

# Consolidated financial statements for 2021/22

According to International Financial Reporting Standards

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## Consolidated statement of operations

EURm	Note	2021/22	2020/21
Revenue	25	4,062.2	2,394.9
Other operating income	26	109.5	250.1
Cost of materials and services	27	-2,985.3	-1,573.9
Personnel expenses	28	-372.2	-361.3
Other operating expenses	29	-158.4	-113.0
Share of results from equity accounted investees with operational nature	30	98.9	239.6
<b>EBITDA</b>		<b>754.8</b>	<b>836.5</b>
Depreciation and amortisation	31	-318.0	-337.7
Effects from impairment tests	31	-105.2	-112.4
<b>Results from operating activities (EBIT)</b>		<b>331.6</b>	<b>386.4</b>
Results from other investments		51.4	37.6
Interest income		5.4	6.1
Interest expense		-37.9	-59.4
Other financial results		-49.4	-4.3
<b>Financial results</b>	32	<b>-30.5</b>	<b>-20.0</b>
<b>Result before income tax</b>		<b>301.2</b>	<b>366.4</b>
Income tax	33	-64.0	-14.7
<b>Result for the period</b>		<b>237.1</b>	<b>351.7</b>
thereof result attributable to EVN AG shareholders (Group net result)		209.6	325.3
thereof result attributable to non-controlling interests		27.5	26.4
Earnings per share in EUR <sup>1)</sup>	34	1.18	1.83
Dividend per share in EUR		0.52 <sup>2)</sup>	0.52

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

2) Proposal to the Annual General Meeting: dividend of EUR 0.52 per share

## Consolidated statement of comprehensive income

EURm	Note	2021/22	2020/21
<b>Result for the period</b>		<b>237.1</b>	<b>351.7</b>
<b>Other comprehensive income from</b>			
<b>Items that will not be reclassified to profit or loss</b>		<b>147.2</b>	<b>1,408.7</b>
Remeasurements IAS 19	47	78.1	12.4
Investments in equity accounted investees	47	16.8	4.3
Shares and other equity instruments measured at fair value and reported in other comprehensive income <sup>1)</sup>	47	2.3	1,860.3
Thereon apportionable income tax expense	47	50.0	-468.4
<b>Items that may be reclassified to profit or loss</b>		<b>511.1</b>	<b>352.4</b>
Currency translation differences	5	31.4	5.4
Cash flow hedges	47	-184.1	-0.4
Investments in equity accounted investees	47	793.6	462.1
Thereon apportionable income tax expense	47	-129.7	-114.6
<b>Total other comprehensive income after tax</b>		<b>658.3</b>	<b>1,761.1</b>
<b>Comprehensive income for the period</b>		<b>895.4</b>	<b>2,112.8</b>
thereof income attributable to EVN AG shareholders		858.5	2,085.5
thereof income attributable to non-controlling interests		36.9	27.2

1) See note 63. Reporting on financial instruments

## Consolidated statement of financial position

EURm	Note	30.09.2022	30.09.2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	35	190.9	216.5
Property, plant and equipment	36	3,880.4	3,692.1
Investments in equity accounted investees	37	2,388.0	1,577.5
Other investments	38	4,034.0	4,029.5
Deferred tax assets	51	55.6	57.0
Other non-current assets	39	163.0	200.0
		<b>10,712.0</b>	<b>9,772.6</b>
<b>Current assets</b>			
Inventories	40	206.8	95.7
Trade and other receivables	41	993.5	749.9
Securities and other current financial investments	42	216.8	399.1
Cash and cash equivalents	60	292.0	122.5
Assets held for sale	43	9.3	–
		<b>1,718.5</b>	<b>1,367.1</b>
<b>Total assets</b>		<b>12,430.5</b>	<b>11,139.8</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital and reserves attributable to shareholders of EVN AG	44–48	7,047.8	6,281.2
Non-controlling interests	49	273.3	263.2
		<b>7,321.1</b>	<b>6,544.3</b>
<b>Non-current liabilities</b>			
Non-current loans and borrowings	50	1,150.8	718.9
Deferred tax liabilities	51	1,126.7	1,035.4
Non-current provisions	52	336.2	445.3
Deferred income from network subsidies	53	631.3	622.2
Other non-current liabilities	54	137.8	116.0
		<b>3,382.8</b>	<b>2,937.9</b>
<b>Current liabilities</b>			
Current loans and borrowings	55	377.4	318.0
Taxes payable and levies		54.9	44.8
Trade payables	56	436.7	331.7
Current provisions	57	135.5	124.8
Other current liabilities	60	720.7	838.2
Liabilities in connection with assets held for sale	43	1.3	–
		<b>1,726.5</b>	<b>1,657.6</b>
<b>Total equity and liabilities</b>		<b>12,430.5</b>	<b>11,139.8</b>

## 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
<b>Balance on 30.09.2020</b>	330.0	253.8	2,625.0	1,105.7	-13.5	-19.0	4,282.1	261.2	4,543.3
Comprehensive income	-	-	325.3	1,754.8	5.4	-	2,085.5	27.2	2,112.8
Dividends 2019/20	-	-	-87.3	-	-	-	-87.3	-25.3	-112.6
Change in treasury shares	-	0.4	-	-	-	0.5	0.9	-	0.9
<b>Balance on 30.09.2021</b>	330.0	254.2	2,863.0	2,860.6	-8.1	-18.5	6,281.2	263.2	6,544.3
Comprehensive income	-	-	209.6	617.7	31.3	-	858.5	36.9	895.4
Dividends 2020/21	-	-	-92.7	-	-	-	-92.7	-26.7	-119.4
Change in treasury shares	-	0.4	-	-	-	0.4	0.8	-	0.8
<b>Balance on 30.09.2022</b>	330.0	254.6	2,979.9	3,478.3	23.2	-18.1	7,047.8	273.3	7,321.1
Note	44	45	46	47	5	48		49	

## Consolidated statement of cash flows

EURm	Note	2021/22	2020/21
<b>Result before income tax</b>		<b>301.2</b>	<b>366.4</b>
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment and other non-current assets	31	423.2	450.1
– Results of equity accounted investees and other investments	37, 38	–150.3	–277.2
+ Dividends from equity accounted investees and other investments		204.0	166.9
+ Interest expense		37.9	59.4
– Interest paid		–36.1	–42.6
– Interest income		–5.4	–6.1
+ Interest received		5.2	5.5
+ Losses/– gains from foreign exchange translations		27.1	5.8
+/- Other non-cash financial results		15.0	0.1
– Release of deferred income from network subsidiaries	60	–58.8	–70.4
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment		2.8	0.8
– Gains from deconsolidations	26	–	–25.6
– Decrease/+ increase in non-current provisions	52	–33.3	129.2
– Impairments due to revaluation of a disposal group		1.9	–
<b>Gross cash flow</b>		<b>734.3</b>	<b>762.3</b>
+ Decrease/– increase in inventories and receivables		–426.6	–398.3
+ Increase/– decrease in current provisions		10.7	28.7
+ Increase/– decrease in trade payables and other liabilities		–140.8	464.0
– Income tax paid		–26.6	–67.0
<b>Net cash flow from operating activities</b>		<b>151.0</b>	<b>789.6</b>
+ Proceeds from the disposal of intangible assets and property, plant and equipment		3.9	7.3
+ Proceeds from network subsidiaries		82.9	77.3
+ Proceeds from the disposal of financial assets and other non-current assets		10.4	6.4
+ Proceeds from the disposal of current securities and other current financial investments		696.3	108.3
– Acquisition of intangible assets and property, plant and equipment		–564.2	–415.4
– Outflows in connection with deconsolidations	26	–	–275.2
– Acquisition of financial assets and other non-current assets		–61.1	–6.7
– Acquisition of current securities and other current financial investments		–504.8	–256.4
<b>Net cash flow from investing activities</b>		<b>–336.7</b>	<b>–754.3</b>
– Dividends paid to EVN AG shareholders	46	–92.7	–87.3
– Dividends paid to non-controlling interests		–26.7	–25.3
+ Sales of treasury shares		0.8	0.9
+ Increase in financial liabilities	60	562.0	101.0
– Decrease in financial liabilities	60	–320.7	–34.5
– Decrease in leasing liabilities	60	–6.9	–7.8
<b>Net cash flow from financing activities</b>		<b>115.8</b>	<b>–53.0</b>
<b>Net change in cash and cash equivalents</b>		<b>–69.8</b>	<b>–17.7</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period <sup>1)</sup>	60	122.3	140.0
Other movements on cash and cash equivalents <sup>2)</sup>		–15.5	–
Cash and cash equivalents at the end of the period <sup>1)</sup>		36.9	122.3
<b>Net change in cash and cash equivalents</b>		<b>–69.8</b>	<b>–17.7</b>

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

2) Composition of other movements: EUR –16.8m restricted cash, EUR 1.3m currency differences

# Consolidated notes

## Basis of preparation

### 1. General

EVN AG, as the parent company of the EVN Group (EVN), is a leading listed Austrian energy and environmental services provider. Its headquarters are located in A-2344 Maria Enzersdorf, Austria. In addition to serving its domestic market in the province of Lower Austria, EVN operates in the Bulgarian, North Macedonian, Croatian, German and Albanian energy industry. EVN is also active in the area of environmental services through subsidiaries that provide customers in eleven countries with water supply, wastewater treatment and thermal waste utilisation services.

The consolidated financial statements are prepared as of the balance sheet date of EVN AG. The financial year of EVN AG covers the period from 1 October to 30 September.

The consolidated financial statements are prepared on the basis of uniform accounting policies. In cases where the balance sheet date of a consolidated company differs from the balance sheet date of EVN AG, interim financial statements are prepared as of 30 September.

The consolidated financial statements are prepared on the basis of historical acquisition and production costs, unless indicated otherwise.

Certain items on the consolidated statement of financial position and the consolidated statement of operations are summarised to achieve a more understandable and clearly structured presentation. These positions are presented individually in the consolidated notes and explained according to the principle of materiality. In order to improve clarity and comparability, the amounts in the consolidated financial statements are generally shown in millions of euros (EURm), unless otherwise noted. Small amounts below TEUR 50 as well as zero values are presented in the notes to the consolidated financial statements with “–” to improve readability. The rounding of individual positions and percentage rates can lead to minimal rounding differences. As far as possible, the legislative basis is presented as is.

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 IFRS 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 2021/22 financial year:

<b>Standards and interpretations applied for the first time</b>		Effective <sup>1)</sup>	Expected material effects on EVN's consolidated financial statements
<b>Revised standards and interpretations</b>			
IAS 39, IFRS 4, IFRS 7, IFRS 9, IFRS 16	Interest Rate Benchmark Reform – Phase 2	01.01.2021	None
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	01.01.2021	None
IFRS 16	Covid-19-Related Rent Concessions	01.04.2021	None

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 first-time mandatory application of the amended standards and interpretations has no material impact on the consolidated financial statements.

<b>Standards and interpretations already adopted by the EU, but not yet compulsory</b>		Effective <sup>1)</sup>	Expected material effects on EVN's consolidated financial statements
<b>New standards and interpretations</b>			
IFRS 17	Insurance Contracts	01.01.2023	None
<b>Revised standards and interpretations</b>			
IFRS 3	Reference to the Conceptual Framework	01.01.2022	None
IAS 16	Proceeds before Intended Use	01.01.2022	None
IAS 37	Cost of Fulfilling a Contract	01.01.2022	None
Several	Annual Improvements to IFRS 2018–2020	01.01.2022	None
IAS 1	Disclosure of Accounting Policies	01.01.2023	None
IAS 8	Definition of Accounting Estimates	01.01.2023	None
IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	01.01.2023	None
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01.01.2023	None

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

The following standards and interpretations had been issued by the IASB as of 30 September 2022, but have not yet been adopted by the EU:

<b>Standards and interpretations not yet applicable and not yet adopted by the EU</b>		Effective <sup>1)</sup>	Expected material effects on EVN's consolidated financial statements
<b>Revised standards and interpretations</b>			
IAS 1	Classification of Liabilities as Current or Non-current	01.01.2024	None
IFRS 16	IFRS 16 – Lease Liability in a Sale and Leaseback	01.01.2024	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 **35. Intangible assets** and **22. 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, 25 domestic and 27 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2022 (previous year: 26 domestic and 29 foreign subsidiaries). A total of 16 subsidiaries (previous year: 11) 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, serves as the general partner of EVN KG, but does not hold an investment in this company. The agreements concluded between the EnergieAllianz shareholders for the management of EVN KG result in joint control. EVN KG is therefore classified as a joint venture in the sense of IFRS 11 and consolidated at equity. Contractual agreements also lead to the classification of the EnergieAllianz Group (EnergieAllianz and its subsidiaries) as a joint venture in the sense of IFRS 11; the group is therefore included in the consolidated financial statements at equity.

RBG, a fully consolidated company in which EVN AG has an unchanged interest of 50.03%, holds a 100.0% stake in RAG. RAG is consolidated at equity because contractual agreements prevent EVN from exercising control.

Bioenergie Steyr, in which EVN Wärme holds a stake of 51.0%, is included in EVN's consolidated financial statements at equity because contractual agreements exclude any possibility of control.

Verbund Innkraftwerke, Germany, in which EVN AG has an unchanged interest of 13.0%, is included at equity due to special contractual arrangements that allow for the exercise of significant influence.

The criteria for control defined by IFRS 10 are not considered to be met in companies with an investment of 50.0%. These companies are classified as joint ventures in the sense of IFRS 11 based on the respective contractual agreements and are therefore included in the consolidated financial statements at equity.

An overview of the companies included in the consolidated financial statements is provided under **EVN's investments**, starting on page 264. Notes **49. Non-controlling interests** and **64. 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:

<b>Changes in the scope of consolidation</b>	Full consolidation	Line-by-line (joint operation)	Equity	<b>Total</b>
<b>30.09.2020</b>	<b>60</b>	<b>1</b>	<b>17</b>	<b>78</b>
Initial consolidation	–	–	–	–
Deconsolidation	–4	–1	–1	–6
Reorganisation <sup>1)</sup>	–1	–	–	–1
<b>30.09.2021</b>	<b>55</b>	<b>–</b>	<b>16</b>	<b>71</b>
thereof foreign companies	29	–	6	35
Initial consolidation	–	–	–	–
Deconsolidation	–3	–	–	–3
<b>30.09.2022</b>	<b>52</b>	<b>–</b>	<b>16</b>	<b>68</b>
thereof foreign companies	27	–	6	33

1) Internal reorganisation

The previously fully consolidated EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH, Essen, Germany, was deconsolidated on 31 March 2022 due to immateriality.

On 30 September 2022, EVN Macedonia Holding DOOEL, Skopje, Northern Macedonia, and EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH in Liqu., Maria Enzersdorf, were deconsolidated due to immateriality.

The effect on earnings from the deconsolidations is a small amount of less than EUR 0.1m.

## 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 31.3m in 2021/22 (previous year: EUR 5.4m). Of this amount, EUR –2.1m (previous year: EUR –5.0m) is attributable to transfers to the consolidated statement of operations from partial disposals (redemptions) of net investments and is reported as exchange rate losses in the other financial result (see note **32. Financial results**).

Additions and disposals are reported at the applicable average exchange rates in all tables. Changes in the mid exchange rates between the balance sheet date for the reporting year and the previous year as well as differences arising from the use of mid exchange rates to translate changes during the financial year are reported separately under currency translation differences in all tables.

Goodwill resulting from the acquisition of foreign subsidiaries is recorded at the exchange rate in effect on the acquisition date. This goodwill is subsequently allocated to the acquired company and translated at the exchange rate in effect on the balance sheet date. When a foreign company is deconsolidated, any related currency differences are recognised in profit or loss.

