVN Group also had contractually committed, undrawn credit lines of EUR 557.0m at its disposal to service potential short-term financing requirements. In addition, the contractually committed credit lines were increased to EUR 595.0m as of 1 July 2020.

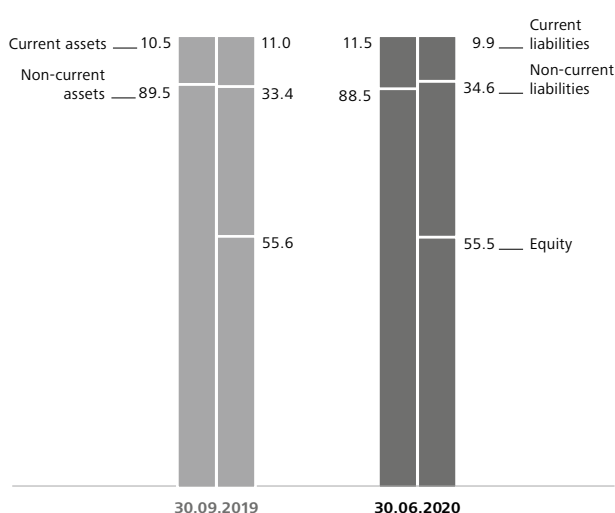
Structure of investments Q. 1–3

%, total in EURm



Balance sheet structure as of the balance sheet date

%



Statement of financial position

EVN's balance sheet total equalled EUR 7,807.3m as of 30 June 2020 and was 4.7% lower than on 30 September 2019. This development reflects the decline in non-current assets, which fell by 5.7% to EUR 6,912.5m, primarily due to the development of the Verbund share price (EUR 39.86 on 30 June 2020 versus EUR 50.20 on 30 September 2019). The carrying amount of other assets was also lower than on 30 September 2019, among others because of a reduction in non-current securities in the R 138 fund and a decline in non-current receivables from hedging transactions. The carrying amount of equity accounted investees increased as of 30 June 2020 following the payment

of the equity contribution to the project company for the Umm Al Hayman wastewater treatment plant project in Kuwait and from a higher earnings contribution from EVN KG. The decline in non-current assets was also reduced by the initial application of IFRS 16 and the related capitalisation of rights of use in property, plant and equipment.

Current assets rose by 4.3% to EUR 894.8m during the reporting period based on an increase in inventories and investments in cash funds. Contrasting factors included a decline in receivables which primarily involved trade receivables, receivables from hedging transactions and current tax receivables. The lower balance of trade

receivables resulted, above all, from the guarantee payment received from the Republic of Montenegro in the first quarter of 2019/20 for the wastewater treatment plant project in Budva.

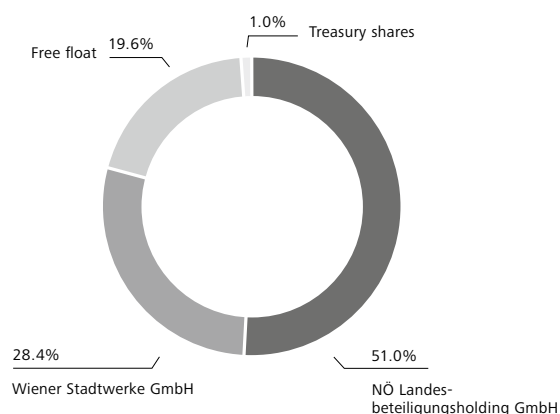
Although Group net result for the reporting period was higher than the dividend paid in January 2020 for the 2018/19 financial year, equity totalled EUR 4,335.8m as of 30 June 2020 and was 4.8% below the level on 30 September 2019. This decline was caused primarily by the lower market price of the Verbund share and a corresponding reduction in the carrying amount of this equity accounted investment. The equity ratio equalled 55.5% as of 30 June 2020 (30 September 2019: 55.6%).

Non-current liabilities were characterised by different developments: Non-current financial liabilities were increased by the issue of a green promissory note loan (nominal value: EUR 100.0m; term: 10 years) and reduced by the reclassification of loans to current liabilities. Other non-current liabilities were increased by the recognition of non-current lease liabilities in connection with the initial application of IFRS 16. The decline in the Verbund share price brought about a substantial reduction in tax liabilities, while the application of a higher discount rate led to a reduction in non-current employee-related provisions. In total, non-current liabilities declined by 1.1% to EUR 2,703.0m.

Current liabilities fell by 14.9% to EUR 768.6m as of 30 June 2020, chiefly owing to a decline in trade payables, liabilities to equity accounted investees and hedging transactions. Prepayments received also decreased during the reporting period. In contrast, current financial liabilities increased as of 30 June 2020.

EVN's net debt rose by 8.7% over the level on 30 September 2019 to EUR 1,086.4m as of 30 June 2020. The increase resulted, among others, from the above-mentioned recognition of non-current lease liabilities in connection with the initial application of IFRS 16. Consequently, gearing also increased to 25.1% (30 September 2019: 22.0%).

Shareholder structure¹⁾



1) As at 5 August 2020

Shareholder structure

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

Wiener Stadtwerke GmbH became the second largest shareholder of EVN AG on 5 August 2020 with a stake of 28.4%. On that date the company, which is wholly owned by the City of Vienna, acquired 51,000,000 EVN shares based on a share purchase agreement concluded with EnBW Trust e.V. on 5 March 2020 after all requirements, in particular the non-prohibition by the federal antitrust authority, were met.

The remaining 20.6% of EVN's shares represent free float (incl. 1.0% treasury shares).

Segment reporting

Overview

EVN's corporate structure comprises six reportable segments. In accordance with IFRS 8 "Operating Segments", they are differentiated and defined solely on the basis of the internal organisational

and reporting structure. Business activities which cannot be reported separately because they are below the quantitative thresholds are aggregated under "All Other Segments".

Business areas	Segments	Major activities
Energy business	Energy	<ul style="list-style-type: none"> → Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in ENERGIEALLIANZ Austria GmbH¹⁾ → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)¹⁾
	Generation	<ul style="list-style-type: none"> → Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations → Operation of a thermal waste utilisation plant in Lower Austria → 13.0% investment in Verbund Innkraftwerke GmbH (Germany)¹⁾ → 49.0% investment in Walsum 10 hard coal-fired power plant (Germany)²⁾ → 49.99% investment in Ashta run-of-river power plant (Albania)¹⁾
	Networks	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity in Bulgaria and North Macedonia → Sale of electricity to end customers in Bulgaria and North Macedonia → Generation of electricity from hydropower in North Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	<ul style="list-style-type: none"> → Water supply and wastewater disposal in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation
Other business activities	All Other Segments	<ul style="list-style-type: none"> → 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG Austria AG (RAG)¹⁾ → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG¹⁾ → 12.63% investment in Verbund AG³⁾ → Corporate services

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

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

3) Dividends are included under financial results.