The following key exchange rates were used for foreign currency translation:

Foreign currency translation	2021/22		2020/21	
	Exchange rate on the balance sheet date	Average <sup>1)</sup>	Exchange rate on the balance sheet date	Average <sup>1)</sup>
Albanian lek	116.59500	120.14423	121.54000	123.08462
Bulgarian lev <sup>2)</sup>	1.95583	1.95583	1.95583	1.95583
Bahrain dinar	0.36775	0.40878	0.43630	0.44876
Japanese yen	140.99500	134.31769	129.67000	128.46462
Croatian kuna	7.52415	7.53292	7.48890	7.53688
Kuwaiti dinar	0.30215	0.33036	0.34915	0.36128
Hungarian forint	422.17500	381.05231	360.19000	358.83769
North Macedonian denar	61.49500	61.63175	61.69480	61.64396
Polish zloty	4.84870	4.66853	4.61970	4.55238
Russian rouble	59.62660	78.11961	84.33910	89.42785
Serbian dinar	117.31770	117.52370	117.55950	117.57268
Czech koruna	24.54750	24.85238	25.49500	26.04769

1) Average of the exchange rates on the last day of each month

2) The exchange rate was determined by Bulgarian law.

## Accounting policies

### 6. Intangible assets

Acquired intangible assets are recognised at acquisition cost less straight-line amortisation and any impairment losses, unless their useful life is classified as indefinite. Assets with a determinable limited useful life are amortised on the basis of that expected useful life, which equals three to eight years for software and three to 40 years for rights. Customer relationships capitalised in connection with a business acquisition, which have a determinable useful life because of potential market liberalisation, are amortised on a straight-line basis over five to 15 years. The expected useful lives and amortisation curves are determined by estimating the timing and distribution of cash inflows from the corresponding intangible assets over time. Intangible assets with an indefinite useful life are measured at cost and tested annually for impairment (see note **22. 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 hydro-power plant as well as the sewage treatment plant project in Zagreb, both of which are included at equity.

### 7. Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost less scheduled straight-line depreciation and any necessary impairment losses. The acquisition or production cost also includes the estimated expenses for demolition and disposal if there is an obligation to decommission or demolish the plant and equipment or to restore property at the end of the asset's useful life. The present value of the estimated demolition and/or disposal costs is capitalised along with the acquisition or production cost and also recognised as a liability (provision). Production costs for internally generated fixed assets include appropriate material and manufacturing overheads in addition to direct material and labour costs.

Ongoing maintenance and repairs to property, plant and equipment are recognised in profit or loss, provided this work does not change the nature of the asset or lead to additional future benefits. If these measures enhance the value of the respective asset, the related expenses must be capitalised retroactively as part of the acquisition or production cost.

If the construction of property, plant and equipment continues over an extended period of time, these items are classified as "qualifying assets". The borrowing costs incurred during the construction period are then capitalised as a part of the production cost in accordance with IAS 23. In keeping with EVN's accounting policies, a project gives rise to a qualifying asset only if construction takes at least twelve months. Interest on borrowed capital is not capitalised if the amounts are insignificant over the entire construction phase.

Property, plant and equipment are depreciated from the time they are available for use. Depreciation for property, plant and equipment subject to wear and tear is calculated on a straight-line basis over the expected useful life of the relevant asset or its components. The expected economic and technical life is evaluated at each balance sheet date and adjusted if necessary.

As in the previous year, straight-line depreciation is based on the following useful lives, which are uniform throughout the Group:

<b>Expected useful life of property, plant and equipment</b>	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 **22. 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 **30. Share of results from equity accounted investees with operational nature**, **32. Financial results** and **64. 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 IFRS 16 to lease receivables is not applied.

EVN uses the practical expedient defined by IFRS 9.B5.5.35 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.

The forward and futures contracts concluded by EVN for the purchase or sale of electricity, natural gas, coal and CO<sub>2</sub> emission certificates serve to hedge the purchase prices for expected electricity and natural gas deliveries or CO<sub>2</sub> emission certificates as well as the selling prices for planned electricity production. If physical delivery is based on the expected procurement, sale or usage requirements, the criteria for the so-called “own use exemption” are met. The contracts are then not considered derivative financial instruments in terms of IFRS 9, but represent pending purchase and sale transactions, which must be assessed for possible impending losses from pending transactions in accordance with IAS 37. If the requirements for the own use exemption are not met – for example, by transactions for short-term optimisation – the contracts are recorded as derivatives in accordance with IFRS 9. Corresponding expenses and income from such derivative financial instruments are reported under results from operating activities.

Derivative financial instruments are recognised at fair value, which generally reflects the acquisition cost, when the respective contract is concluded and measured at fair value in subsequent periods. The fair value of derivative financial instruments is determined on the basis of quoted market prices, information provided by banks or discounting-based valuation methods whereby the counterparty risk is also included. Derivative financial instruments are reported as other (current or non-current) assets or other (current or non-current) liabilities.

EVN has designated significant parts of the listed derivatives as hedges within the framework of hedge accounting. The requirements defined by IFRS 9 for this designation include an approved underlying transaction or hedging instrument, the formal designation and documentation of the hedge relationship, an economic relationship between the underlying transaction and the hedge as well as an appropriately documented hedging strategy.

Cash flow hedges are used to hedge the interest rate risks arising from financial liabilities and foreign exchange risks and to hedge the price risk from planned future electricity sales. 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 as well as expectations as to whether the changes in the cash flows from the underlying transaction and the hedging instrument are expected to offset each other.

When a derivative is designated as a cash flow hedge, the effective portion of the changes in fair value are recognised under other comprehensive income and accumulated in the hedging reserve. The effective portion of the changes in fair value, which is recorded under other comprehensive income, is limited to the cumulative change in the fair value of the underlying transaction (based on present value) since the beginning of the hedge. Any ineffective parts of the changes in the fair value of the derivative are recognised immediately to profit or loss.

If an expected hedged transaction subsequently leads to the recognition of a non-financial item, e.g. inventories, the accumulated amount from the hedging reserve and the reserve for hedging costs is included in the acquisition cost of the non-financial item, if it is recognised.

For all other expected hedged transactions, the accumulated amount in the hedging reserve and the reserve for hedging costs is reclassified to profit or loss of the period or periods in which the expected future hedged cash flows influence profit or loss. If a hedge no longer meets the criteria for hedge accounting or if the hedging instrument is sold, expires, is terminated or exercised, hedge accounting is terminated prospectively. A so-called "rebalancing" is generally carried out when the framework conditions change, and the hedge is only terminated when this is not possible. When cash flow hedge accounting is terminated, the amount in the hedging reserve remains in equity until it is included in the acquisition cost of a non-financial item on initial recognition (for hedging transactions that lead to the recognition of a non-financial item) or until it is reclassified to profit or loss of the period or periods in which the expected hedged future cash flows influence profit or loss (for other cash flow hedges).

If the hedged future cash flows are no longer expected to occur, the amounts in the hedging reserve and the reserve for hedging costs are reclassified immediately to profit or loss.

The accounting treatment of the changes in the fair value of derivatives used for hedging purposes depends on the type of the hedging transaction.

Fair value hedges are used to hedge currency risks.

Derivative financial instruments classified as fair value hedges under IFRS 9 serve to hedge recognised assets or liabilities against the risk of a change in fair value. For fair value hedges, the recognition in profit or loss includes the change in the fair value of the derivative as well as the contrasting change in the fair value of the underlying transaction, as far as it reflects the hedged risk. The related earnings are generally reported under the same position in the consolidated statement of operations as the underlying transaction. Changes in the value of the hedges are essentially offset by the changes in the value of the hedged transactions.

The derivatives used by EVN for hedging purposes constitute effective protection. The changes in the fair value of these derivatives are generally offset by compensating changes in the underlying transactions.

#### **10. Other investments**

Other investments include, in addition to other investments, shares in associated companies which are not included in the consolidated financial statements due to immateriality. These shares are recorded at cost less any necessary impairment losses. The other investments were classified irrevocably at fair value through other comprehensive income ("FVOCI option") in accordance with IFRS 9.5.7.5 following the introduction of IFRS 9. The fair value of these investments is based on available information and derived from market quotations, discounted cash flow calculations or the multiplier method. The measurement and deconsolidation results from these equity instruments are recorded under other comprehensive income. Dividends received are still reported on the consolidated statement of operations under income from investments, despite the use of this option (also see note **32. Financial results**).

#### **11. Other non-current assets**

Securities recorded under other non-current assets are initially recognised as FVTPL. These assets are recorded at fair value as of the acquisition date and subsequently measured at fair value as of the balance sheet date. Changes in fair value are recognised in the consolidated statement of operations.



Loans receivable are classified as AC, whereby the carrying amount on the acquisition date corresponds to the fair value. These loans are subsequently measured at amortised cost in keeping with the effective interest rate method and also reflect any necessary impairment losses.

Lease receivables arise from the international project business in the Environment Segment. They are classified as finance leases according to IFRS 16.

Receivables arising from derivative transactions are recognised as FVTPL. Gains and losses arising from changes in the fair value of derivative financial instruments are either recognised in profit or loss in the consolidated statement of operations or in other comprehensive income (see note **9. Financial instruments**).

The measurement of the remaining non-current assets is based on acquisition or production cost or the lower net realisable value on the balance sheet date.

Costs incurred for obtaining a contract are capitalised as an asset when EVN assumes these costs can be recovered. The capitalised costs are amortised on a systematic basis depending on how the goods or services are transferred to the customer.

## 12. Inventories

The measurement of inventories is based on acquisition or production cost or the lower net realisable value as of the balance sheet date. For marketable inventories, these values are derived from the current market price. For other inventories, these figures are based on the expected proceeds less future production costs. Risks arising from the length of storage or reduced marketability are reflected in experience-based reductions. The moving average price method is used to determine the consumption of primary energy inventories as well as raw materials, auxiliary materials and fuels.

The inventories of natural gas held by EVN for trading purposes are measured through profit or loss in the consolidated statement of operations. In accordance with the dealer-broker exception for raw material and commodities traders, measurement is based on fair value less costs to sell. This represents the market price for day-ahead deliveries on the Central European Gas Hub (CEGH).

## 13. Trade and other receivables

Current receivables are generally recorded at amortised cost, which equals the acquisition cost less impairment losses for the components of the receivables that are expected to be uncollectible. EVN applies the practical expedient provided by IFRS 9.B5.5.35 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, which consist mainly of investment certificates, are classified as FVTPL and measured at their fair value. Changes in fair value are recognised in the consolidated statement of operations.

#### **15. Cash and cash equivalents**

Cash and cash equivalents include cash on hand and demand deposits. Cash balances in foreign currencies are translated at the exchange rate in effect on the balance sheet date.

In accordance with internal Group guidelines, EVN invests cash and cash equivalents only with reputable financial institutions with good ratings. In this respect, it is assumed that cash and cash equivalents based on the external ratings by banks and financial institutions have a low risk of default.

#### **16. Assets and liabilities held for sale**

Non-current assets as well as disposal groups that contain assets and liabilities are classified as held for sale when their sale is highly likely.

These assets and disposal groups are generally carried at the lower of their respective carrying amount and fair value less disposal costs. Any necessary recognition of an impairment loss to a disposal group is initially allocated to goodwill and, thereafter, to the remaining assets and liabilities on a proportional basis. Impairment losses resulting from the initial classification as held for sale as well as later gains and losses on revaluation are recognised to profit or loss.

Intangible assets and property, plant and equipment are no longer amortised, respectively depreciated once they have been classified as held for sale.

#### **17. 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.

## 18. 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 **52. 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 Niederösterreich. 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 in cash flows 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. This was taken into account accordingly. 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.

### **19. 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 **50. 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 **20. 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.

## 20. 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.

## **21. 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:

<b>Corporate income tax rates</b>	<b>2021/22</b>	<b>2020/21</b>
%		
<b>Country of residence</b>		
Austria	25.0	25.0
Albania	15.0	15.0
Bulgaria	10.0	10.0
Germany <sup>1)</sup>	31.2–32.6	31.2–32.6
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
Slovenia	19.0	19.0
Czech Republic	19.0	19.0
Cyprus	12.5	12.5

1) The tax rate varies slightly depending on the applicable assessment rate for trade tax.

EVN utilised the corporate tax group option as of 30 September 2022. EVN AG is a member of a participation entity with NÖ Landes-Beteiligungsholding GmbH as the majority participating company and Wiener Stadtwerke GmbH as the minority participating company. A group and tax settlement contract was concluded for this purpose. EVN also has the right to designate other corporate entities as members of this tax group.

The taxable profit of the companies belonging to this group is attributable to EVN AG, which calculates combined results based on the attributed taxable profit. The contract calls for the payment of a positive tax charge, when the aggregated results are positive. As in the previous year, the positive aggregated tax result is based on the allocation method. If the aggregated results are negative, the tax losses are kept on record and offset against future positive results. The related disclosures are reported under income taxes. The transfer of losses from foreign subsidiaries within group taxation leads to the recognition of a liability equal to the nominal amount of the future corporate income tax obligation.

As an offset for the transferred taxable results, the tax group contracts include a tax charge that is based on the stand-alone method. Transferred tax losses are kept on record as internal loss carryforwards for the respective tax group members and offset against future positive earnings. An exception to this procedure is the contract concluded with Burgenland Holding, which calls for a negative tax charge for this company if its taxable results are 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. The eco-social tax reform passed by the Austrian Parliament during EVN's 2021/22 financial year calls for a reduction of the corporate income tax rate to 24% in 2023 and to 23% in 2024. These changes were reflected in the valuation of deferred taxes. 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 difference 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.

## **22. 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, 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 infrastructure equipment, EVN uses cash flow forecasts that reflect the economic useful life of the equipment. The impairment testing of hydro-power plants generally assumes the renewal of the concession and, consequently, perpetual operation at the respective location. For infrastructure equipment/ long-term projects, the detailed planning period of four years is followed by a general planning period up to the end of the asset's economic useful life. However, this general planning period is limited to the availability of external forecasts for electricity prices (currently 2050).

The fair value less costs of disposal is basically calculated in accordance with the fair value measurement hierarchy defined in IFRS 13. Since it is generally not possible to derive market values for the CGUs and assets of EVN under evaluation, the fair value is estimated in accordance with Level 3 in the fair value hierarchy. The fair value less costs of disposal for a CGU is calculated with a WACC-based discounted cash flow method, which is conceptually similar to the value in use procedure, but includes adjustments to the parameters in the DCF model to reflect a market participant's viewpoint.

The calculation of the fair value less disposal costs and the value in use is based on the future cash inflows and outflows which are basically derived from internal medium-term forecasts. The cash flow forecasts are based on the latest financial plans approved by management. The underlying assumptions also take climate-related effects into consideration. The assumptions for the future development of electricity prices are derived from the quotations on the futures market of the European Energy Exchange AG, Leipzig, Germany. For the period extending beyond this time, an average is developed from the forecasts issued by two well-known information service providers in the energy sector. Several scenarios are used for averaging. In this way, the risks that may influence electricity prices in the future are taken into account comprehensively.

A weighted average cost of capital which includes the deduction of income tax (WACC) is used as the discount rate. The equity component of the WACC reflects the risk-free interest rate, a country-specific premium plus a risk premium that incorporates the market risk premium and an appropriate beta coefficient based on peer group capital market indicators. The debt component of the WACC equals the basis interest rate plus a country-specific premium and a rating dependent risk premium. The equity and debt components are weighted according to a capital structure that is appropriate for the CGU based on peer group data at market values. The resulting WACC is used to discount the cash flows in the respective CGU.

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.