Energy

Increase in electricity and heat sales volumes, decline in natural gas sales volumes

- Increase of 6.4%, respectively 1.5% in electricity and heat sales volumes based on the positive development of sales to industrial customers in Austria and Germany; corona-related temporary decline in sales to industrial customers
- Weather- and competition-related decline of 3.8% in natural gas sales volumes

EBITDA, EBIT and result before income tax above previous year

- Decline of 33.7% in revenue, primarily owing to a decrease in the marketing of own electricity generation, a reduction in natural gas trading and lower year-on-year valuation effects from hedges

- Operating expenses were 39.7% lower, above all due to the reduced use of primary energy carriers, lower procurement prices and a year-on-year decline in valuation effects from hedges
- Increase in share of results from equity accounted investees with operational nature to EUR 35.9m (previous year: EUR –38.7m) supported mainly by positive operating developments and lower year-on-year effects from the valuation of hedges held by EVN KG

Investment volume increased to EUR 14.1m

- Focus on the expansion of heating plants and networks

Key indicators – Energy		2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1–3	Q. 1–3	Nominal	%	Q. 3	Q. 3	%
Key energy business indicators	GWh							
Energy sales volumes to end customers								
Electricity		6,404	6,020	384	6.4	1,982	1,922	3.2
Natural gas		4,508	4,679	-171	-3.8	666	735	-9.4
Heat		1,760	1,735	26	1.5	335	341	-1.6
Key financial indicators	EURm							
External revenue		307.1	464.2	-157.1	-33.8	50.2	106.2	-52.8
Internal revenue		3.2	3.7	-0.6	-15.4	1.0	1.1	-16.5
Total revenue		310.2	467.9	-157.7	-33.7	51.1	107.4	-52.4
Operating expenses		-273.2	-452.9	179.6	39.7	-57.2	-119.2	52.0
Share of results from equity accounted investees with operational nature		35.9	-38.7	74.6	-	13.8	3.5	-
EBITDA		72.9	-23.7	96.6	-	7.7	-8.4	-
Depreciation and amortisation including effects from impairment tests		-15.4	-14.2	-1.2	-8.7	-5.2	-4.6	-13.7
Results from operating activities (EBIT)		57.4	-37.9	95.4	-	2.5	-13.0	-
Financial results		-1.2	-1.6	0.4	24.2	-0.4	-0.7	44.4
Result before income tax		56.2	-39.5	95.7	-	2.1	-13.6	-
Total assets		763.5	768.9	-5.4	-0.7	763.5	768.9	-0.7
Total liabilities		625.6	663.4	-37.8	-5.7	625.6	663.4	-5.7
Investments ¹⁾		14.1	6.2	7.9	-	3.4	2.8	22.4

1) In intangible assets and property, plant and equipment

Generation

Share of renewable electricity generation rises to 59.7% (previous year: 42.6%)

- Electricity generation from renewable energy below previous year at 1,438 GWh
 - Wind power only slightly higher year-on-year despite commissioning of new wind power plants due to lower wind flows
 - Decline in water flows
- Electricity generation from thermal power plants falls to 871 GWh
 - Termination of electricity generation in Dürnröhr coal-fired power plant in August 2019
 - Use of thermal power plants in Theiss (for network stabilisation) and Walsum 10 below previous year
- Coverage ratio of 18.8% (previous year: 28.6%)

- Operating expenses reduced by 20.4% to EUR 104.9m
- Decline in share of results from equity accounted investees with operational nature to EUR –2.4m (previous year: EUR 3.9m) primarily caused by an impairment loss of EUR 4.9m to the Ashta hydropower plant in the second quarter of 2019/20 following a corona-related increase in the country risk premium
- Scheduled depreciation and amortisation, including the effects of impairment testing, 9.0% over the previous year
 - Increase in scheduled depreciation to EUR 50.1m based on the expansion of wind power capacity and a higher depreciation base after revaluation of plant and equipment in the previous year
 - Impairment loss of EUR 1.3m recognised to the Kavarna wind park in the second quarter of 2019/20 following a corona-related increase in the country risk premium

EBITDA, EBIT and result before income tax below previous year

- Revenue decline of 21.4%, primarily due to a reduction in thermal generation but also because of lower water flows and lower electricity prices in the renewable generation business

Decrease in investment volume after expansion of wind power capacity in the previous year

Key indicators – Generation		2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1-3	Q. 1-3	Nominal	%	Q. 3	Q. 3	%
Key energy business indicators		GWh						
Electricity generation volumes		2,310	3,753	-1,444	-38.5	560	1,203	-53.4
thereof renewable energy sources		1,438	1,559	-121	-7.8	460	569	-19.1
thereof thermal energy sources		871	2,194	-1,323	-60.3	100	634	-84.2
Key financial indicators		EURm						
External revenue		97.8	107.5	-9.8	-9.1	27.2	34.1	-20.0
Internal revenue		110.4	157.3	-47.0	-29.8	33.9	50.5	-32.9
Total revenue		208.1	264.9	-56.7	-21.4	61.1	84.6	-27.7
Operating expenses		-104.9	-131.7	26.8	20.4	-27.9	-48.1	42.0
Share of results from equity accounted investees with operational nature		-2.4	3.9	-6.3	-	0.8	1.5	-45.9
EBITDA		100.8	137.0	-36.2	-26.4	34.0	38.0	-10.4
Depreciation and amortisation including effects from impairment tests		-51.4	-47.2	-4.3	-9.0	-16.8	-15.8	-5.9
Results from operating activities (EBIT)		49.4	89.8	-40.5	-45.0	17.2	22.1	-22.1
Financial results		-10.1	-11.5	1.4	12.3	-2.6	-3.5	23.7
Result before income tax		39.3	78.3	-39.1	-49.9	14.6	18.7	-21.8
Total assets		1,115.2	1,025.0	90.2	8.8	1,115.2	1,025.0	8.8
Total liabilities		703.8	763.1	-59.3	-7.8	703.8	763.1	-7.8
Investments ¹⁾		27.0	42.7	-15.7	-36.8	15.3	11.6	31.3

1) In intangible assets and property, plant and equipment

Networks

Electricity and natural gas network sales volumes below previous year

- Decline in electricity consumption (in particular by business customers) caused by Covid-19; however, this volume effect will be offset in future tariffs in accordance with the Austrian regulatory method
- Decline in natural gas following lower use of thermal power plants for network stabilisation

Revenue negatively affected by price and volume effects

- First full-year application of lower weighted average cost of capital based on the new five-year regulatory period for the electricity distribution network
- Network tariffs for household customers reduced by 8.1% on average for natural gas and increased by 0.3% on average for electricity as of 1 January 2020

- Development in the energy activities only offset in part by higher revenue at kabelplus following an increase in the number of customers for cable TV, internet and telecommunications

Decline in EBITDA, EBIT and result before income tax

- Operating expenses nearly at prior year level
- High level of investment leads to increase in scheduled depreciation and amortisation

Delays in investment projects due to corona-related lockdown

- Delays – and the lower investment volume in the first three quarters – will be recovered as quickly as possible

Key indicators – Networks		2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1–3	Q. 1–3	Nominal	%	Q. 3	Q. 3	%
Key energy business indicators	GWh							
Network distribution volumes								
Electricity		6,444	6,527	-83	-1.3	1,899	1,982	-4.2
Natural gas		12,763	13,300	-537	-4.0	2,570	2,733	-6.0
Key financial indicators	EURm							
External revenue		370.4	382.3	-11.9	-3.1	100.6	102.8	-2.2
Internal revenue		33.1	38.0	-4.9	-12.8	10.3	12.8	-20.1
Total revenue		403.5	420.3	-16.7	-4.0	110.8	115.6	-4.2
Operating expenses		-232.4	-233.3	0.9	0.4	-73.4	-77.4	5.2
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
EBITDA		171.1	187.0	-15.9	-8.5	37.4	38.2	-2.0
Depreciation and amortisation including effects from impairment tests		-96.7	-92.1	-4.6	-5.0	-31.9	-30.7	-3.9
Results from operating activities (EBIT)		74.4	94.9	-20.4	-21.5	5.6	7.5	-26.0
Financial results		-8.7	-12.8	4.1	31.9	-4.2	-4.3	1.1
Result before income tax		65.7	82.1	-16.3	-19.9	1.3	3.2	-59.0
Total assets		2,035.3	1,955.7	79.6	4.1	2,035.3	1,955.7	4.1
Total liabilities		1,399.5	1,329.3	70.2	5.3	1,399.5	1,329.3	5.3
Investments ¹⁾		94.0	107.0	-13.1	-12.2	35.1	50.9	-30.9

1) In intangible assets and property, plant and equipment

South East Europe

Decline in network and energy sales volumes

- Demand for energy reduced by unusually mild temperatures and the corona crisis

Electricity generation 5.7% below previous year

- Lower production at the co-generation plant in Plovdiv due to the mild winter and a scheduled inspection

EBITDA, EBIT and result before income tax above previous year

- Higher revenue despite decline in sales volumes
- Positive effect from reduction of procurement costs for network losses in Bulgaria
- Higher personnel costs and increase in receivables write-offs in North Macedonia
- Investment-related rise of 10.8% in scheduled depreciation and amortisation to EUR 52.8m

- Impairment losses of EUR 13.2m – recognised in the second quarter of 2019/20 to reflect higher country risk premiums in connection with the Covid-19 crisis – contrasted by revaluations of EUR 28.0m in 2018/19

Increase in investments during the reporting period

Tariff decisions by the responsible regulatory authorities for the regulated market segments

- Bulgaria: Average increase of 4.2% in prices for household customers in EVN's supply area as of 1 July 2020 (previous year: average increase of 3.5% as of 1 July 2019)
- North Macedonia: Increase of roughly 7.4% in prices for household customers of EVN Home DOO as of 1 August 2020 (previous year: no price adjustment)

Key indicators – South East Europe		2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1–3	Q. 1–3	Nominal	%	Q. 3	Q. 3	%
Key energy business indicators		GWh						
Electricity generation volumes		332	352	-20	-5.7	98	112	-12.2
thereof renewable energy		99	94	5	4.9	46	48	-2.6
thereof thermal power plants		233	258	-24	-9.5	52	64	-19.4
Electricity network distribution volumes		10,607	10,939	-332	-3.0	2,988	3,187	-6.2
Energy sales volumes to end customers		9,188	9,550	-362	-3.8	2,484	2,706	-8.2
thereof electricity		8,918	9,269	-351	-3.8	2,435	2,658	-8.4
thereof natural gas		90	83	7	8.7	26	25	1.9
thereof heat		180	198	-18	-9.1	23	23	2.5
Key financial indicators		EURm						
External revenue		705.6	679.5	26.1	3.8	185.4	192.7	-3.8
Internal revenue		0.5	0.6	-0.1	-17.2	0.1	0.2	-21.3
Total revenue		706.1	680.1	26.0	3.8	185.5	192.9	-3.8
Operating expenses		-601.0	-597.1	-3.9	-0.7	-160.6	-163.9	2.0
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
EBITDA		105.1	83.0	22.1	26.6	25.0	29.0	-14.0
Depreciation and amortisation including effects from impairment tests		-66.0	-45.6	-20.5	-44.9	-17.5	-15.8	-10.5
Results from operating activities (EBIT)		39.1	37.5	1.6	4.4	7.5	13.2	-43.4
Financial results		-15.8	-15.3	-0.5	-2.9	-4.5	-4.7	4.2
Result before income tax		23.4	22.2	1.2	5.4	2.9	8.5	-65.3
Total assets		1,196.7	1,175.3	21.4	1.8	1,196.7	1,175.3	1.8
Total liabilities		887.3	912.9	-25.6	-2.8	887.3	912.9	-2.8
Investments ¹⁾		65.1	57.1	8.0	14.1	15.4	17.2	-11.0

1) In intangible assets and property, plant and equipment

Environment

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

- Weather-related increase in demand for drinking water, both for cross-regional supplies and by end customers
- Higher project volumes (especially in Poland and Bahrain)

EBITDA, EBIT and result before income tax below previous year

- Revenue growth generally accompanied by corresponding increase in operating expenses
 - In particular, increase in cost of materials and services
 - Negative change in inventories, also included under operating expenses, as additional factor
- Decline in share of results from equity accounted investees with operational nature – prior year positively influenced by the temporal shift of earnings contributions from the wastewater treatment plant project in Zagreb and earnings contributions from the wastewater treatment plant project in Prague

Investment initiative to increase drinking water supplies

- Start of construction on the first section of the new pipeline from Krems to Zwettl
- Construction of a natural filter plant in Petronell
- High level of investments expected for the full financial year despite Covid-19-related decline during the reporting period

All requirements met for the start of the Umm Al Hayman wastewater treatment project as of 29 July 2020 (closing)

- Closing took place with a delay due to the corona crisis
- Consequently, partial shift of expected earnings contribution in 2019/20 to following years

General contractor assignments for three thermal sludge utilisation plants in Germany