### 23. Accounting estimates and forward-looking statements

The preparation of the consolidated financial statements in accordance with generally accepted IFRS accounting methods requires estimates and assumptions that have an effect on the assets, liabilities, income and expenses reported in the consolidated financial statements and on the amounts shown in the notes. The actual values may differ from these estimates. The assumptions and estimates are reviewed on a regular basis.

In particular, the following assumptions and estimates can lead to significant adjustments in the carrying amounts of individual assets and liabilities in future reporting periods.

In the international project business, changes in estimates for the progress on major projects can have a material effect. These estimates are particularly relevant for the large-scale project in Kuwait (construction of a wastewater treatment plant and corresponding sewage network) and the large-scale project in Bahrain (expansion of an existing wastewater treatment plant and construction of a sewage sludge utilisation plant). Revenue is recognised in accordance with the percentage of completion method (see notes **20. Revenue recognition** and **25. Revenue**).

Impairment tests require estimates, especially for future cash surpluses. A change in the general economic, industry or company environment may reduce cash surpluses and therefore lead to signs of impairment. The weighted average cost of capital (WACC) is used to determine the recoverable amounts based on capital market methods. The WACC represents the weighted average interest paid by a company for equity and debt. The weighting applied to the interest on the equity and debt components – which reflects a capital structure at market values – was derived from an appropriate peer group. Given the current volatility on the financial markets, the development of the cost of capital (and above all the country risk premiums) is monitored on a regular basis (see note **22. 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: **35. Intangible assets**, **36. Property, plant and equipment** and **37. 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 **38. Other investments**.

WTE constructed a wastewater treatment plant in Budva, Republic of Montenegro, with a contract value of EUR 58.5m. The customer, the municipality of Budva, subsequently failed to meet its payment obligations to WTE. Following the issue of reminders and an extension period, WTE cancelled the investment contract in May 2018 but operations were temporarily continued as a goodwill gesture by WTE. All efforts by WTE to reach an agreement on the outstanding payments failed due to a lack of cooperation by the municipality of Budva; in particular, the joint commission installed for this purpose was unable to deliver any results due to a lack of cooperation by the municipality of Budva. In December 2019, WTE therefore called the guarantee issued by the Republic of Montenegro (EUR 29.3m) and the municipality of Budva (EUR 64.6m). The Republic of Montenegro met its payment obligation, but the municipality of Budva refused to make payment. WTE terminated its operation of the plant at the end of January 2020 after multiple notifications and transferred these operations to the municipality of Budva. WTE has filed an arbitration action in Frankfurt against the municipality of Budva for failure to honour the guarantee; the value in dispute equals EUR 37.9m, including interest. Moreover, WTE filed an arbitration action in Geneva in spring 2021 against the municipality of Budva for non-fulfilment of the investment contract. The outcome of these proceedings can lead to valuation adjustments in future periods (also see note **61. 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 **52. 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 **18. Provisions**) as well as estimates for other obligations and risks (see note **65. 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 **20. Revenue recognition**). These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

### **Information on climate change**

As an energy and environmental services provider, EVN feels responsible for making concrete contributions to climate protection. This contribution includes, in particular, the minimisation of the emissions caused by its activities. The focus here is also on the transformation of the energy system towards climate-neutral generation, above all through the expansion of wind power and photovoltaic capacity.

In view of the growing importance of climate risks, EVN's strategic considerations include the special requirements created by the energy transformation and the far-reaching changes required by this transformation towards climate neutrality as well as the related effects on all sectors of the economy and on private households. Analyses in this context place a special focus on the requirements for climate protection, possible implementation tracks and the implications for the company's business model. These elements create an important basis for evaluating the opportunities and risks for our business from climate change and the related, rapidly changing regulations.

EVN terminated electricity generation from hard coal in 2020/21. In summer 2021, the company joined the Science Based Targets initiative (SBTi) and, in this connection, set five reduction goals for its activities. Success in this area will make an important contribution to realising the climate goal agreed in Paris to limit global warming to clearly below 2°C.

The impact of climate change on the valuation of assets is evaluated at regular intervals. The preparation of the consolidated financial statements as of 30 September 2022 was also based on the opportunities and risks arising from climate change, the goals defined by our strategy, sustainability and climate protection, including climate neutrality. Material and predictable influencing factors which have an effect on assets, liabilities, income and expenses were reflected in the consolidated financial statements.

### **The macroeconomic environment against the backdrop of the Covid-19 pandemic, the war in Ukraine and high inflation**

The possible effects of the Covid-19 pandemic and the war in Ukraine were evaluated, in particular with regard to the recoverability of assets as defined by IAS 36 and IFRS 9 and to further uncertainties connected with discretionary assessments.

The Covid-19 pandemic and economic developments connected with the war in Ukraine are expected to result in an increase in insolvencies over the coming years. A corresponding increase in receivables defaults is also expected. Similar to previous financial years, the EVN Group has reflected potential receivables defaults through a forward-looking component.

EVN determines the impairment losses for trade receivables in accordance with IFRS 9.B5.5.35 based on regionally differentiated analyses of historical default incidents. EVN has not experienced a sharp rise in customer defaults to date due to the government subsidy measures. However, we expect the expiration of these government measures to be reflected in an increase in bankruptcies and in receivables defaults during the coming years. In preparation for such incidents, the EVN Group raised the impairment loss allowance for trade receivables by EUR 6.1m for the 2021/22 financial year (previous year: EUR 4.1m) through the forward-looking component (see the Credit and default risk under note **61. Risk management**).

Russia's assault on Ukraine which began on 24 February 2022 has strained relations between the majority of the international community and the Russian Federation and led to a series of reciprocal sanctions by the EU as well as the Russian Federation. The result has been an unparalleled increase in energy prices. This development created operational difficulties for EVN during the 2021/22 financial year because price adjustments can only be implemented with a delay due to contract terms or, in South East Europe, only in later periods due to the regulatory framework. Moreover, the high energy prices are reflected in higher customer receivables and a potential increase in receivables defaults. The forward looking component included as a result of the Covid-19 pandemic is, according to current estimates, sufficient to address the expected receivables defaults. This is especially accurate against the backdrop of the wide-ranging measures introduced by governments in Austria, Bulgaria, Croatia and North Macedonia to support household and commercial customers (among others, compensation payments for network losses, energy vouchers, energy price subsidies for end customers etc.).

Global distortions and a change in the Group's risk and earnings expectations for future projects led to the recognition of an impairment loss to goodwill in the international project business as of 31 March 2022 (see note **35. Intangible assets**).

As a consequence of the political developments in Russia, EVN tested the combined heat and power plants in Moscow for impairment and subsequently wrote off these assets in full as of 31 March 2022 (also see note **36. Property, plant and equipment**). EVN has also decided to completely withdraw from Russia and is currently in negotiations for the sale of the combined heat and power plants in that country (also see note **43. Assets and liabilities held for sale**).

Apart from price increases on the energy markets and the different effects on EVN's activities and business fields, investments and operating expenses are also affected by the soaring inflation rates. These cost increases can possibly only be passed on to customers with a delay. These current macroeconomic developments can also have a – direct and indirect – negative influence on the demand for energy and, together with the rising costs, have a negative influence on earnings.

The possible termination of gas deliveries from Russia could, depending on the timing and duration, have an impact on natural gas deliveries to EVN's customers. In view of this possibility, work is in progress to continuously increase the volumes of non-Russian gas and strategic gas supplies. Measures to support supply security are connected with higher costs and can have a negative influence on earnings in individual periods.

Low net debt and a comfortable base of contractually committed, undrawn credit lines give EVN a constant, high degree of financial flexibility and solid liquidity reserves. In summary, the corona crisis had only a selective negative influence on EVN's operating results in 2021/22 and in the previous years. The current high energy prices have a substantial negative effect on earnings from energy supply, while renewable energy generation made a positive contribution to earnings. Stabilising effects were provided, above all, by EVN's integrated business model and widely diversified customer portfolio. The EVN Group can therefore be considered a going concern.

#### **24. 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 IFRS. 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 **59. Notes to segment reporting**).

## Notes to the consolidated statement of operations

### 25. 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:

<b>Revenue</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Revenue from contracts with customers	3,995.3	2,515.3
Other revenue	66.9	-120.4
<b>Total</b>	<b>4,062.2</b>	<b>2,394.9</b>

Other revenue includes valuation effects of EUR 44.9m related to energy derivatives which are attributable to the Energy Segment. Positive and negative results from the valuation of these derivatives are offset for reporting. In addition, EVN recorded operating lease revenue for the first time in 2021/22. This revenue equalled EUR 22.1m and represents the reserve performance from a power plant which is attributable to EVN's ordinary business activities.

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

<b>Revenue from contracts by segment and product</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Electricity	405.4	203.6
Natural gas	57.7	41.0
Heat	186.3	144.0
Other	34.3	32.6
<b>Energy</b>	<b>683.7</b>	<b>421.3</b>
Electricity	95.3	69.0
Other	64.2	58.2
<b>Generation</b>	<b>159.5</b>	<b>127.1</b>
Electricity	331.3	310.6
Natural gas	103.7	107.2
Other	82.2	77.3
<b>Networks</b>	<b>517.3</b>	<b>495.1</b>
Electricity	1,973.4	1,027.3
Natural gas	9.4	6.4
Heat	11.2	9.2
Other	8.4	4.5
<b>South East Europe</b>	<b>2,002.4</b>	<b>1,047.4</b>
Environmental services	604.3	398.7
Electricity	6.1	5.0
Heat	1.5	1.3
<b>Environment</b>	<b>611.8</b>	<b>405.0</b>
Other	20.6	19.4
<b>All Other Segments</b>	<b>20.6</b>	<b>19.4</b>
<b>Total</b>	<b>3,995.3</b>	<b>2,515.3</b>

EVN generally recognises revenue over time in its core business of energy supplies and deliveries as well as in the international project business. An exception to this practice is the recognition of revenue by EVN Wärmekraftwerke in connection with the thermal waste utilisation plant in Dürnröhr, where revenue is recognised at a specific point in time. The related revenue amounted to EUR 53.1m in 2021/22 (previous year: EUR 55.6m).

The increase in revenue resulted primarily from the sharp rise in energy prices and, in the Environment Segment, chiefly from the international project business. The wastewater project in Kuwait which started in summer 2020 made a decisive contribution to revenue growth.

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 2022, mainly relate to network subsidies and the international project business.

In total, the remaining performance obligations amount to EUR 875.2m (previous year: EUR 1,333.7m) at the balance sheet date. Of this amount, EUR 812.4m (previous year: EUR 1,272.5m) 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 four years, depending on the project. The performance obligations from network subsidies are shown in the following table:

#### Transaction prices allocated to remaining performance obligations

##### 2021/22 financial year

EURm

	< 1 year	1–5 years	> 5 years
Network subsidies	6.3	25.4	30.7
<b>Total</b>	<b>6.3</b>	<b>25.4</b>	<b>30.7</b>

##### 2020/21 financial year

EURm

	< 1 year	1–5 years	> 5 years
Network subsidies	6.1	24.2	30.9
<b>Total</b>	<b>6.1</b>	<b>24.2</b>	<b>30.9</b>

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.

## 26. Other operating income

<b>Other operating income</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Income from the reversal of deferred income from network subsidies	53.3	64.8
Own work capitalised	31.8	33.3
Compensation and remunerations	14.1	7.8
Rental income	3.0	2.9
Gains from deconsolidation	–	25.6
Result from the disposal of intangible assets, and property, plant and equipment	–2.8	–0.8
Change in work in progress	–5.2	8.0
Miscellaneous other operating income	15.4	108.5
<b>Total</b>	<b>109.5</b>	<b>250.1</b>

The decline in other operating income resulted primarily from the sale of the investment in the Walsum 10 power plant. In the previous year, EVN initially took over an additional electricity procurement right for 150 MW from the Walsum 10 power plant and subsequently received a settlement payment for the related marketing risks. This settlement payment equalled EUR 93.2m and was recorded under other operating income. The sale of the 49% investment in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was accounted for as a joint operation, as of 30 September 2021 and the parallel termination of the electricity procurement contract for 410 MW from the Walsum 10 power plant led to a deconsolidation gain of EUR 25.6m.

The increase in compensation and remunerations resulted chiefly from guarantee claims of EUR 6.7m in connection with a wastewater cleaning system.

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

## 27. Cost of materials and services

<b>Cost of materials and services</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Electricity procurement costs	1,803.0	904.6
Gas procurement costs	382.8	86.8
Other energy expenses	92.4	73.3
<b>Electricity purchases from third parties and primary energy expenses</b>	<b>2,278.2</b>	<b>1,064.7</b>
Third-party services and other materials and services	707.1	509.2
<b>Total</b>	<b>2,985.3</b>	<b>1,573.9</b>

The increase in the cost of third-party electricity purchases and energy carriers resulted, above all, from the sharp rise in energy prices. Since the increase in energy procurement costs cannot be passed on entirely during the same period but only in later periods due to regulatory and contractual terms, this leads to a negative effect on operating earnings and to the shift of earnings to future periods.

In 2021/22, the Bulgarian government awarded EVN compensation payments for the steep rise in natural gas procurement costs and grid losses. Compensation payments totalling EUR 102.7m were recorded as a reduction of the costs for third-party electricity purchases and energy carriers in accordance with IAS 20.29.

The cost of materials includes valuation effects from derivative contracts in the energy sector. In business year under report, these resulted in an increase in expenses of EUR 49.2m (previous year: reduction in expenses of EUR 39.4m).

Other energy expenses include in particular biomass procurement costs and expenses for the use of purchased CO<sub>2</sub> emission certificates, as well as valuation effects from derivative financial instruments in the energy sector.

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.

## 28. Personnel expenses

<b>Personnel expenses</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Salaries and wages	287.8	282.7
Severance payments	5.1	5.1
Pension costs	10.4	6.8
Compulsory social security contributions and payroll-related taxes	60.4	59.0
Other employee-related expenses	8.4	7.7
<b>Total</b>	<b>372.2</b>	<b>361.3</b>

Personnel expenses include contributions to the VBV Pensionskasse in the amount of EUR 7.1m (previous year: EUR 7.1m) and contributions to company employee provision funds in the amount of EUR 1.7m (previous year: EUR 1.5m).

The average number of employees was as follows:

<b>Employees by segment<sup>1)</sup></b>	<b>2021/22</b>	<b>2020/21</b>
Generation	229	249
Networks	1,345	1,327
Energy	274	284
South East Europe	4,114	4,155
Environment	622	555
All Other Segments	550	555
<b>Total</b>	<b>7,135</b>	<b>7,126</b>

1) Average for the year

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

## 29. Other operating expenses

<b>Other operating expenses</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Write-up/write-off of receivables	38.0	7.0
Business operation taxes and duties	18.4	18.4
Legal and consulting fees, expenses related to process risks	14.2	9.7
Maintenance	13.7	10.5
Transportation and travelling expenses, automobile expenses	12.8	10.0
Telecommunications and postage	11.4	11.0
Insurance	11.2	11.7
Advertising expenses	10.3	10.4
Rents	4.5	2.4
Employee training	2.1	1.6
Miscellaneous other operating expenses	21.9	20.4
<b>Total</b>	<b>158.4</b>	<b>113.0</b>

The position legal and consulting fees, expenses related to process risks also contains the change in the provision for process costs and risks. The item rents includes non-capitalised rental expenses (see note **36. Property, plant and equipment**) as well as changes in provisions for rents for network access in Bulgaria. In addition, expenses which are not under the scope of IFRS 16 are also included.

The substantial increase in receivables write-offs resulted mainly from a higher balance of receivables in North Macedonia. Observable payment behaviour also led to the application of a higher default quota. As in the previous year, a forward-looking component was included in 2021/22 to reflect expected future receivables defaults (also see note **61. Risk management**).