- Contract received by WTE Wassertechnik for a project in Berlin (contract volume: approximately EUR 190m, share in earnings roughly 50%)
- Contract received by sludge2energy (50:50 joint venture by WTE Wassertechnik and Huber SE) for two projects in Hanover and Straubing (contract volume: approximately EUR 40m, respectively EUR 50m)

End of contract for operation of thermal waste incineration plant No. 3 in Moscow

- Transfer of the plant built and financed by EVN at the end of June 2020 in accordance with the contract

Contract orders in the international project business¹⁾

- Ten projects currently under planning and construction (Germany, Poland, Lithuania, Romania, Croatia, Bahrain and Kuwait)

1) Excluding the three thermal sludge utilisation plant projects by sludge2energy in Halle-Lochau, Hanover and Straubing

Key financial indicators – Environment	EURm	2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1–3	Q. 1–3	Nominal	%	Q. 3	Q. 3	%
External revenue		99.3	64.5	34.7	53.8	34.1	24.5	39.0
Internal revenue		0.3	0.3	–	–10.8	0.1	0.1	–10.0
Total revenue		99.6	64.9	34.7	53.5	34.2	24.6	38.8
Operating expenses		–96.7	–56.0	–40.7	–72.6	–33.6	–19.7	–70.4
Share of results from equity accounted investees with operational nature		11.2	13.3	–2.1	–16.0	4.3	4.0	5.9
EBITDA		14.1	22.2	–8.1	–36.5	4.8	8.9	–45.9
Depreciation and amortisation including effects from impairment tests		–8.7	–8.6	–0.1	–1.3	–2.8	–2.9	3.9
Results from operating activities (EBIT)		5.3	13.5	–8.2	–60.7	2.0	6.0	–66.4
Financial results		–5.6	–4.4	–1.2	–28.0	–2.3	–1.8	–24.2
Result before income tax		–0.3	9.1	–9.4	–	–0.2	4.2	–
Total assets		682.7	666.0	16.7	2.5	682.7	666.0	2.5
Total liabilities		540.8	517.1	23.7	4.6	540.8	517.1	4.6
Investments ¹⁾		9.2	12.1	–2.9	–24.3	5.4	4.4	24.2

1) In intangible assets and property, plant and equipment

All Other Segments

Higher share of results from equity accounted investees with operational nature

- Positive non-recurring effect at RAG from the sale of oil production facilities in Lower Austria
- Positive non-recurring effect at Energie Burgenland (primarily through the early termination of a US cross-border lease for transmission lines which was concluded in 2001)

Increase in EBITDA, EBIT and result before income tax

- Financial results rose by 8.8% based on an increase in the dividend from Verbund AG for the 2019 financial year to EUR 0.69 per share (previous year: EUR 0.42 per share); the dividend was approved by the 73rd Annual General Meeting of Verbund AG on 16 June 2020 and paid on 6 July 2020

Key financial indicators – All Other Segments	EURm	2019/20	2018/19	+/-		2019/20	2018/19	+/-
		Q. 1-3	Q. 1-3	Nominal	%	Q. 3	Q. 3	%
External revenue		15.2	14.7	0.5	3.5	4.9	6.1	-18.8
Internal revenue		50.5	48.0	2.5	5.1	16.7	15.9	5.1
Total revenue		65.7	62.7	3.0	4.8	21.7	22.0	-1.5
Operating expenses		-68.1	-69.9	1.8	2.6	-23.5	-25.6	8.1
Share of results from equity accounted investees with operational nature		53.8	38.9	15.0	38.5	18.4	3.7	-
EBITDA		51.5	31.7	19.8	62.4	16.5	0.1	-
Depreciation and amortisation including effects from impairment tests		-1.6	-1.3	-0.3	-21.2	-0.5	-0.4	-21.6
Results from operating activities (EBIT)		49.8	30.3	19.5	64.3	16.0	-0.3	-
Financial results		50.5	46.4	4.1	8.8	36.5	23.7	53.8
Result before income tax		100.3	76.7	23.6	30.8	52.5	23.4	-
Total assets		4,229.9	4,324.4	-94.5	-2.2	4,229.9	4,324.4	-2.2
Total liabilities		1,632.5	1,495.7	136.8	9.1	1,632.5	1,495.7	9.1
Investments ¹⁾		1.4	2.1	-0.8	-35.6	0.3	0.9	-64.1

1) In intangible assets and property, plant and equipment

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2019/20 Q. 1-3	2018/19 Q. 1-3	+/- %	2019/20 Q. 3	2018/19 Q. 3	+/- %	2018/19
Revenue	1,596.9	1,712.6	-6.8	402.5	466.4	-13.7	2,204.0
Other operating income	68.1	93.3	-27.0	26.2	31.9	-18.0	117.8
Electricity purchases and primary energy expenses	-711.7	-852.6	16.5	-156.5	-215.6	27.4	-1,081.3
Cost of materials and services	-196.5	-194.2	-1.2	-63.8	-71.7	11.0	-280.3
Personnel expenses	-259.5	-252.2	-2.9	-89.6	-89.3	-0.3	-338.7
Other operating expenses	-82.1	-88.5	7.2	-31.3	-29.0	-7.9	-120.2
Share of results from equity accounted investees with operational nature	98.5	17.3	-	37.2	12.7	-	130.5
EBITDA	513.6	435.7	17.9	124.8	105.4	18.4	631.7
Depreciation and amortisation	-214.6	-199.6	-7.5	-71.0	-66.4	-6.9	-269.8
Effects from impairment tests	-14.5	0.4	-	-	-0.6	100.0	41.6
Results from operating activities (EBIT)	284.5	236.4	20.3	53.7	38.3	40.2	403.5
Results from other investments	33.3	21.0	58.8	33.3	20.5	62.5	23.2
Interest income	4.0	6.2	-36.1	1.4	1.7	-20.2	8.1
Interest expense	-35.2	-38.9	9.7	-11.9	-12.6	5.1	-51.5
Other financial results	-8.8	-2.7	-	-0.4	-1.0	59.3	-9.8
Financial results	-6.7	-14.4	53.6	22.4	8.7	-	-29.9
Result before income tax	277.8	222.0	25.1	76.1	47.0	61.9	373.5
Income tax expense	-43.4	-35.3	-22.9	-10.2	-4.5	-	-46.7
Result for the period	234.4	186.7	25.5	65.9	42.5	55.1	326.9
thereof result attributable to EVN AG shareholders (Group net result)	210.7	168.2	25.2	58.0	39.2	47.9	302.4
thereof result attributable to non-controlling interests	23.7	18.4	28.4	7.9	3.2	-	24.5
Earnings per share in EUR ¹⁾	1.18	0.95	25.2	0.33	0.22	47.8	1.70

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

Consolidated statement of comprehensive income

EURm	2019/20 Q. 1-3	2018/19 Q. 1-3	+/- %	2019/20 Q. 3	2018/19 Q. 3	+/- %	2018/19
Result for the period	234.4	186.7	25.55	65.9	42.5	55.1	326.9
Other comprehensive income from							
Items that will not be reclassified to profit or loss							
Remeasurements IAS 19	13.1	-21.5	-	-2.4	-16.1	85.0	-55.4
Investments in equity accounted investees	1.0	-6.7	-	-0.3	-6.9	95.1	-10.7
Shares and other equity instruments measured at fair value and reported in other comprehensive income	-471.7	157.4	-	300.2	141.6	-	381.6
thereon apportionable income tax expense	114.7	-34.4	-	-74.4	-31.8	-	-82.0
Items that may be reclassified to profit or loss							
Currency translation differences	-4.9	4.1	-	2.8	1.6	71.7	10.8
Available for sale financial instruments	-	-	-	-	-	-	-0.1
Cash flow hedges	5.0	-0.5	-	0.9	-0.4	-	-0.1
Investments in equity accounted investees	-19.5	-2.8	-	63.4	-3.0	-	-7.3
thereon apportionable income tax expense	3.4	1.0	-	-16.7	0.8	-	1.8
Total other comprehensive income after tax	-359.1	96.7	-	273.4	85.9	-	238.6
Comprehensive income for the period	-124.7	283.4	-	339.3	128.4	-	565.5
thereof income attributable to EVN AG shareholders	-149.7	268.1	-	332.6	128.9	-	546.0
thereof income attributable to non-controlling interests	25.0	15.3	63.24	6.6	-0.5	-	19.5

Consolidated statement of financial position

EURm	30.06.2020	30.09.2019	+/-	
			Nominal	%
Assets				
Non-current assets				
Intangible assets	216.5	218.5	-2.0	-0.9
Property, plant and equipment	3,626.6	3,579.6	47.1	1.3
Investments in equity accounted investees	1,018.9	972.1	46.8	4.8
Other investments	1,853.6	2,325.4	-471.7	-20.3
Deferred tax assets	66.4	72.1	-5.8	-8.0
Other non-current assets	130.5	163.3	-32.8	-20.1
	6,912.5	7,330.9	-418.4	-5.7
Current assets				
Inventories	115.5	104.1	11.4	11.0
Trade and other receivables	348.8	417.4	-68.6	-16.4
Securities	186.1	89.7	96.4	-
Cash and cash equivalents	244.5	246.6	-2.1	-0.9
	894.8	857.7	37.1	4.3
Total assets	7,807.3	8,188.6	-381.3	-4.7
Equity and liabilities				
Equity				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.6	253.6	-	-
Retained earnings	2,635.9	2,514.2	121.6	4.8
Valuation reserve	871.4	1,226.8	-355.4	-29.0
Currency translation reserve	-14.2	-9.3	-5.0	-53.5
Treasury shares	-19.7	-19.7	-	-
Issued capital and reserves attributable to shareholders of EVN AG	4,056.9	4,295.6	-238.7	-5.6
Non-controlling interests	278.9	256.5	22.4	8.7
	4,335.8	4,552.1	-216.3	-4.8
Non-current liabilities				
Non-current loans and borrowings	1,055.5	990.0	65.5	6.6
Deferred tax liabilities	412.0	543.8	-131.8	-24.2
Non-current provisions	512.6	537.5	-24.8	-4.6
Deferred income from network subsidies	619.7	615.7	4.0	0.6
Other non-current liabilities	103.2	46.2	57.0	-
	2,703.0	2,733.2	-30.2	-1.1
Current liabilities				
Current loans and borrowings	110.0	68.8	41.2	60.0
Taxes payable and levies	141.1	138.3	2.8	2.1
Trade payables	177.4	301.0	-123.6	-41.1
Current provisions	85.2	90.4	-5.2	-5.7
Other current liabilities	254.8	304.9	-50.0	-16.4
	768.6	903.3	-134.8	-14.9
Total equity and liabilities	7,807.3	8,188.6	-381.3	-4.7

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2018	3,832.8	259.9	4,092.6
Change in accounting method (IFRS 9 Group)	-1.3	-0.5	-1.8
Change in accounting method (IFRS 9 at equity)	0.7	-	0.7
Change in accounting method (IFRS 15 Group)	-0.1	-	-0.1
Change in accounting method (IFRS 15 at equity)	0.2	-	0.2
Balance on 30.09.2018	3,832.3	259.4	4,091.7
Comprehensive income for the period	268.1	15.3	283.4
Dividends 2017/18	-83.7	-22.5	-106.2
Other changes	0.3	-	0.3
Balance on 30.06.2019	4,017.0	252.2	4,269.2
Balance on 30.09.2019	4,295.6	256.5	4,552.1
Comprehensive income for the period	-149.7	25.0	-124.7
Dividends 2018/19	-89.0	-2.6	-91.6
Balance on 30.06.2020	4,056.9	278.9	4,335.8

Condensed consolidated statement of cash flows

EURm	2019/20	2018/19	+/-		2018/19
	Q. 1-3	Q. 1-3	Nominal	%	
Result before income tax	277.8	222.0	55.8	25.1	373.5
+ Depreciation and amortisation of intangible assets and property, plant and equipment	229.1	199.3	29.9	15.0	228.2
- Results of equity accounted investees and other investments	-131.8	-38.3	-93.5	-	-153.7
+ Dividends from equity accounted investees and other investments	64.2	146.2	-82.0	-56.1	161.1
+ Interest expense	35.2	38.9	-3.8	-9.7	51.5
- Interest paid	-37.1	-38.3	1.2	3.1	-41.4
- Interest income	-4.0	-6.2	2.2	36.1	-8.1
+ Interest received	3.4	5.7	-2.2	-39.0	7.4
+/- Losses/gains from foreign exchange translations	4.5	2.2	2.3	-	9.9
+/- Other non-cash financial results	4.6	1.0	3.6	-	-1.6
- Release of deferred income from network subsidiaries	-38.5	-37.0	-1.6	-4.3	-50.6
- Decrease in non-current provisions	-14.8	-18.5	3.7	20.1	-22.6
+/- Losses/gains on the disposal of intangible assets and property, plant and equipment	-0.2	-2.8	2.5	91.5	-3.1
Gross cash flow	392.3	474.1	-81.8	-17.3	550.5
- Changes in assets and liabilities arising from operating activities	-149.0	-229.1	80.1	35.0	-114.2
+/- Income tax paid	-37.5	-6.3	-31.3	-	-6.6
Net cash flow from operating activities	205.8	238.8	-33.0	-13.8	429.7
+ Proceeds from the disposal of intangible assets and property, plant and equipment	4.2	4.1	-	1.2	5.7
+/- Changes in intangible assets and property, plant and equipment	-156.0	-164.1	8.1	5.0	-327.5
+/- Changes in financial assets and other non-current assets	31.0	57.0	-26.0	-45.6	65.4
+/- Changes in current securities	-95.5	48.7	-144.2	-	49.3
Net cash flow from investing activities	-216.3	-54.3	-162.0	-	-207.1
- Dividends paid to EVN AG shareholders	-89.0	-83.7	-5.4	-6.4	-83.7
- Dividends paid to non-controlling interests	-2.6	-22.5	19.9	88.6	-22.5
+/- Sales/repurchase of treasury shares	-	-	-	-	1.0
- Changes in financial and lease liabilities	26.3	-81.6	107.9	-	-85.9
Net cash flow from financing activities	-65.3	-187.7	122.4	65.2	-191.0
Net change in cash and cash equivalents	-75.8	-3.2	-72.6	-	31.5
Cash and cash equivalents at the beginning of the period¹⁾	246.2	214.5	31.7	14.8	214.5
Currency translation differences on cash and cash equivalents	-0.5	0.2	-0.7	-	0.2
Cash and cash equivalents at the end of the period¹⁾	169.9	211.5	-41.5	-19.6	246.2