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

## 30. Share of results from equity accounted investees with operational nature

<b>Share of results from equity accounted investees with operational nature</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
RAG	51.7	40.4
Burgenland Energie	14.4	12.6
ZOV; ZOV UIP	12.0	12.1
Verbund Innkraftwerke	8.2	27.5
EVN KG	7.2	117.2
Umm Al Hayman	4.6	1.8
Ashta	0.7	24.0
EnergieAllianz	-2.4	2.2
Other companies	2.5	1.8
<b>Total</b>	<b>98.9</b>	<b>239.6</b>



The share of results from equity accounted investees with operational nature (see note **64. 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 **37. Investments in equity accounted investees**).

The share of results from equity accounted investees with operational nature decreased to EUR 98.9m in financial year 2021/22 (previous year: EUR 239.6m). This decline is mainly attributable to sharp increases in energy procurement costs at EVN KG. In addition, this effect was strengthened by the impairment write-ups recognised in the previous year at Verbund Innkraftwerke and the Ashta hydropower plant (see note **37. Investments in equity accounted investees**).

### 31. 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 **22. Procedures and effects of impairment tests**.

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

EURm	2021/22	2020/21
Intangible assets	73.4	24.5
Property, plant and equipment	338.8	402.5
Other non-current assets <sup>1)</sup>	20.6	25.5
Write-up of intangible assets	–	–0.1
Write-up of property, plant and equipment	–9.6	–2.4
<b>Total</b>	<b>423.2</b>	<b>450.1</b>

1) Depreciation of capitalised contract costs

#### Depreciation and amortisation and effects from impairment tests

EURm	2021/22	2020/21
Scheduled depreciation and amortisation	318.0	337.7
Effects from impairment tests (impairment) <sup>1)</sup>	114.8	114.8
Effects from impairment tests (reversal of impairment) <sup>1)</sup>	–9.6	–2.5
<b>Total</b>	<b>423.2</b>	<b>450.1</b>

1) For details, see notes 35. Intangible assets and 36. Property, plant and equipment

## 32. Financial results

<b>Financial results</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
<b>Income from investments</b>		
Dividend payments	51.4	37.3
thereof Verbund AG	46.1	32.9
thereof Verbund Hydro Power GmbH	3.5	2.4
thereof Wiener Börse AG	1.5	1.8
thereof other companies	0.4	0.2
Valuation results/disposals	–	0.3
<b>Total income from investments</b>	<b>51.4</b>	<b>37.6</b>
<b>Interest results</b>		
Interest income on financial assets	1.7	1.8
Other interest income	3.7	4.3
<b>Total interest income</b>	<b>5.4</b>	<b>6.1</b>
Interest expense on financial liabilities	–29.2	–52.6
Interest expense personnel provisions	–4.1	–3.9
Other interest expense	–4.7	–2.8
<b>Total interest expense</b>	<b>–37.9</b>	<b>–59.4</b>
<b>Total interest results</b>	<b>–32.5</b>	<b>–53.3</b>
<b>Other financial results</b>		
Results from changes in exchange rates and the disposal of securities from non-current financial assets	–3.3	2.7
Results from changes in exchange rates and the disposal of current financial assets	–5.8	–3.4
Currency gains/losses	–25.5	–3.5
Other financial results	–14.7	–
<b>Total other financial results</b>	<b>–49.4</b>	<b>–4.3</b>
<b>Financial results</b>	<b>–30.5</b>	<b>–20.0</b>

Interest income on financial assets includes interest from investment funds whose investment focus is on fixed-interest securities, as well as the interest component from leasing business. Other interest income includes income from liquid funds and securities held as current financial assets.

Interest income on financial assets recognised using the effective interest method amounted to EUR 3.2m (prior year: EUR 3.3m).

The interest expense on financial liabilities represents regular interest payments on issued bonds and bank loans. The reduction in interest expense for financial liabilities is mainly due to the deconsolidation of the Walsum 10 joint operation.

Other interest expense includes the interest expense for lease liabilities, the accrued interest expense on non-current provisions, expenses for current loans as well as leasing costs for biomass equipment, distribution and heating networks. The interest expense on liabilities not designated at fair value through profit or loss totalled EUR 33.8m (previous year: EUR 55.4m).

The increase in other financial results is attributable to an impairment loss of EUR 14.6m recognised to originated loans. These loans were granted to a company consolidated at equity (also see note **37. Investments in equity accounted investees**).

**33. Income tax expense**

<b>Income tax expense</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Current income tax income and expense	50.9	37.8
thereof Austrian companies	32.3	26.2
thereof foreign companies	18.6	11.6
Deferred tax income and expense	13.1	-23.1
thereof Austrian companies	-1.2	22.4
thereof foreign companies	14.4	-45.4
<b>Total</b>	<b>64.0</b>	<b>14.7</b>

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2022 (previous year: 25.0%) and the tax expense based on the Group net result reported on the consolidated statement of operations for the 2021/22 financial year:

<b>Calculation of the effective tax rate</b>	<b>2021/22</b>		<b>2020/21</b>	
	%	EURm	%	EURm
<b>Result before income tax</b>		<b>301.2</b>		<b>366.4</b>
<b>Income tax rate/income tax expense at nominal tax rate</b>	<b>25.0</b>	<b>75.3</b>	<b>25.0</b>	<b>91.6</b>
- Different corporate income tax rates in other countries	-3.9	-11.8	-2.6	-9.4
- Effect of tax rate change	-1.3	-4.0	-	-
- Tax-free income from investments	-11.9	-35.8	-12.7	-46.5
+ Revaluation of deferred taxes	14.0	42.0	0.6	2.1
+ Impairment of goodwill	4.4	13.2	-	-
+/- Tax share valuations and impairment on Group receivables	-2.2	-6.7	-3.9	-14.2
+ Non-deductible expenses	1.2	3.5	0.4	1.3
- Other tax-free income	-0.5	-1.4	-0.4	-1.5
+ Aperiodic tax increases	0.1	0.2	-0.3	-1.0
-/+ Other items	-3.5	-10.4	-2.1	-7.7
<b>Effective tax rate/effective income tax expense</b>	<b>21.3</b>	<b>64.0</b>	<b>4.0</b>	<b>14.7</b>

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 participations in OOO EVN Umwelt Service and EVN Bulgaria Fernwärme Holding GmbH (previous year: OOO EVN Umwelt Service), which had a tax effect during the financial year.

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

The effective tax burden on EVN for the 2021/22 financial year amounts to 21.3% of earnings before taxes (previous year: 4.0%). The effective tax rate is a weighted average of the effective local income tax rates of all consolidated subsidiaries (see note **51. Deferred taxes**).

### **34. 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 2021/22, i. e. 178,187,472 (previous year: 178,144,937) (see note **48. Treasury shares**). This amount may be diluted by so-called potential shares arising from stock options or convertible bonds. Since EVN does not have any such shares, there is no difference between basic and diluted earnings per share. Based on the Group net result of EUR 209.6m for the 2021/22 financial year (previous year: EUR 325.3m), earnings per share equalled EUR 1.18 (previous year: EUR 1.83).

## Notes to the consolidated statement of financial position

### Assets

#### 35. 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

##### 2021/22 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
<b>Gross value 30.09.2021</b>	<b>216.2</b>	<b>442.2</b>	<b>59.5</b>	<b>717.9</b>
Additions	–	47.8	–	47.8
Disposals	–	–3.6	–	–3.6
Transfers	–	0.6	–0.6	–
Change in the scope of consolidation	0.2	–	–	0.2
<b>Gross value 30.09.2022</b>	<b>216.4</b>	<b>487.1</b>	<b>58.9</b>	<b>762.3</b>
<b>Accumulated amortisation 30.09.2021</b>	<b>–160.3</b>	<b>–298.0</b>	<b>–43.1</b>	<b>–501.4</b>
Scheduled amortisation	–	–16.8	–3.6	–20.5
Impairment losses	–52.9	–0.1	–	–52.9
Disposals	–	3.6	–	3.6
Change in the scope of consolidation	–0.2	–	–	–0.2
<b>Accumulated amortisation 30.09.2022</b>	<b>–213.4</b>	<b>–311.3</b>	<b>–46.7</b>	<b>–571.5</b>
<b>Net value 30.09.2021</b>	<b>55.8</b>	<b>144.2</b>	<b>16.4</b>	<b>216.5</b>
<b>Net value 30.09.2022</b>	<b>3.0</b>	<b>175.8</b>	<b>12.1</b>	<b>190.9</b>

##### 2020/21 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
<b>Gross value 30.09.2020</b>	<b>216.7</b>	<b>435.8</b>	<b>65.8</b>	<b>718.3</b>
Additions	–	22.9	0.6	23.5
Disposals	–	–12.6	–6.9	–19.5
Transfers	–	0.7	–	0.7
Change in the scope of consolidation	–0.6	–4.6	–	–5.1
<b>Gross value 30.09.2021</b>	<b>216.2</b>	<b>442.2</b>	<b>59.5</b>	<b>717.9</b>
<b>Accumulated amortisation 30.09.2020</b>	<b>–160.9</b>	<b>–294.4</b>	<b>–46.2</b>	<b>–501.4</b>
Scheduled amortisation	–	–17.5	–3.8	–21.3
Impairment losses	–	–3.2	–	–3.2
Additions	–	0.1	–	0.1
Disposals	–	12.4	6.9	19.3
Change in the scope of consolidation	0.6	4.6	–	5.1
<b>Accumulated amortisation 30.09.2021</b>	<b>–160.3</b>	<b>–298.0</b>	<b>–43.1</b>	<b>–501.4</b>
<b>Net value 30.09.2020</b>	<b>55.8</b>	<b>141.4</b>	<b>19.7</b>	<b>216.9</b>
<b>Net value 30.09.2021</b>	<b>55.8</b>	<b>144.2</b>	<b>16.4</b>	<b>216.5</b>

The rights include EVN's electricity procurement rights to the Danube power plants in Freudenau, Melk and Greifenstein. The carrying amount totalled EUR 41.5m as of 30 September 2022 and will be amortised over the expected remaining operating life of the power plants.

The goodwill in the CGU "international project business" was tested for impairment as of 31 March 2022 due to a change in the Group's risk and earnings expectations caused by the uncertain geopolitical and economic environment. This impairment test led to the recognition of an impairment loss of EUR 52.9m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 392.2m. A WACC after tax of 4.17% (previous year: 3.47%) was used as the discount rate. If the WACC had increased (decreased) by 0.5 percentage points, the net assets of the CGU would, ceteris paribus, have been EUR 77.3m lower in the 2021/22 financial year (cover shortfall of EUR 28.5m). The recoverable amount would correspond to the carrying amount at a WACC after tax of 3.23%.

In 2021/22, a total of EUR 2.4m (previous year: EUR 1.3m) was invested in research and development, EUR 0.9m thereof was capitalised (previous year: small amount of less than EUR 0.1m).

### 36. Property, plant and equipment

#### Reconciliation of property, plant and equipment

<b>2021/22 financial year</b>							
EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
<b>Gross value 30.09.2021</b>	965.6	4,729.1	2,802.0	294.7	227.9	240.2	9,259.5
Currency translation differences	0.4	1.0	24.4	0.2	0.1	0.1	26.2
Additions	21.8	139.0	60.3	59.8	25.7	215.7	522.3
Disposals	-20.9	-10.5	-45.3	-34.8	-13.8	-1.0	-126.3
Transfers	10.8	72.1	20.0	-	0.7	-103.9	-0.4
Reclassification to assets held for sale	-	-	-79.0	-	-0.1	-	-79.1
<b>Gross value 30.09.2022</b>	977.6	4,930.7	2,782.4	320.0	240.5	351.0	9,602.2
<b>Accumulated amortisation 30.09.2021</b>	-561.8	-2,632.4	-2,073.8	-133.1	-154.2	-11.9	-5,567.3
Currency translation differences	-0.2	-0.6	-23.7	-0.1	-0.1	-	-24.7
Scheduled depreciation	-25.8	-120.5	-81.1	-23.7	-25.8	-	-276.9
Impairment losses	-3.9	-43.5	-14.1	-0.1	-0.2	-	-61.9
Revaluation	0.5	2.3	6.8	-	-	-	9.6
Disposals	20.7	10.3	44.0	30.6	13.5	0.6	119.8
Reclassifications	0.5	-	-	-	-	-	0.5
Reclassification to assets held for sale	-	-	79.0	-	0.1	-	79.1
<b>Accumulated amortisation 30.09.2022</b>	-570.1	-2,784.4	-2,063.0	-126.4	-166.6	-11.3	-5,721.7
<b>Net value 30.09.2021</b>	403.8	2,096.7	728.2	161.6	73.6	228.3	3,692.1
<b>Net value 30.09.2022</b>	407.5	2,146.3	719.4	193.6	73.9	339.8	3,880.4

<b>2020/21 financial year</b>							
EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
<b>Gross value 30.09.2020</b>	971.3	4,567.4	3,184.6	283.3	233.3	211.6	9,451.4
Currency translation differences	–	0.2	4.7	–	–	0.1	4.9
Additions	19.3	114.7	47.3	58.9	26.7	129.1	396.1
Disposals	–23.1	–10.3	–48.6	–50.4	–26.4	–1.0	–159.6
Transfers	13.5	57.0	30.9	2.8	–5.2	–99.3	–0.3
Change in the scope of consolidation	–15.3	–	–416.9	–	–0.6	–0.3	–433.1
<b>Gross value 30.09.2021</b>	965.6	4,729.1	2,802.0	294.7	227.9	240.2	9,259.5
<b>Accumulated amortisation 30.09.2020</b>	–548.2	–2,522.3	–2,347.9	–163.6	–153.9	–12.1	–5,748.0
Currency translation differences	–	–	–4.0	–	–	–	–4.0
Scheduled depreciation	–27.4	–118.7	–98.9	–19.1	–26.9	–	–290.9
Impairment losses	–22.4	–0.5	–88.1	–	–0.2	–0.4	–111.6
Revaluation	0.8	0.4	1.2	–	–	–	2.4
Disposals	20.3	8.7	46.9	49.6	26.1	0.2	151.8
Reclassifications	–0.2	–	0.1	–	–	–	–0.1
Change in the scope of consolidation	15.3	–	416.9	–	0.6	0.3	433.1
<b>Accumulated amortisation 30.09.2021</b>	–561.8	–2,632.4	–2,073.8	–133.1	–154.2	–11.9	–5,567.3
<b>Net value 30.09.2020</b>	423.0	2,045.1	836.7	119.7	79.4	199.5	3,703.4
<b>Net value 30.09.2021</b>	403.7	2,096.7	728.2	161.6	73.6	228.3	3,692.1

Land and buildings included land with a value of EUR 63.5m (previous year: EUR 59.4m). There was no maximum amount mortgage as of 30 September 2022.

As in the previous year, no property, plant and equipment or intangible assets were pledged as collateral as of 30 September 2022.

The impairment testing of assets in accordance with IAS 36 led to the recognition of the following impairment losses and write-ups in 2021/22:

Various heating plants attributable to EVN Wärme were tested for impairment due to a deterioration in the economic environment. The related calculations led to the recognition of impairment losses totalling EUR 6.8m to three plants in the Energy Segment. The recoverable amount was determined on the basis of the value in use and amounted to EUR 9.8m. A WACC after tax ranging from 5.64% to 5.66% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 6.67% to 11.03%.