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

Notes to the consolidated interim report

Accounting and valuation methods

This consolidated interim report as of 30 June 2020, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in the International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2018/19 financial year (balance sheet date: 30 September 2019).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2019 remain unchanged, with the exception of the following new rules issued by the IASB which require mandatory application in the current financial year. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

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

Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2019/20 financial year:

Standards and interpretations applied for the first time		Effective ¹⁾
New standards and interpretations		
IFRS 16	Leases	01.01.2019
IFRIC 23	Uncertainty over Income Tax Treatments	01.01.2019
Revised standards and interpretations		
IAS 19	Plan Amendment, Curtailment or Settlement	01.01.2019
IAS 28	Long-term Interests in Associates and Joint Ventures	01.01.2019
IFRS 9	Prepayment Features with Negative Compensation	01.01.2019
Several	Annual Improvements 2015–2017	01.01.2019

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

The effects of the initial mandatory application of IFRS 16 are explained in detail in the following sections. The initial mandatory application of the other revised standards and interpretations had no material effect on the consolidated interim financial report.

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 scenarios for the EVN Group from the lessee’s point of view are leases and easement agreements, leased commercial space and warehouse areas which are assumed to be based on long-term leases. The business transactions in which EVN serves as the lessor are immaterial. The accounting rules for the lessor do not change materially in comparison with the previously applied IAS 17.

Transition

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.

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 (< twelve 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 are instead reviewed as of the initial application date to determine whether they represent onerous contracts. In the event a lease is identified as onerous, the capitalised right of use will be reduced by an existing provision.

Significant changes based on the initial application of IFRS 16

EVN initially applied IFRS 16 as of 1 October 2019. As explained in the preceding sections, the comparative information for prior accounting periods was not adjusted.

The following section explains the effects of the initial application of IFRS 16 on EVN's consolidated financial statements, in particular on the consolidated 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	74.7	3,654.2
	7,330.9	74.7	7,405.6
Current assets			
	857.7	–	857.7
Total assets	8,188.6	74.7	8,263.3
Equity and liabilities			
Equity			
	4,552.1	–	4,552.1
Non-current liabilities			
Other non-current liabilities	46.2	69.7	115.9
	2,733.2	69.7	2,802.9
Current liabilities			
Other current liabilities	304.9	5.0	309.9
	903.3	5.0	908.3
Total equity and liabilities	8,188.6	74.7	8,263.3

On the consolidated statement of financial position, the initial application of this standard led to an equal increase in property, plant and equipment and lease liabilities due to the first-time recognition of right-of-use assets. The new accounting rules led to a slight reduction in the equity ratio and, at the same time, to a slight increase in net debt.

According to IFRS 16.47, right-of-use assets can be presented in a separate balance sheet item or in the notes separately from other assets. Due to the subordinate significance of this item for EVN, the rights-of-use assets are presented in the notes to the consolidated interim report as of 30 June 2020.

Effects on the consolidated statement of operations	
EURm	2019/20 Q.1–3
Other operating expenses	5.0
EBITDA	5.0
Depreciation and amortisation	–3.8
Results from operating activities (EBIT)	1.2
Interest expense	–0.4
Financial result	–0.4

Lease payments have been split into interest and principal components since 1 October 2019. The capitalised rights of use will be amortised over the defined useful life. The changeover in the third quarter of 2019/20 resulted in an EBIT effect of EUR 1.2m.

The changed presentation of lease payments led to minor reclassifications on EVN's consolidated statement of cash flows. Prior to the application of IFRS 16, the full lease payments were included under cash flow from operating activities. The principal component is now reported under cash flow from financing activities and the interest component under cash flow from operating activities.

Seasonally-related effects on business operations

In particular, the energy business is subject to weather-related fluctuations in power generation and sales, thus lower revenue and earnings are typically achieved in the second half of the financial year. The environmental business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this reason, the Environment Segment usually generates lower revenues in the first half of the financial year than in the second half. Accordingly, business in the Environment Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

Auditor's review

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

Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 29 domestic and 32 foreign subsidiaries (30 September 2019: 29 domestic and 32 foreign subsidiaries) were fully consolidated as of 30 June 2020. As of 30 June 2020, a total of 18 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2019: 19).

Changes in the scope of consolidation	Line-by-line (Joint Operation)			
	Fully	Equity	Equity	Total
30.09.2018	63	1	16	80
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
Reorganisation	–1	–	–	–1
30.09.2019	61	1	16	78
First consolidation	1	–	–	1
Deconsolidation	–1	–	–	–1
30.06.2020	61	1	16	78
thereof foreign companies	32	1	5	38

WTE O&M Kuwait Sewerage Treatment S.P.C. is a 100% Kuwaiti subsidiary and was initially included through full consolidation as of 1 October 2019.

The previously fully consolidated entity AO EVN MSZ 3, Moscow, Russia, was deconsolidated as of 30 June 2020 due to a transfer of shares.

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

Selected notes to the consolidated statement of operations

Revenue by product	2019/20	2018/19
EURm	Q. 1–3	Q. 1–3
Electricity	1,107.2	1,213.7
Natural gas	124.6	159.8
Heat	126.9	126.2
Environmental services	99.3	64.5
Others	139.0	148.3
Total	1,596.9	1,712.6

Revenue by country	2019/20	2018/19
EURm	Q. 1–3	Q. 1–3
Austria	816.7	991.9
Germany	48.1	22.1
Bulgaria	421.5	384.4
North Macedonia	283.4	293.6
Others	27.2	20.6
Total	1,596.9	1,712.6

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

Share of results from equity accounted investees with operational nature	2019/20	2018/19
EURm	Q. 1–3	Q. 1–3
EVN KG	35.0	–41.8
RAG	34.1	24.4
Energie Burgenland	19.7	14.5
ZOV; ZOV UIP	10.8	11.0
Ashta	–4.4	–
Verbund Innkraftwerke	0.9	2.7
Other companies	2.4	6.4
Total	98.5	17.3

The share of results from equity accounted investees with operational nature rose to EUR 98.5m in the first three quarters of 2019/20 (previous year: EUR 17.3m). This increase resulted primarily from the earnings generated by EVN KG. In the previous year, the earnings recorded by EVN KG were negatively influenced by the valuation of hedges as of the balance sheet date. In the second quarter of 2019/20 an impairment loss was recognised to the investment in Ashta Beteiligungsverwaltung GmbH to reflect the increase in the country risk premium which resulted from the Covid-19 pandemic and the related impact on the Ashta hydropower plant.

In view of the increased country risk premiums in the second quarter resulting from the Covid-19 pandemic, a higher weighted average cost of capital (WACC) was applied to the CGUs in South East and East Europe. Impairment testing led to expenses totalling EUR 14.4m which were recognised to profit or loss in the second quarter of 2019/20. The customer base of the CGU "Electricity North Macedonia" was reduced through an impairment loss of EUR 3.2m. In Bulgaria, an impairment loss of EUR 9.9m was recognised to the TEZ Plovdiv co-generation plant and approximately EUR 1.3m to the Kavarna wind park.

Earnings per share are calculated by dividing the Group net result (= net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i. e. 178,068,106 as of 30 June 2020 (30 June 2019: 177,994,578 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 210.7m (previous year: EUR 168.2m), earnings per share at the balance sheet date 30 June 2020 totalled EUR 1.18 (previous year: EUR 0.95 per share).

Selected notes to the consolidated statement of financial position

In the first three quarters of 2019/20, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 201.1m (previous year: EUR 220.6m). Property, plant and equipment with a net carrying amount (book value) of EUR 3.9m were disposed of (previous year EUR 2.1m), with a capital gain of EUR 0.2m (previous year: capital gain of EUR 2.8m).

The item investments in equity accounted investees increased by EUR 46.9m, or 4.8% to EUR 1,18.9m. This was mainly due to the improved current earnings of the equity consolidated companies and additions of at equity investments amounting to EUR 30.4m.

The other investments of EUR 1,853.6m, mainly classified as FVOCI, include the Verbund shares held by EVN with a market value of EUR 1,749.1m, which decreased by EUR 453.7m since 30 September 2019 due to the development of the Verbund share price. In accordance with IFRS 9, the adjustments to the changed market

values were offset with the valuation reserve after the deduction of deferred taxes. Furthermore, the valuation of the investment in Verbund Hydro Power GmbH led to an impairment loss of EUR 17.2m which was recognised directly in equity.

The capitalised right-of-use assets amount to EUR 75.4m as of 30 June 2020 and are included in the balance sheet item property, plant and equipment. The corresponding lease obligations amount to EUR 71.5m and are presented in the balance sheet items other current and other non-current liabilities.

The number of EVN shares in circulation developed as follows:

Development of the number of shares in circulation		2019/20
Number		Q. 1-3
Balance 30.09.2019		178,068,106
Purchase of treasury shares		–
Total 30.06.2020		178,068,106

As of 30 June 2020, the number of treasury shares amounted to 1,810,296 (or 1.01% of the share capital) with an acquisition value of EUR 19.7m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 91st Annual General Meeting of EVN AG on 16 January 2020 approved the recommendation by the Executive Board and Supervisory Board to distribute a dividend of EUR 0.47 per share plus a one-time bonus dividend of EUR 0.03 per share for the financial year 2018/19 to mark the 30th anniversary of EVN's listing on the Vienna Stock Exchange. The total dividend payout amounts to EUR 89.0m. Ex-dividend date was 22 January 2020, and the dividend payment to shareholders of EVN took place on 24 January 2020.

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

Breakdown of non-current loans and borrowings		
EURm	30.06.2020	30.09.2019
Bonds	516.5	519.3
Bank loans	539.0	470.7
Total	1.055.5	990.0

The decrease of EUR 2.8m in the bonds resulted primarily from a change in the value of hedged foreign exchange risk. This was contrasted by an opposite movement in the market value of the hedges.

The bank loans include promissory notes in the amount of EUR 187.5m (previous year: EUR 121.5m), which were issued in October 2012 and April 2020. The increase in this position is due to the green promissory note loan with a nominal value of EUR 100m issued in April 2020.

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
	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3
External revenue	307.1	464.2	97.8	107.5	370.4	382.3	705.6	679.5
Internal revenue (between segments)	3.2	3.7	110.4	157.3	33.1	38.0	0.5	0.6
Total revenue	310.2	467.9	208.1	264.9	403.5	420.3	706.1	680.1
Operating expenses	-273.2	-452.9	-104.9	-131.7	-232.4	-233.3	-601.0	-597.1
Share of results from equity accounted investees operational	35.9	-38.7	-2.4	3.9	-	-	-	-
EBITDA	72.9	-23.7	100.8	137.0	171.1	187.0	105.1	83.0
Depreciation and amortisation	-15.4	-14.2	-51.4	-47.2	-96.7	-92.1	-66.0	-45.6
Results from operating activities (EBIT)	57.4	-37.9	49.4	89.8	74.4	94.9	39.1	37.5
Financial results	-1.2	-1.6	-10.1	-11.5	-8.7	-12.8	-15.8	-15.3
Result before income tax	56.2	-39.5	39.3	78.3	65.7	82.1	23.4	22.2
Total assets	763.5	768.9	1,115.2	1,025.0	2,035.3	1,955.7	1,196.7	1,175.3
Investments ¹⁾	14.1	6.2	27.0	42.7	94.0	107.0	65.1	57.1

	Environment		All Other Segments		Consolidation		Total	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3	Q. 1-3
External revenue	99.3	64.5	15.2	14.7	1.5	-	1,596.9	1,712.6
Internal revenue (between segments)	0.3	0.3	50.5	48.0	-197.9	-248.0	-	-
Total revenue	99.6	64.9	65.7	62.7	-196.4	-248.0	1,596.9	1,712.6
Operating expenses	-96.7	-56.0	-68.1	-69.9	194.5	246.6	-1,181.7	-1,294.2
Share of results from equity accounted investees operational	11.2	13.3	53.8	38.9	-	-	98.5	17.3
EBITDA	14.1	22.2	51.5	31.7	-1.9	-1.5	513.6	435.7
Depreciation and amortisation	-8.7	-8.6	-1.6	-1.3	10.9	9.8	-229.1	-199.3
Results from operating activities (EBIT)	5.3	13.5	49.8	30.3	9.0	8.3	284.5	236.4
Financial results	-5.6	-4.4	50.5	46.4	-15.8	-15.2	-6.7	-14.4
Result before income tax	-0.3	9.1	100.3	76.7	-6.8	-6.9	277.8	222.0
Total assets	682.7	666.0	4,229.9	4,324.4	-2,216.1	-2,218.9	7,807.3	7,696.4
Investments ¹⁾	9.2	12.1	1.4	2.1	-9.7	-6.7	201.1	220.6