A triggering event was identified in connection with the CGU “gas grid Lower Austria” due to an increase in the weighted average cost of capital (WACC) over the expected regulated WACC in the coming regulatory period. The impairment test led to the recognition of an impairment loss of EUR 32.9m in the Network Segment. The recoverable amount was determined on the basis of the value in use and amounted to EUR 541.2m. A WACC after tax of 4.53% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 5.88%. If the WACC had increased (decreased) by 0.5 percentage points, the net assets of the CGU would, ceteris paribus, have been EUR 84.8m lower (excess cover of EUR 30.5m).

In the South East Europe Segment, the cogeneration plants operated by TEZ Plovdiv in Bulgaria were tested for impairment following an increase in the WACC. This impairment test led to the recognition of an impairment loss of EUR 16.6m. The recoverable amount was determined on the basis of the value in use less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 38.2m. A WACC after tax of 7.78% was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 8.67%. The underlying present value model includes a detailed planning period of four years, a general planning phase up to and including 2032, and a perpetual yield.

The Kavarna wind park was tested for impairment as of 31 December 2021 due to a change in the regulatory framework in Bulgaria. This test led to a write-up of EUR 6.4m. The recoverable amount was determined on the basis of the value in use and amounted to EUR 18.4m (previous year: EUR 12.7m). The discount rates equalled a WACC after tax of 4.31% for the regulated period and 4.58% for the non-regulated period (previous year: 5.24% and 5.30%). Further indications of a change in the value of this CGU were identified as of 30 September 2022 as a result of the economic environment and an increase in the WACC. An impairment test on that date led to the recognition of a further revaluation of EUR 3.2m. Thus revaluations in the Generation Segment totalled EUR 9.6m in 2021/22. The recoverable amount was determined on the basis of the value in use and amounted to EUR 22.4m. The discount rates equalled a WACC after tax of 7.65% for the regulated period and 7.83% for the non-regulated period, which corresponds to an iteratively derived pre-tax WACC of 9.79%.

As a consequence of geopolitical developments and the increased country risk premium in Russia, the combined heat and power plants in Moscow were tested for impairment in the second quarter of 2021/22 and subsequently written off in full. The impairment loss recognised to the consolidated statement of operations equals EUR 5.5m. The recoverable amount was determined on the basis of the value in use and resulted in a negative amount. The discount rate equalled a WACC after tax of 16.38%, which corresponds to an iteratively derived pre-tax WACC of 18.25%.

#### EVN as the lessee

The most important application area for the EVN Group is formed by lease and easement agreements, as well as leased commercial and warehouse space which are assumed to be based on long-term leases. Rights of use totalling EUR 74.0m (previous year: EUR 68.6m) were contrasted by lease liabilities with a present value of EUR 61.8m (previous year: EUR 60.6m) as of 30 September 2022. The short-term portion of the lease liabilities equalled EUR 6.4m (previous year: EUR 5.5m).

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 2021/22 led to an addition of EUR 12.0m (previous year: EUR 6.6m). 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:

<b>2021/22 financial year</b>					
EURm	Land and buildings	Lines	Technical equipment	Other plants, tools and equipment	Total
<b>Rights of use 30.09.2021</b>	<b>55.8</b>	<b>11.4</b>	<b>1.0</b>	<b>0.4</b>	<b>68.6</b>
Additions	7.4	3.9	0.4	0.4	12.0
Scheduled depreciation	-4.9	-0.5	-1.0	-0.2	-6.6
<b>Rights of use 30.09.2022</b>	<b>58.4</b>	<b>14.8</b>	<b>0.3</b>	<b>0.5</b>	<b>74.0</b>



<b>2020/21 financial year</b>					
EURm	Land and buildings	Lines	Technical equipment	Other plants, tools and equipment	Total
<b>Rights of use 30.09.2020</b>	<b>66.8</b>	<b>6.5</b>	<b>0.4</b>	<b>6.6</b>	<b>80.3</b>
Additions	0.2	5.2	1.0	0.1	6.6
Scheduled depreciation	-5.2	-0.3	-0.4	-0.4	-6.3
Impairments	-12.0	-	-	-	-12.0
Other movements	6.0	-	-	-6.0	-
<b>Rights of use 30.09.2021</b>	<b>55.8</b>	<b>11.4</b>	<b>1.0</b>	<b>0.4</b>	<b>68.6</b>

The determination of the rights of use and corresponding lease liabilities includes all sufficiently probable cash outflows. The cash outflows from leases totalled EUR 14.0m (previous year: EUR 13.3m) in 2021/22. The consolidated statement of operations contains EUR 2.5m (previous year: EUR 2.3m) of expenses from unrecognised leases, which include expenses from low-value leases, expenses from short-term leases (less than twelve months) and expenses from variable lease payments that were not included in the lease liability. The interest expense for lease liabilities totalled EUR 0.6m (previous year: EUR 0.6m) in 2021/22. The difference between the cash outflows presented here and the payments for lease liabilities resulted primarily from advance rental payments made in 2021/22. These advance payments are not reported under cash flow from financing activities because they are not related to lease liabilities; they are instead included under cash flow from investing activities.

### 37. 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 264. Note **64. Disclosures of interests in other entities** contains financial information on joint ventures and associates that are included at equity in EVN's consolidated financial statements.

All investments in equity accounted investees were recognised at their proportional share of IFRS income or loss based on an interim or annual report with a balance sheet date that does not precede the balance sheet date of EVN by more than three months. There were no listed market prices for the investments in equity accounted investees included in the consolidated financial statements.

### Reconciliation of investments in equity accounted investees

<b>2021/22 financial year</b>	
EURm	
<b>Gross value 30.09.2021</b>	<b>918.3</b>
Additions	50.0
<b>Gross value 30.09.2022</b>	<b>968.3</b>
<b>Accumulated amortisation 30.09.2021</b>	<b>659.2</b>
Currency translation differences	3.8
Proportional share of results	98.9
Dividends	-152.6
Changes recognised in other comprehensive income	810.3
<b>Accumulated amortisation 30.09.2022</b>	<b>1,419.7</b>
<b>Net value 30.09.2021</b>	<b>1,577.5</b>
<b>Net value 30.09.2022</b>	<b>2,388.0</b>

<b>2020/21 financial year</b>	
EURm	
<b>Gross value 30.09.2020</b>	<b>919.9</b>
Change in the scope of consolidation	-1.5
<b>Gross value 30.09.2021</b>	<b>918.3</b>
<b>Accumulated amortisation 30.09.2020</b>	<b>82.3</b>
Currency translation differences	-1.2
Disposal from the scope of consolidation	1.4
Revaluation	49.0
Proportional share of results	190.6
Dividends	-129.4
Changes recognised in other comprehensive income	466.4
<b>Accumulated amortisation 30.09.2021</b>	<b>659.2</b>
<b>Net value 30.09.2020</b>	<b>1,002.1</b>
<b>Net value 30.09.2021</b>	<b>1,577.5</b>

The strong increase in energy prices led to a necessary equity injection for EVN KG to safeguard the company's liquidity and operational flexibility. The additions of EUR 50.0m in 2021/22 were related solely to the equity injection for EVN KG.

The carrying amount of equity accounted investees rose by EUR 810.5m in 2021/22 (previous year: increase of EUR 575.4m). These changes resulted chiefly (EUR 768.2m) from changes in the fair value of derivative financial instruments in the energy business which are designated as cash flow hedges and are related to the investments in EVN KG and EnergieAllianz.

Sludge2energy reported negative equity of EUR 7.4m as of 30 September 2022. The proportional share of unrecognised surplus losses in this equity accounted company totalled EUR 3.7m as of 30 September 2022 (previous year: EUR 0.0m).

### **38. 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 6.2m in 2021/22 (previous year: EUR 4.1m). The other investments classified as FVOCI consist primarily of shares in Verbund AG with a value of EUR 3,837.5m (previous year: EUR 3,848.4m) and miscellaneous other investments of EUR 190.9m (previous year: EUR 177.0m). The valuation adjustments were recorded under other comprehensive income, the dividends were recorded in the consolidated statement of operations (also see note **32. Financial results**).

EVN AG and Wiener Stadtwerke Holding AG 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.

The valuation of the investment in Verbund Hydro Power AG in 2021/22 based on the discounted cash flow method resulted in a write-up of EUR 18.2m in the Generation Segment. 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 159.0m. A WACC after tax of 5.46% was used as the discount rate. The present value model underlying the valuation is based on publicly available information in the annual financial statements and, based on available data for electricity prices, forecasts the development of the coming years up to 2050 and a perpetual yield without a growth rate.

The valuation of the investment in AGGM Austrian Gas Grid Management AG in 2021/22 based on the discounted cash flow method resulted in the recognition of an impairment loss of EUR 2.3m in the Networks Segment. 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 4.4m. A WACC after tax of 4.53% 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 annual financial statements for 2018–2021 and a forecast for the 2022 financial year.

In the All Other Segments, the valuation of the investment in Wiener Börse AG based on the discounted cash flow method resulted in an impairment loss of EUR 2.1m in 2021/22. 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 26.0m. A WACC after tax of 6.18% 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.

### 39. Other non-current assets

<b>Other non-current assets</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
<b>Non-current financial assets</b>		
Securities	68.8	74.4
Loans receivable	25.1	35.4
Lease receivables	12.7	14.0
Receivables arising from derivative transactions	–	4.9
Trade receivables	13.9	10.8
<b>Non-current other assets</b>		
Contract assets	1.9	1.2
Contract costs	36.1	56.7
Primary energy reserves	0.8	0.7
Remaining other non-current assets	3.9	1.8
<b>Total</b>	<b>163.0</b>	<b>200.0</b>

Securities reported under other non-current assets consist mainly of shares in investment funds and serve as coverage for the provisions for pensions and similar obligations as required by Austrian tax law. The carrying amounts correspond to the fair value as of the balance sheet date.

Lease receivables relate to project business in connection with PPP-projects. The decline in the fiscal year is mainly due to the contractually agreed redemption payments.

The reconciliation of the future minimum lease payments to their present value is as follows:

### Terms to maturity of non-current lease receivables

EURm

	Remaining term to maturity as of 30.09.2022			Remaining term to maturity as of 30.09.2021		
	Principal components	Interest components	Total	Principal components	Interest components	Total
<5 years	7.6	0.5	8.2	7.8	0.9	8.7
>5 years	5.0	0.1	5.1	6.2	0.2	6.5
<b>Total</b>	<b>12.7</b>	<b>0.6</b>	<b>13.3</b>	<b>14.0</b>	<b>1.2</b>	<b>15.2</b>

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 2021/22 were reported as interest income on non-current assets.

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

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 fiscal year 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. Therefore, the original depreciation period is between 2.5 years and 4 years. As a result of the current depreciation of EUR 20.6m (previous year: EUR 25.5m) in the fiscal year 2021/22, the book value decreased to EUR 36.1m (see note **31. Depreciation and amortisation and effects from impairment tests**).

### Current assets

#### 40. Inventories

Inventories	30.09.2022	30.09.2021
EURm		
Primary energy inventories	120.0	8.9
CO <sub>2</sub> emission certificates	16.9	49.0
Raw materials, supplies, consumables and other inventories	62.3	26.8
Customer orders not yet invoiced	7.6	11.0
<b>Total</b>	<b>206.8</b>	<b>95.7</b>

Primary energy inventories consist primarily of natural gas. Gas inventories totalled EUR 117.2m as of 30 September 2022 (previous year: EUR 6.8m). As a reaction to the threatening stop of gas deliveries, EVN continuously increased the volumes of non-Russian gas and its strategic gas supplies during the 2021/22 financial year. These measures are intended to protect supply security for the EVN Group's natural gas customers and to ensure that gas supplies are available for shortage management in the gas-fired power plant.

Part of the natural gas inventories have been measured according to the broker-trader exception since 2019/20 because they are held exclusively for trading. Consequently, these natural gas inventories are measured at fair value (Level 1) less costs to sell. The fair value of the inventories held for trading totalled EUR 0.1m (previous year: EUR 0.1m) as of 30 September 2022. Positive changes in the market value resulted in a revaluation through profit or loss of EUR 0.1m (previous year: EUR 0.1m) as of 30 September 2022.

The CO<sub>2</sub> emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act and which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note **57. Current provisions**). The decrease in emission certificates is mainly due to the sale of the Walsum 10 coal-fired power plant, which was included as a joint operation, in the previous year.

Valuation allowances of EUR 0.7m were recognised to inventories in 2021/22 (previous year: EUR 0.9m) and were contrasted by revaluations of EUR 0.1m (previous year: EUR 0.1m). The inventories are not subject to any restrictions on disposal or other encumbrances.

#### 41. Trade and other receivables

<b>Trade and other receivables</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
<b>Financial assets</b>		
Trade accounts receivable	306.1	331.0
Receivables from investments in equity accounted investees	50.6	55.2
Receivables from non-consolidated subsidiaries	5.9	1.0
Receivables from employees	9.2	0.1
Receivables arising from derivative transactions	27.0	58.7
Lease receivables	1.5	1.4
Other receivables and assets	180.9	65.1
	<b>581.2</b>	<b>512.3</b>
<b>Other receivables</b>		
Taxes and levies receivable	48.1	27.2
Prepayments	142.8	152.4
Contract assets	221.4	58.0
	<b>412.3</b>	<b>237.6</b>
<b>Total</b>	<b>993.5</b>	<b>749.9</b>

Trade accounts receivable relate mainly to electricity, natural gas and heating customers and customers from the international project business. Notes to impairment losses and default risks for trade receivables can be found in note **61. 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 arising from derivative transactions consist chiefly of the positive market values of derivatives in the energy business. Other receivables and assets include, among others, receivables from insurance and short-term loans receivable, as well as security retained in the international project business. The increase in contract assets resulted primarily from contract orders in the international project business. In 2021/22, as in the previous year, no impairments were recognised in connection with contract assets.

As of 30 September 2022, as in the previous year, no receivables were pledged as collateral for EVN's own liabilities.

## 42. Securities and other financial investments

<b>Composition of securities and other financial investments</b>		
EUm	<b>30.09.2022</b>	<b>30.09.2021</b>
Funds	193.3	383.0
thereof cash funds	193.1	382.8
thereof other fund products	0.2	0.2
Time deposits	14.4	16.1
Restricted cash	9.3	–
<b>Total</b>	<b>216.8</b>	<b>399.1</b>

A write-down of a small amount below EUR –0.1m was recorded through profit or loss in 2021/22 (previous year: EUR –3.5m). The time deposits reported under this item have a maturity of more than three months.

The item restricted cash includes bank balances that have been pledged and are therefore not available for general use by the Group.

## 43. Assets and liabilities held for sale

EVN, together with its two fully consolidated subsidiaries OOO EVN Umwelt Service and OOO EVN Umwelt, operates two sludge-fired combined heat and power plants in Moscow. These plants are allocated to the Environment Segment. The war in Ukraine has had a negative influence on relations between the majority of the international community of states and the Russian Federation, and the risk of the orderly continuation of business operations in Russia is more difficult to calculate. In view of these developments, EVN evaluated possible exit scenarios. A potential sale materialised as the most probable scenario in the fourth quarter of 2021/22, and the sale is actually expected to take place in the first quarter of 2022/23. Based on the concrete intention to sell and the advanced stage of negotiations with a potential buyer, the sale is considered highly probable. The assets and liabilities connected with this disposal group are therefore classified as current as of 30 September 2022 in accordance with IFRS 5.

Other operating expenses include impairment losses of EUR 1.8m. In addition, impairment losses to property, plant and equipment and intangible assets were combined into a minor sum of less than EUR 0.1m. These impairment losses resulted from the application of the lower of the carrying amount and fair value less costs to sell for the disposal group.

Other comprehensive income includes cumulative expenses connected with the disposal group. The difference from currency translation equalled EUR –1.5m as of 30 September 2022.

The disposal group was measured at fair value less costs to sell as of 30 September 2022 and contains the following assets and liabilities:

<b>Assets and liabilities held for sale</b>		<b>30.09.2022</b>
EURm		
Current assets		9.3
<b>Assets held for sale</b>		<b>9.3</b>
Non-current liabilities		0.5
Current liabilities		0.8
<b>Liabilities held for sale</b>		<b>1.3</b>

Current assets include EUR 7.5m of bank deposits which are subject to disposal restrictions due to the sanctions imposed by the Russian Federation.

## Liabilities

### Equity

The development of equity in 2021/22 and 2020/21 is shown on page 181.

#### 44. 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.

#### 45. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 205.2m (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.

#### 46. Retained earnings

Retained earnings of EUR 2,979.9m (previous year: EUR 2,863.0m) comprise the proportional share of retained earnings attributable to EVN AG and all other consolidated companies from the date of initial consolidation as well as the proportional share of retained earnings from business combinations achieved in stages.

Dividends are based on the result of EVN AG as reported in the annual financial statements and developed as follows:

<b>Reconciliation of EVN AG's result for the period</b>	<b>2021/22</b>
EURm	
<b>Reported result for the period 2021/22</b>	<b>354.0</b>
Plus retained earnings from the 2020/21 financial year	0.1
Less additions to voluntary reserves	-261.0
<b>Distributable result for the period</b>	<b>93.1</b>
Proposed dividend	-92.7
Retained earnings for the 2022/23 financial year	0.4

Liabilities do not include the dividend of EUR 0.52 per share for the 2021/22 financial year which will be proposed to the Annual General Meeting.

The 93<sup>rd</sup> Annual General Meeting on 3 February 2022 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 0.52 per share for the 2020/21 financial year. This resulted in a total dividend payment of EUR 92.6m. Ex-dividend day was 9 February 2022, dividend payment day was 11 February 2022.

#### 47. 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 9.4m (previous year: EUR 0.9m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see **Consolidated statement of comprehensive income**, page 179).

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	30.09.2022			30.09.2021		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Items recognised under other comprehensive income from						
Financial assets classified at fair value through other comprehensive income	3,566.3	-820.2	2,746.1	3,563.8	-890.9	2,672.9
Cash flow hedges	-206.5	55.1	-151.4	-22.4	6.3	-16.1
Remeasurements IAS 19	-73.0	16.3	-56.7	-151.0	37.1	-113.9
Investments in equity accounted investees	1,229.9	-289.7	940.2	428.8	-111.1	317.7
<b>Total</b>	<b>4,516.7</b>	<b>-1,038.4</b>	<b>3,478.3</b>	<b>3,819.2</b>	<b>-958.6</b>	<b>2,860.6</b>

In 2021/22, cash flow hedges totalling EUR -43.0m (previous year: EUR 13.7m) were transferred from other comprehensive income to the consolidated statement of operations. The year-on-year change resulted, above all, from the portfolio hedge as well as from the hedging of net cash flows from the international project business (see note **63. Reporting on financial instruments**). Due to the ineffectiveness of the hedges an amount of EUR 0.0m (previous year: EUR 0.0m) was recognised in profit or loss.

#### 48. Treasury shares

A total of 37,888 treasury shares were sold during the reporting year to permit their issue as a special payment in accordance with a company agreement (previous year: 43,464 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
<b>30.09.2020</b>	<b>179,878,402</b>	<b>-1,740,709</b>	<b>178,137,693</b>
Purchase of treasury shares	-	-	-
Disposal of treasury shares	-	43,464	43,464
<b>30.09.2021</b>	<b>179,878,402</b>	<b>-1,697,245</b>	<b>178,181,157</b>
Purchase of treasury shares	-	-	-
Disposal of treasury shares	-	37,888	37,888
<b>30.09.2022</b>	<b>179,878,402</b>	<b>-1,659,357</b>	<b>178,219,045</b>

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 178,187,472 shares (previous year: 178,144,937 shares).



#### 49. 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	30.09.2022			30.09.2021		
	RBG	BUHO	EVN Macedonia	RBG	BUHO	EVN Macedonia
EURm						
<b>Subsidiaries</b>						
Non-controlling interests (%)	49.97	26.37	10.0	49.97	26.37	10.0
Carrying amount of non-controlling interests	202.0	41.7	34.0	191.2	40.4	31.3
Result attributable to non-controlling interests	25.8	3.8	2.5	20.2	3.4	2.8
Dividends attributable to non-controlling interests	24.0	2.7	–	22.6	2.7	–
<b>Statement of financial position</b>						
Non-current assets	403.8	195.5	391.6	382.2	190.6	375.0
Current assets	0.1	9.4	140.3	0.1	9.4	62.8
Non-current liabilities	–	0.8	108.1	–	1.0	97.8
Current liabilities	–	0.1	77.1	–	–	23.7
	2021/22			2020/21		
<b>Statement of operations</b>						
Revenue	–	–	0.1	–	–	–
Result after income tax	51.7	14.4	29.3	40.5	12.7	27.8
<b>Net cash flows</b>						
Net cash flow from operating activities	47.9	10.4	12.2	45.1	10.3	29.7
Net cash flow from investing activities	–	–	–34.4	–	–	–26.4
Net cash flow from financing activities	–48.0	–10.4	9.8	–45.2	–10.4	–0.2

#### Non-current liabilities

#### 50. Non-current loans and borrowings

Breakdown of non-current loans and borrowings	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2022 EURm	Carrying amount 30.09.2021 EURm	Fair value 30.09.2022 EURm
<b>Bonds</b>				556.7	319.6	480.1
JPY bond	3.130	2009–2024	JPY 12.0bn	87.4	95.4	88.0
EUR bond	4.125	2012–2032	EUR 100.0m	98.6	98.5	99.1
EUR bond	4.125	2012–2032	EUR 25.0m	24.7	24.7	24.8
EUR bond	0.850	2020–2035	EUR 101.0m	101.0	101.0	64.8
Registered bond	2.005	2022–2034	EUR 5.0m	5.0	–	3.9
Registered bond	2.440	2022–2037	EUR 150.0m	150.0	–	116.3
Registered bond	3.900	2022–2038	EUR 90.0m	90.0	–	83.2
Bank loans (incl. promissory note loans) <sup>1)</sup>	0.00–4.99	until 2068	–	594.0	399.3	552.7
<b>Total</b>				<b>1,150.8</b>	<b>718.9</b>	<b>1,032.9</b>

1) In the 2021/22 financial year, a reclassification was made to current financial liabilities in the amount of EUR 150.1m.

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 30.09.2022			Remaining term to maturity as of 30.09.2021		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Bonds	87.4	469.3	556.7	95.4	224.2	319.6
thereof fixed interest	–	469.3	469.3	–	224.2	224.2
thereof variable interest	87.4	–	87.4	95.4	–	95.4
Bank loans	235.6	358.5	594.0	79.5	319.7	399.3
thereof fixed interest	229.6	358.5	588.1	70.3	319.7	390.1
thereof variable interest	6.0	–	6.0	9.2	–	9.2
<b>Total</b>	<b>323.0</b>	<b>827.8</b>	<b>1.150.8</b>	<b>175.0</b>	<b>543.9</b>	<b>718.9</b>

### Bonds

All bonds involve bullet repayment on maturity. The foreign currency bond is hedged against interest and foreign exchange risk by means of cross-currency swaps.

The change results from the issuance of two registered bonds in April 2022 (nominal values of EUR 5m and EUR 150m respectively) and the issue of a registered bond in July 2022 (nominal value EUR 90m). The other changes result from changes in the value of the hedged foreign currency risk from the JPY bond.

The bonds are carried at amortised cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. In accordance with IFRS 9, hedged liabilities are adjusted to reflect the corresponding change in the fair value of the hedged risk in cases where hedge accounting is applied (see note **63. Reporting on financial instruments**).

### Bank loans

The loans consist of immaterial 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 EUR 247.0m (previous year: EUR 187.5m) of promissory note loans that were issued in October 2012, April 2020 and in July 2022.

Accrued interest is reported under other current liabilities.

**51. Deferred taxes**

<b>Deferred taxes</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
<b>Deferred tax assets</b>		
Employee-related provisions	-22.9	-48.0
Tax loss carryforwards	-13.9	-59.2
Investment depreciation	-23.8	-27.4
Property, plant and equipment	-6.8	-4.1
Provisions	-11.4	-3.2
Financial instruments	-72.6	-21.5
Other assets	-3.8	-32.0
Other liabilities	-12.7	-10.9
<b>Deferred tax liabilities</b>		
Property, plant and equipment	78.4	72.3
Intangible assets	2.1	2.3
Investments	1,130.0	1,023.9
Provisions	8.5	-
Financial instruments	8.2	15.9
Other assets	4.7	40.3
Other liabilities	7.2	17.8
<b>Total</b>	<b>1,071.1</b>	<b>978.5</b>
thereof deferred tax assets	-55.6	-57.0
thereof deferred tax liabilities	1,126.7	1,035.4

Deferred taxes developed as follows:

<b>Changes in deferred taxes</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
<b>Deferred taxes on 01.10.</b>	<b>978.5</b>	<b>414.6</b>
- Changes recognised directly in equity resulting from currency translation differences and other changes	-0.3	4.1
- Changes in deferred taxes recognised through profit and loss	13.1	-23.1
- Changes in deferred taxes recognised directly in equity from the valuation reserve	79.8	582.8
<b>Deferred taxes on 30.09.</b>	<b>1,071.1</b>	<b>978.5</b>

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 73.9m (previous year: EUR 86.9m) related to loss carryforwards were not recognised because they are not expected to be used within the foreseeable future. Of this total, EUR 8.6m will expire during the next five years (previous year: EUR 1.9m). The remaining loss carryforwards that were not capitalised can be carried forward for an indefinite period of time.

Deferred tax liabilities of EUR 85.7m (previous year: EUR 111.3m) on temporary differences of EUR 325.5m (previous year: EUR 413.7m) were not recognised because these differences will remain tax-free in the foreseeable future. These temporary differences arise from differences between the tax base of the participation interest and the proportional share of equity owned less retained earnings, respectively between the tax base of the participation interest and the carrying amount of the equity accounted investees (outside basis differences).

The changes recorded under other comprehensive income are primarily attributable to financial instruments (EUR -119.6m; previous year: EUR 485.3m), associates (EUR 178.6m; previous year: EUR 109.6m) and employee-related provisions (EUR 20.9m; previous year: EUR 3.3m).

## 52. Non-current provisions

<b>Non-current provisions</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
Provisions for pensions	172.0	239.2
Provisions for pension-related obligations	20.2	28.1
Provisions for severance payments	69.7	84.6
Other non-current provisions	74.3	93.4
<b>Total</b>	<b>336.2</b>	<b>445.3</b>

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 3.7% as of 30 September 2022 (previous year: 1.1%). The provisions for severance payments were measured with a discount rate of 3.6% (previous year 0.9%). The different discount rates reflect the different duration of the provisions for severance payments.

The following parameters are applied:

- Remuneration increases 3.50% p. a.; in subsequent years 2.25% p. a. (previous year: remuneration increases 2.00% p. a., in subsequent years 2.00% p. a.)
- Pension increases 3.50% p. a.; in subsequent years 2.25% 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

<b>Reconciliation of provisions for pensions</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
<b>Present value of pension obligations (DBO) as of 01.10.</b>	<b>239.2</b>	<b>260.5</b>
+ Service costs	2.0	-0.1
+ Interest costs	2.6	2.6
- Pension payments	-12.5	-13.2
+/- Actuarial loss/gain	-59.4	-10.6
thereof		
Financial assumptions	-53.1	-2.8
Assumptions based on experience	-6.3	-7.8
<b>Present value of pension obligations (DBO) as of 30.09.</b>	<b>172.0</b>	<b>239.2</b>

As of 30 September 2022, the weighted average remaining term equalled 11.1 years for the pension obligations (previous year: 14.1 years). Pension payments are expected to total EUR 12.6m in 2022/23 (previous year: EUR 13.2m).

<b>Reconciliation of the provisions for pension-related obligations</b>		
EURm	2021/22	2020/21
<b>Present value of the provisions for pension-related obligations (DBO) as of 01.10.</b>	<b>28.1</b>	<b>28.6</b>
+ Service costs	0.4	0.5
+ Interest costs	0.3	0.3
– Payments	–1.2	–1.0
+/- Actuarial loss/gain	–7.4	–0.4
thereof		
Financial assumptions	–9.2	–0.5
Assumptions based on experience	1.7	0.2
<b>Present value of the provisions for pension-related obligations (DBO) as of 30.09.</b>	<b>20.2</b>	<b>28.1</b>

As of 30 September 2022, the weighted average remaining term equalled 14.4 years for the pension-related obligations (previous year: 17.8 years). The payments for pension-related obligations are expected to total EUR 1.3m in 2022/23 (previous year: EUR 1.0m).

<b>Reconciliation of the provision for severance payments</b>		
EURm	2021/22	2020/21
<b>Present value of severance payment obligations (DBO) as of 01.10.</b>	<b>84.6</b>	<b>92.4</b>
+ Service costs	3.1	3.4
+ Interest costs	0.8	0.7
– Severance payments	–7.5	–10.4
+/- Actuarial loss/gain	–11.3	–1.5
thereof		
Demographic assumptions	–0.1	–
Financial assumptions	–13.2	–1.0
Assumptions based on experience	2.0	–0.4
<b>Present value of severance payment obligations (DBO) as of 30.09.</b>	<b>69.7</b>	<b>84.6</b>

As of 30 September 2022, the weighted average remaining term of the severance payment obligations equalled 7.9 years (previous year: 9.0 years). Severance payments are expected to total EUR 9.8m in 2022/23 (previous year: EUR 8.8m).

A change in the actuarial parameters (ceteris paribus) would have the following effect on the provisions for pensions, pension-related obligations and severance payments:

<b>Sensitivity analysis for provision for pensions</b>					
	Change in assumption	30.09.2022		30.09.2021	
		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	5.77	–5.22	7.60	–6.73
Remuneration increases	1.00	–1.74	1.88	–2.68	2.91
Pension increases	1.00	–8.94	10.67	–11.00	13.53
Remaining life expectancy	1 year	–4.44	4.48	–5.00	5.12

### Sensitivity analysis for provision for pension-related obligations

%	Change in assumption	30.09.2022		30.09.2021	
		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	7.56	-6.73	9.69	-8.44
Remuneration increases	1.00	-	-	-	-
Pension increases	1.00	-5.83	6.46	-13.49	17.08
Remaining life expectancy	1 year	-3.42	3.41	-4.18	4.24

### Sensitivity analysis for provision for severance payments

%	Change in assumption	30.09.2022		30.09.2021	
		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	3.91	-3.68	4.55	-4.26
Remuneration increases	1.00	-7.45	8.31	-8.41	9.41

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
<b>Carrying amount 01.10.2021</b>	25.1	6.3	4.6	53.5	4.0	93.4
Interest expense	0.3	-	0.3	-	-	0.7
Use	-2.1	-	-	-	-1.0	-3.1
Release	-2.9	-0.1	-3.4	-11.1	-0.3	-17.8
Additions	0.1	0.4	0.7	1.2	0.4	2.7
Reclassification	-	-0.1	0.9	-1.3	-1.3	-1.7
<b>Carrying amount 30.09.2022</b>	20.5	6.5	3.1	42.3	1.9	74.3

Rents for network access involve provisions for rents to gain access to third-party facilities in Bulgaria. Various legal proceedings and lawsuits, which for the most part arise from operating activities and are currently pending, are reported under process costs and risks. Environmental and disposal risks primarily encompass the estimated costs for demolition or disposal as well as provisions for environmental risks and risks related to contaminated sites. At the present time, the use of the provisions for environmental and disposal risks is expected within a timeframe of one to 16 years.