1) In intangible assets and property, plant and equipment

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

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

Selected notes on financial instruments

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	30.06.2020		30.09.2019	
			Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets						
Other investments						
Investments	FVOCI	Level 3	100.0	100.0	118.0	118.0
Miscellaneous investments	FVOCI	Level 1	1,749.1	1,749.1	2,202.9	2,202.9
Other non-current assets						
Securities	FVTPL	Level 1	71.5	71.5	97.6	97.6
Loans receivable	AC	Level 2	33.1	37.4	33.0	40.4
Lease receivables	AC	Level 2	17.1	17.9	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	3.0	3.0	6.5	6.5
Current assets						
Current receivables and other current assets						
Trade and other receivables	AC		278.7	278.7	327.2	327.2
Receivables arising from derivative transactions	FVTPL	Level 2	12.3	12.3	33.6	33.6
Securities	FVTPL	Level 1	186.1	186.1	89.7	89.7
Cash and cash equivalents						
Cash on hand and cash at banks	AC		244.5	244.5	246.6	246.6
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	516.5	596.1	519.3	615.8
Bank loans	AC	Level 2	539.0	617.3	470.7	559.9
Other non-current liabilities						
Leases	AC	Level 2	3.2	3.6	3.9	4.2
Accruals of financial transactions	AC		0.1	0.1	0.2	0.2
Other liabilities	AC		21.0	21.0	22.0	22.0
Liabilities arising from derivative transactions	FVTPL	Level 2	1.0	1.0	4.6	4.6
Liabilities arising from derivative transactions	Hedging	Level 2	11.4	11.4	15.7	15.7
Current liabilities						
Current loans and borrowings						
Trade payables	AC		110.0	110.0	68.8	68.8
Other current liabilities						
Other financial liabilities	AC		139.2	139.2	163.5	163.5
Liabilities arising from derivative transactions	FVTPL	Level 2	4.6	4.6	16.3	16.3
Liabilities arising from derivative transactions	Hedging	Level 2	4.5	4.5	5.2	5.2
thereof aggregated to measurement categories						
Fair value through other comprehensive income	FVOCI		1,849.1		2,320.8	
Financial assets designated at fair value through profit or loss	FVTPL		270.0		226.2	
Financial assets and financial liabilities at amortised cost	AC		2,079.8		2,174.3	
Financial liabilities designated at fair value through profit or loss	FVTPL		5.5		20.8	

The previous table shows the financial instruments carried at fair value and their classification in the fair value hierarchy according to IFRS 13.

Level 1 input factors are observable parameters such as quoted prices for identical assets or liabilities. These prices are used for valuation purposes without modification.

Level 2 input factors represent other observable parameters which must be adjusted to reflect the specific characteristics of the valuation object. Examples of the parameters used to measure the financial instruments classified under level 2 are forward price curves derived from market prices, exchange rates, interest structure curves and the counterparty credit risk.

Level 3 input factors are non-observable factors which reflect the assumptions that would be used by a market participant to determine an appropriate price.

There were no reclassifications between the various levels during the reporting period.

Information on transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2018/19.

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

Transactions with investments in equity accounted investees	2019/20	2018/19
EURm	Q. 1-3	Q. 1-3
Revenue	142.1	243.0
Cost of materials and services	44.3	76.3
Trade accounts receivable	8.4	18.9
Trade accounts payable	16.0	25.5

Other obligations and risks

Other obligations and risks increased by EUR 224.5m to EUR 593.1m compared to 30 September 2019. This change was mainly due to the increase in scheduled orders for investments in intangible assets and property, plant and equipment as well as the increase in guarantees for projects in the environmental sector.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by 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 35.3m as of 30 June 2020. The nominal volume of the guarantees underlying this assessment was EUR 304.0m.

Significant events after the balance sheet date

The following events occurred between the balance sheet date on 30 June 2020 and the editorial deadline for the consolidated interim financial statements on 20 August 2020:

The closing for the Umm Al Hayman wastewater treatment plant project in Kuwait, which had been delayed by the corona-related lockdown, took place on 29 July 2020. All requirements for the project start have now been met.

On 5 August 2020, Wiener Stadtwerke GmbH acquired 51,000,000 EVN shares from EnBW Trust e.V. based on the share purchase agreement concluded by the parties on 5 March 2020 after all requirements, in particular the non-prohibition of the transaction by the federal antitrust authority, were met. With a stake of 28.4%, this company, which is wholly owned by the City of Vienna, is now the second largest shareholder of EVN AG after the province of Lower Austria.

On 7 August 2020, 69,587 treasury shares, representing 0.04% of the share capital of EVN AG, were distributed to employees. This process marked the end of the disposal of treasury shares to employees which was announced on 24 June 2020. EVN AG now holds 1,740,709 treasury shares, which represent 0.97% of the company's share capital.

Contact

Investor Relations

Gerald Reidinger
Phone: +43 2236 200-12698

Matthias Neumüller
Phone: +43 2236 200-12128

Doris Lohwasser
Phone: +43 2236 200-12473

E-mail: investor.relations@evn.at

Service telephone for investors: 0800 800 200

Service telephone for customers: 0800 800 100

Information on the internet

www.evn.at

www.investor.evn.at

www.verantwortung.evn.at

Financial calendar¹⁾

Annual results 2019/20	16.12.2020
Record date Annual General Meeting	11.01.2021
92 nd Annual General Meeting	21.01.2021
Ex-dividend day	27.01.2021
Record date	28.01.2021
Dividend payment	29.01.2021
Results Q. 1 2020/21	26.02.2021
Results HY. 2020/21	27.05.2021
Results Q. 1–3 2020/21	26.08.2021
Annual results 2020/21	16.12.2021

EVN share – Basic information²⁾

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

1) Preliminary

2) As of 30 June 2020

Imprint

Published by:

EVN AG

EVN Platz, 2344 Maria Enzersdorf, Austria

Phone: +43 2236 200-0

Telefax: +43 2236 200-2030

Announcement pursuant to Section 25 Austrian Media Act: www.evn.at/offenlegung

Editorial deadline: 20 August 2020