**53. 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 network companies.

<b>Deferred income from network subsidies</b>	Network subsidies (IFRS 15)	Network subsidies (IAS 20)	Investment subsidies	<b>Total</b>
EURm				
<b>Carrying amount 01.10.2021</b>	<b>55.1</b>	<b>503.3</b>	<b>63.8</b>	<b>622.2</b>
Currency translation differences	–	0.2	–	0.2
Additions	6.7	62.8	1.6	71.0
Reclassification	–5.6	–51.5	–5.1	–62.3
<b>Carrying amount 30.09.2022</b>	<b>56.1</b>	<b>514.9</b>	<b>60.2</b>	<b>631.2</b>

**54. Other non-current liabilities**

<b>Other non-current liabilities</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
Liabilities from derivative transactions	63.2	27.6
Leasing liabilities	55.4	55.1
Remaining other non-current liabilities	19.2	33.3
<b>Total</b>	<b>137.8</b>	<b>116.0</b>

The liabilities from derivative transactions include the negative fair values from contracts in the energy sector and from forward exchange transactions in connection with the international project business.

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**

	Remaining term to maturity as of 30.09.2022			Remaining term to maturity as of 30.09.2021		
	<5 years	>5 years	Total	<5 years	>5 years	Total
Liabilities from derivative transactions	63.2	–	63.2	27.6	–	27.6
Leasing liabilities	18.4	36.9	55.4	19.9	35.2	55.1
Remaining other non-current liabilities	16.5	2.7	19.2	30.7	2.6	33.3
<b>Total</b>	<b>98.1</b>	<b>39.7</b>	<b>137.8</b>	<b>78.2</b>	<b>37.9</b>	<b>116.0</b>

## Current liabilities

### 55. Current loans and borrowings

Bank overdrafts are included under cash and cash equivalents in the consolidated statement of cash flows.

<b>Current loans and borrowings</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
Bonds	–	292.2
Bank loans	122.4	25.6
Bank overdrafts and other current loans	255.1	0.2
<b>Total</b>	<b>377.4</b>	<b>318.0</b>

Loans in the amount of EUR 122.4m (previous year: EUR 25.6m) were reclassified to current financial liabilities because they are now due within one year.

### 56. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 128.8m (previous year: EUR 116.6m).

### 57. Current provisions

#### Reconciliation of current provisions

EURm	Personnel entitlements	Rents for network access	Process risks	Other current provisions	Total
<b>Carrying amount 01.10.2021</b>	<b>81.2</b>	<b>2.6</b>	<b>3.7</b>	<b>37.3</b>	<b>124.8</b>
Use	–12.4	–	–0.6	–15.3	–28.3
Release	–	–	–	–1.0	–1.0
Additions	14.3	–	–	24.1	38.4
Reclassification	–0.1	0.1	–0.9	2.5	1.7
<b>Carrying amount 30.09.2022</b>	<b>83.1</b>	<b>2.7</b>	<b>2.2</b>	<b>47.5</b>	<b>135.5</b>

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 7.7m as of the balance sheet date (previous year: EUR 8.1m).

Provisions for contingent losses of EUR 31.4m (previous year: EUR 22.0m) were formed in connection with business activities in the context of the planning and construction of environmental infrastructure projects. The provisions result from contractual obligations.



**58. Other current liabilities**

<b>Other current liabilities</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
<b>Financial liabilities</b>		
Liabilities to investments in equity accounted investees	129.7	342.5
Liabilities to non-consolidated subsidiaries	7.3	6.3
Deferred interest expenses	12.1	15.1
Liabilities arising from derivative transactions	231.3	151.7
Leasing liabilities	6.4	5.5
Other financial liabilities	122.5	47.7
	<b>509.3</b>	<b>568.9</b>
<b>Other liabilities</b>		
Contract liabilities	39.5	81.8
Prepayments received	62.6	47.2
Deferred income from network subsidies	63.0	54.3
Liabilities relating to social security	16.5	18.4
Energy taxes	4.0	32.2
Value added tax	8.0	21.1
Other taxes and duties	17.7	14.3
	<b>211.3</b>	<b>269.4</b>
<b>Total</b>	<b>720.7</b>	<b>838.2</b>

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 EnergieAllianz for the distribution and procurement of electricity.

Liabilities from derivative transactions include negative market values of derivatives in the energy sector amounting to EUR 210.8m. In addition, negative market values from forward exchange transactions for environmental infrastructure projects are included.

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

Contractual liabilities mainly relate to advance payments received from customers in the international project business for which revenue was recognised over a certain period of time. The contract liabilities of EUR 81.8m reported in the previous year were recognised as revenue in the 2021/22 financial year.

## Segment reporting

<b>Segment reporting</b>								
EURm	Energy		Generation		Networks		South East Europe	
	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>
External revenue	750.6	300.9	159.5	127.1	517.3	495.1	2,002.4	1,047.4
Internal revenue (between segments)	13.4	10.6	264.5	202.2	63.4	58.6	1.6	0.7
<b>Total revenue</b>	<b>764.1</b>	<b>311.4</b>	<b>424.0</b>	<b>329.3</b>	<b>580.7</b>	<b>553.8</b>	<b>2,003.9</b>	<b>1,048.1</b>
Operating expenses	-797.1	-243.8	-141.9	-119.0	-344.2	-316.5	-1,861.7	-909.0
Share of results from equity accounted investees operational	6.4	120.9	10.8	52.1	-	-	-	-
<b>EBITDA</b>	<b>-26.7</b>	<b>188.6</b>	<b>292.9</b>	<b>262.5</b>	<b>236.5</b>	<b>237.3</b>	<b>142.2</b>	<b>139.0</b>
Depreciation and amortisation	-28.0	-22.0	-32.6	-80.3	-177.7	-142.5	-94.3	-74.0
thereof impairment losses	-6.8	-1.5	-	-0.3	-32.9	-	-16.7	-
thereof revaluation	-	0.3	9.6	2.1	-	-	-	-
<b>Results from operating activities (EBIT)</b>	<b>-54.7</b>	<b>166.6</b>	<b>260.3</b>	<b>184.0</b>	<b>58.8</b>	<b>94.8</b>	<b>48.0</b>	<b>65.0</b>
EBIT margin (%)	-7.2	53.5	61.4	55.3	10.1	17.1	2.4	6.2
Interest income	-	-	0.4	0.5	0.2	0.2	-	-
Interest expense	-2.7	-2.2	-3.0	-20.9	-14.8	-14.2	-12.1	-15.8
Financial results	-2.7	-2.1	-2.4	-20.2	-14.5	-13.9	-12.5	-15.7
<b>Result before income tax</b>	<b>-57.3</b>	<b>164.5</b>	<b>257.9</b>	<b>162.0</b>	<b>44.4</b>	<b>81.0</b>	<b>35.4</b>	<b>49.4</b>
Goodwill	-	-	1.2	1.2	1.8	1.8	-	-
Carrying value of investments in equity accounted investees	1,404.3	656.2	208.6	200.5	-	-	-	-
Total assets	1,914.1	1,142.4	990.9	828.4	2,313.3	2,246.6	1,388.6	1,242.6
Total liabilities	993.3	604.3	398.0	411.2	1,601.4	1,448.0	1,013.4	869.0
Investments <sup>1)</sup>	43.0	21.1	56.6	27.2	334.3	249.0	110.0	100.4

1) In intangible assets and property, plant and equipment

<b>Segment reporting</b>								
EURm	Environment		All Other Segments		Consolidation <sup>1)</sup>		Total	
	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>
External revenue	611.8	405.0	20.6	19.4	–	–	4,062.2	2,394.9
Internal revenue (between segments)	0.5	0.5	75.7	75.2	–419.0	–347.8	–	–
<b>Total revenue</b>	<b>612.3</b>	<b>405.5</b>	<b>96.3</b>	<b>94.6</b>	<b>–419.0</b>	<b>–347.8</b>	<b>4,062.2</b>	<b>2,394.9</b>
Operating expenses	–571.3	–355.1	–106.0	–101.5	415.9	246.8	–3,406.3	–1,798.1
Share of results from equity accounted investees operational	15.6	13.6	66.2	53.0	–	–	98.9	239.6
<b>EBITDA</b>	<b>56.5</b>	<b>64.0</b>	<b>56.5</b>	<b>46.1</b>	<b>–3.2</b>	<b>–101.0</b>	<b>754.8</b>	<b>836.5</b>
Depreciation and amortisation	–91.4	–37.5	–2.4	–2.3	3.2	–91.5	–423.2	–450.1
thereof impairment losses	–58.4	–	–	–	–	–113.1	–114.8	–114.8
thereof revaluation	–	–	–	–	–	–	9.6	2.5
<b>Results from operating activities (EBIT)</b>	<b>–34.9</b>	<b>26.5</b>	<b>54.0</b>	<b>43.8</b>	<b>–</b>	<b>–192.5</b>	<b>331.6</b>	<b>386.4</b>
EBIT margin (%)	–5.7	6.5	56.1	46.3	–	–	8.2	16.1
Interest income	1.3	1.0	24.8	26.0	–21.3	–21.7	5.4	6.1
Interest expense	–8.1	–8.2	–18.3	–19.7	21.2	21.7	–37.9	–59.4
Financial results	–45.5	–10.1	62.6	56.9	–15.5	–15.0	–30.5	–20.0
<b>Result before income tax</b>	<b>–80.3</b>	<b>16.4</b>	<b>116.6</b>	<b>100.7</b>	<b>–15.5</b>	<b>–207.5</b>	<b>301.2</b>	<b>366.4</b>
Goodwill	–	52.9	–	–	–	–	3.0	55.8
Carrying value of investments in equity accounted investees	172.8	145.3	602.4	575.5	–	–	2,388.0	1,577.5
Total assets	1,150.9	979.3	6,575.2	6,528.8	–1,902.4	–1,828.4	12,430.5	11,139.8
Total liabilities	934.6	771.9	2,001.4	2,249.5	–1,832.6	–1,758.6	5,109.3	4,595.4
Investments <sup>2)</sup>	21.4	20.7	2.1	0.1	–3.5	–3.5	564.0	415.0

1) Explained below in the notes to segment reporting

2) In intangible assets and property, plant and equipment

**Segment information by product – revenue**

EURm	2021/22	2020/21
Electricity	2,878.4	1,495.2
Natural gas	170.9	154.6
Heat	198.9	154.5
Environmental services	604.3	398.7
Others	209.7	192.0
<b>Total</b>	<b>4,062.2</b>	<b>2,394.9</b>

**Segment information by country – revenue<sup>1)</sup>**

EURm	2021/22	2020/21
Austria	1,483.6	982.1
Germany	534.5	333.3
Bulgaria	1,320.6	651.0
North Macedonia	684.3	395.2
Others	39.2	33.3
<b>Total</b>	<b>4,062.2</b>	<b>2,394.9</b>

1) The allocation of segment information by countries is based on the location of the companies.

**Segment information by country – non-current assets<sup>1)</sup>**

EURm	30.09.2022		30.09.2021	
	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	163.9	2,941.7	136.7	2,773.8
Germany	0.8	11.5	41.3	12.0
Bulgaria	11.9	539.4	21.9	530.0
North Macedonia	14.3	353.9	16.6	337.6
Others	–	34.0	–	38.7
<b>Total</b>	<b>190.9</b>	<b>3,880.4</b>	<b>216.5</b>	<b>3,692.1</b>

1) The allocation of segment information by countries is based on the location of the companies.

## 59. Notes to segment reporting

The segments of business cover the following activities:

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

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

2) 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. The comparative figures for previous periods include the 49% stake in STEAG-Walsum 10 Kraftwerksgesellschaft mbH, which was deconsolidated as of 30 September 2021 following its sale and the simultaneous termination of the power purchase agreement from the Walsum 10 power plant. In this respect, there were reconciliation amounts before deconsolidation resulting from the difference between the separate consideration of the Energy and Generation segments and the Group level with regard to the inclusion of STEAG-EVN Walsum Kraftwerksgesellschaft mbH as a joint operation.

**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

### 60. 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.

<b>Cash and cash equivalents</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
Cash	292.0	122.5
thereof cash on hand	0.1	0.7
thereof cash at banks	291.9	121.8
Bank overdrafts	-255.1	-0.2
<b>Total</b>	<b>36.9</b>	<b>122.3</b>

As of 30 September 2022, EUR 16.8m (previous year: EUR 0.0m) were subject to disposal restrictions and were reclassified from cash and cash equivalents (also see notes **42. Securities and other financial investments** and **43. Assets and liabilities held for sale**).

Network subsidies from the regulated business are released to other operating income (see also note **26. Other operating income**), and those from the non-regulated business to revenue.

<b>Reversal of network and investment subsidies</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
Income from the reversal of network and investment subsidies (regulated business)	53.3	64.8
Revenue from the reversal of network subsidies (non-regulated business)	5.5	5.6
<b>Total</b>	<b>58.8</b>	<b>70.4</b>

The change in financial liabilities, which is primarily attributable to cash flow from financing activities, is shown in the following table:

<b>Cash flow from financing activities</b>				
<b>2021/22 financial year</b>	Current financial liabilities	Non-current financial liabilities	Leasing liabilities	<b>Total</b>
EURm				
<b>Balance on 01.10.2021</b>	<b>318.0</b>	<b>718.9</b>	<b>60.6</b>	<b>1,097.5</b>
Payments received	-	562.0	-	562.0
Payments made	-317.8	-2.0	-6.9	-327.6
Reclassification of liquid funds	254.9	-	-	254.9
Currency translation	-	1.8	-	1.8
Change in fair value	-	-8.3	-	-8.3
Change in costs for the procurement of funds	-	1.6	-	1.6
Other changes	-	-	8.1	8.1
Reclassifications	122.4	-122.4	-	-
<b>Balance on 30.09.2022</b>	<b>377.4</b>	<b>1,150.8</b>	<b>61.8</b>	<b>1,590.0</b>

## Cash flow from financing activities

### 2020/21 financial year

EURm	Current financial liabilities	Non-current financial liabilities	Leasing liabilities	Total
<b>Balance on 01.10.2020</b>	<b>110.0</b>	<b>1,045.3</b>	<b>78.0</b>	<b>1,233.3</b>
Payments received	–	101.0	–	101.0
Payments made	–34.5	–	–7.8	–42.3
Changes in the scope of consolidation	–17.9	–88.2	–	–106.1
Reclassification of liquid funds	–74.4	–	–	–74.4
Currency translation	–	–0.9	–	–0.9
Change in fair value	–	–5.7	–	–5.7
Change in costs for the procurement of funds	–	2.2	–	2.2
Other changes	–	–	–9.6	–9.6
Reclassifications	334.9	–334.9	–	–
<b>Balance on 30.09.2021</b>	<b>318.0</b>	<b>718.9</b>	<b>60.6</b>	<b>1,097.5</b>

## 61. Risk management

Market risk represents the risk that the fair value or future cash flows of a financial instrument fluctuate as the result of market risk factors. Market risk is classified in the following three components: interest rate, foreign exchange and other market risks. The goal of risk management in the EVN Group is to reduce the market-based volatility of earnings on the consolidated statement of operations. To manage market risks, the Group acquires and sells derivatives and also enters into financial liabilities. Wherever possible, hedging transactions should be recognised in order to manage earnings volatility. Other relevant risks include credit or default risk and liquidity risk.

### Interest rate risk

EVN defines interest rate risk as the risk that fluctuations in the fair value or future cash flows of a financial instrument due to changes in the market interest rate could adversely affect interest income and expense as well as equity. This risk is minimised through the regular monitoring of interest rate risk and compliance with limits as well as hedging strategies that include the use of derivative financial instruments (also see notes **9. Financial instruments** and **63. 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 10.7m as of 30 September 2022 (previous year: EUR 2.8m). The strong increase noted here is essentially due to the higher loans and bonds outstanding and the increased volatility on the interest markets.

### 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 at the balance sheet date to hedge foreign exchange risk (see notes **9. Financial instruments** and **50. Non-current loans and borrowings**).



Another material driver for foreign exchange risk is the Umm Al Hayman wastewater treatment project in Kuwait. 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 euro (EUR), US dollar (USD) and Kuwaiti dinar (KWD). In accordance with the relevant Group guideline, foreign exchange risks from expected project transactions are hedged over the next twelve months. This practice can vary for large-scale projects, where hedging can also extend beyond the twelve-month period. Forward exchange transactions are used to hedge currency risk and formally designated in macro-cash flow accounting. These contracts are principally designated as cash flow hedges.

The foreign exchange VaR, based on the major foreign currency risk drivers in the financial area amounted to EUR 1.6m as of 30 September 2022 (previous year: EUR 0.9m) after the inclusion of hedging instruments. The increase is mainly due to the above-mentioned project and the higher volatility on the foreign exchange markets.

#### Other market risks

EVN defines other market risks as the risk of price changes resulting from market fluctuations in primary energy, CO<sub>2</sub> 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<sub>2</sub> emission certificates.

EVN uses futures, forwards and swaps to hedge the prices of the primary energy carriers electricity, natural gas, coal and CO<sub>2</sub> 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 (also see note **63. Reporting on financial instruments**). An increase or decrease of 5% in the price would have resulted in an aggregated commodity price risk of EUR 3.0m for EVN as of 30 September 2022 (previous year: EUR 4.1m).

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 272.0m (previous year: EUR 188.8m), whereby the price would be influenced by the sale of a large block of Verbund shares by EVN. The increase in VaR compared to the last balance sheet date is essentially due to the increased volatility of the stock market price of the shares of Verbund AG in the past financial year.

#### Liquidity risk

Liquidity risk represents the risk of not being able to raise the required financial resources to settle liabilities on their due date as well as the inability to raise the necessary liquidity at the expected terms and conditions. EVN minimises this risk by means of short-term and medium-term financial and liquidity planning. In concluding financing agreements, special attention is paid to managing the terms to maturity in order to achieve a balanced maturity profile and thus avoid the bundling of repayment dates. The EVN Group uses cash pooling to equalise liquidity balances.

The liquidity reserve as of 30 September 2022 comprised cash and cash equivalents of EUR 292.0m (previous year: EUR 122.5m), short-term time deposits of EUR 14.4m (previous year: EUR 16.1m) and current securities of EUR 193.3m (previous year: EUR 383.0m) which can be sold at any time. Moreover, EVN had EUR 400.0m in a contractually agreed and unused syndicated line of credit (previous year: EUR 400.0m) and EUR 227.0m (previous year: EUR 152.0m) of contractually agreed and unused bilateral lines of credit as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 17.0% as of the balance sheet date (previous year: 12.4%) and underscores EVN's sound capital structure.

## Expected occurrence of cash flows of loans and borrowings and other liabilities

<b>30.09.2022</b>					
EURm	Carrying amount	<b>Total payment flows</b>	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	556.7	736.6	15.9	141.9	578.7
Bank loans	716.4	812.0	136.0	279.3	396.8
Lease liabilities	61.8	69.7	7.0	20.8	41.9
Liabilities arising from derivative transactions <sup>1)</sup>	294.4	326.6	268.9	57.7	–
Liabilities from contract costs	20.6	20.6	14.1	6.5	–
<b>Total</b>	<b>1,650.0</b>	<b>1,965.4</b>	<b>441.8</b>	<b>506.2</b>	<b>1,017.4</b>

<b>30.09.2021</b>					
EURm	Carrying amount	<b>Total payment flows</b>	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	611.8	701.4	313.9	123.8	263.7
Bank loans	424.9	517.4	36.6	118.3	362.5
Lease liabilities	60.6	67.7	6.8	21.0	39.9
Liabilities arising from derivative transactions <sup>1)</sup>	179.3	186.3	166.5	19.8	–
Liabilities from contract costs	28.6	28.6	8.7	19.9	–
<b>Total</b>	<b>1,305.2</b>	<b>1,501.4</b>	<b>532.5</b>	<b>302.8</b>	<b>666.1</b>

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 255 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

#### 2021/22 financial year

EURm	Equivalent S&P	Default probability (%) <sup>1)</sup>	Loans receivable	Lease receivables	Bank deposits <sup>2)</sup>	Calculated impairment <sup>3)</sup>
EVN rating class 1	AAA	–	–	3.3	292.0	–
EVN rating class 2	Up to AA–	0.03	–	10.8	–	–
EVN rating class 3	Up to A–	0.06	17.2	–	–	–
EVN rating class 4	Up to BBB–	0.30	11.0	–	–	–
EVN rating class 5a	Up to BB–	1.45	–	–	–	–
EVN rating class 5b	Up to B–	7.47	–	–	–	–
EVN rating class 5c	Up to D	9.87	–	–	–	–
No rating	–	–	1.2	–	–	–
<b>Total</b>		–	<b>29.4</b>	<b>14.1</b>	<b>292.0</b>	–

1) Assumed loss rate (for banks 60%, for corporates 80%)

2) Due to the daily maturity, a one-day probability of default is applied for account balances; for money market deposits, the PoD of the average volume-weighted residual maturity is taken into account.

3) The impairment losses were not recorded because the related amounts are immaterial.

### Major financial instruments covered by the ECL model

#### 2020/21 financial year

EURm	Equivalent S&P	Default probability (%) <sup>1)</sup>	Loans receivable	Lease receivables	Bank deposits <sup>2)</sup>	Calculated impairment <sup>3)</sup>
EVN rating class 1	AAA	–	–	–	122.5	–
EVN rating class 2	Up to AA–	0.03	18.8	6.4	–	–
EVN rating class 3	Up to A–	0.06	12.8	5.7	–	–
EVN rating class 4	Up to BBB–	0.24	7.0	–	–	–
EVN rating class 5a	Up to BB–	0.96	–	3.3	–	–
EVN rating class 5b	Up to B–	6.52	–	–	–	–
EVN rating class 5c	Up to D	28.30	–	–	–	–
No rating	–	–	–	–	–	–
<b>Total</b>		–	<b>38.6</b>	<b>15.4</b>	<b>122.5</b>	–

1) Assumed loss rate (for banks 60%, for corporates 80%)

2) Due to the daily maturity, a one-day probability of default is applied for account balances; for money market deposits, the PoD of the average volume-weighted residual maturity is taken into account.

3) The impairment losses were not recorded because the related amounts are immaterial.

EVN uses the practical expedient provided by IFRS 9.B5.5.35 for trade receivables and calculates the expected credit losses with a provision matrix. The input factors include analyses of default incidents in previous financial years based on different regional characteristics for the core markets. These factors form the basis for the development of a provision matrix with different time ranges.

As a result of the Covid-19 pandemic and the developments in connection with the Ukraine war, EVN did not experience a sharp rise in customer defaults. This is due in particular to the numerous government support measures. However, we expect an increase in bankruptcies after the end of these government measures in view of the current energy price situation as a consequence of the war in Ukraine. As a result, we expect higher receivables defaults in the future. For this reason, the EVN Group has recognised a EUR 6.1m (previous year: EUR 4.1m) higher impairment of trade receivables for the financial year 2021/22 via a forward-looking component.

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 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–1.2	0.0	44.2	44.2	–
Up to 89 days overdue	0.1–1.2	1.5	6.0	5.9	0.1
Up to 179 days overdue	5.5–56.0	29.4	2.2	1.5	0.6
Up to 359 days overdue	7.9–55.2	34.3	2.4	1.5	0.8
>360 days overdue	17.6–100	38.1	8.8	5.5	3.4
<b>Total</b>			<b>63.5</b>	<b>58.6</b>	<b>4.9</b>

### Expected credit losses in Austria 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.1–1.1	0.1	87.2	87.2	0.1
Up to 89 days overdue	0.1–2.2	1.0	4.4	4.4	–
Up to 179 days overdue	7.8–54.5	12.8	1.2	1.0	0.2
Up to 359 days overdue	6.6–54.0	18.6	1.5	1.2	0.3
>360 days overdue	14.4–100.0	30.4	7.1	4.9	2.2
<b>Total</b>			<b>101.4</b>	<b>98.7</b>	<b>2.7</b>

### Expected credit losses in Bulgaria 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.1–1.0	0.22	51.6	51.5	0.1
Up to 89 days overdue	1.0–57.6	4.01	8.5	8.1	0.3
Up to 179 days overdue	59.3–77.7	65.14	0.8	0.3	0.5
Up to 359 days overdue	75.4–98.5	86.71	1.1	0.1	0.9
>360 days overdue	100.0	100.00	13.3	–	13.3
<b>Total</b>			<b>75.2</b>	<b>60.1</b>	<b>15.1</b>

### Expected credit losses in Bulgaria 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.0–0.7	0.1	61.4	61.3	0.1
Up to 89 days overdue	3.2–51.8	6.9	6.7	6.3	0.5
Up to 179 days overdue	6.3–64.4	50.3	1.0	0.5	0.5
Up to 359 days overdue	38.6–93.4	87.3	0.9	0.1	0.8
>360 days overdue	100.0	100.0	13.1	–	13.1
<b>Total</b>			<b>83.1</b>	<b>68.1</b>	<b>14.9</b>

### Expected credit losses in North Macedonia 2021/22

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.4–100	39.98	123.9	74.4	49.6
thereof instalment agreements	17.5–100.0	7.60	65.6	60.6	5.0
thereof without instalment agreements	0.4–36.6	76.43	58.3	13.7	44.6
Up to 89 days overdue	2.4–100.0	9.11	59.9	54.5	5.5
Up to 179 days overdue	42.3–100.0	88.93	10.9	1.2	9.7
Up to 359 days overdue	52.6–100.0	97.04	16.1	0.5	15.7
>360 days overdue	100.0		168.5	–	168.5
<b>Total</b>			<b>379.4</b>	<b>130.5</b>	<b>248.9</b>

### Expected credit losses in North Macedonia 2020/21

EURm

	Default probability range (%)	Default probability average (%)	Gross amount	Net amount	Cumulative impairment loss
Not overdue	0.3–100	38.0	109.7	68.1	41.7
thereof instalment agreements	15.1–100.0	72.8	54.2	14.7	39.5
thereof without instalment agreements	0.3–17.5	3.9	55.5	53.3	2.2
Up to 89 days overdue	0.3–100.0	8.4	17.7	16.2	1.5
Up to 179 days overdue	33.8–100.0	81.0	5.1	1.0	4.2
Up to 359 days overdue	42.1–100.0	96.5	9.0	0.3	8.7
>360 days overdue	100.0	100.0	168.1	–	168.1
<b>Total</b>			<b>309.6</b>	<b>85.5</b>	<b>224.1</b>

The overview of expected credit losses in North Macedonia includes both current and non-current trade receivables. Following the conclusion of instalment agreements with customers in North Macedonia, existing trade receivables were reclassified as non-current. These receivables are not considered part of overdue receivables and, consequently, this category carries a higher average probability of default than the category “up to 89 days overdue”.

The remaining gross trade receivables of EUR 84.4m (previous year: EUR 102.7m) 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 18.1m (previous year: EUR 13.3m) were recognised for receivables with a gross carrying amount of EUR 59.6m that fall into Level 3.

In financial year 2021/22, impairments of EUR 38.0m (previous year: EUR 7.0m) were recognised for trade receivables. The impairments mainly resulted from expected credit losses under consideration of a provision matrix. As in the previous year, no impairment of contract assets was necessary.

The following table shows the development of impairment losses to trade receivables in 2021/22:

<b>Impairment losses – trade receivables</b>	<b>2021/22</b>	<b>2020/21</b>
EURm		
<b>Balance on 01.10.</b>	<b>255.0</b>	<b>264.6</b>
Additions	38.0	7.0
Disposal	–6.0	–16.6
<b>Balance on 30.09.</b>	<b>287.1</b>	<b>255.0</b>

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2022 and 30 September 2021 reflect the carrying amounts shown in notes **39. Other non-current assets**, **41. Trade and other receivables** and **42. Securities and other financial investments**, excluding financial guarantees.

The maximum default risk for derivative financial instruments equals the positive fair value (see note **63. Reporting on financial instruments**).

The maximum risk from financial guarantees is described in note **65. Other obligations and risks**.

## 62. 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 2022, the equity ratio equalled 58.9% (previous year: 58.7%). Net debt coverage, which represents the ratio of funds from operations to net debt, equalled 55.8% (previous year: 92.9%). 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, plus non-current personnel provisions.

<b>Capital management</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EURm		
Non-current loans and borrowings and leasing liabilities	1,206.1	773.9
Current loans and borrowings <sup>1)</sup>	128.8	323.4
Cash and cash equivalents	–36.9	–122.3
Non-current and current securities	–285.6	–473.5
Non-current and current loans receivable	–29.4	–39.6
<b>Net financial debt</b>	<b>983.1</b>	<b>461.9</b>
Non-current personnel provisions <sup>2)</sup>	262.0	351.9
<b>Net debt</b>	<b>1,245.1</b>	<b>813.8</b>
<b>Funds from operations</b>	<b>694.1</b>	<b>756.2</b>
<b>Equity</b>	<b>7,321.1</b>	<b>6,544.3</b>
<b>Gearing (%)</b>	<b>17.0</b>	<b>12.4</b>
<b>Net debt coverage (%)</b>	<b>55.8</b>	<b>92.9</b>

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.

### **63. 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)	30.09.2022		30.09.2021	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current assets</b>						
<b>Other investments<sup>1)</sup></b>						
Investments	FVOCI	Level 3	190.3	190.3	177.0	177.0
Miscellaneous investments	FVOCI	Level 1	3,837.5	3,837.5	3,848.4	3,848.4
<b>Other non-current assets</b>						
Securities	FVTPL	Level 1	68.8	68.8	74.4	74.4
Loans receivable	AC	Level 2	25.1	24.4	35.4	38.5
Lease receivables	AC	Level 2	12.7	12.1	14.0	15.2
Receivables arising from derivative transactions	FVTPL	Level 2	–	–	4.9	4.9
Trade and other receivables	AC		13.9	13.9	10.8	10.8
<b>Current assets</b>						
<b>Current receivables and other current assets</b>						
Trade and other receivables	AC		549.5	549.5	453.6	453.6
Receivables arising from derivative transactions	FVTPL	Level 3	16.2	16.2	58.7	58.7
Receivables arising from derivative transactions	FVTPL	Level 2	10.8	10.8		
Securities	FVTPL	Level 1	216.8	216.8	399.1	399.1
<b>Cash and cash equivalents</b>						
Cash on hand and cash at banks	AC		292.0	292.0	122.5	122.5
<b>Non-current liabilities</b>						
<b>Non-current loans and borrowings</b>						
Bonds	AC	Level 2	556.7	480.1	319.6	367.1
Bank loans	AC	Level 2	594.0	552.7	399.3	467.3
<b>Other non-current liabilities</b>						
Other liabilities	AC		19.2	19.2	33.3	33.3
Liabilities arising from derivative transactions	FVTPL	Level 2	24.1	24.1	11.6	11.6
Liabilities arising from derivative transactions	Hedging	Level 2	39.1	39.1	16.0	16.0
<b>Current liabilities</b>						
<b>Current loans and borrowings</b>						
Trade payables	AC		377.4	377.4	318.0	318.0
<b>Other current liabilities</b>						
Other financial liabilities	AC		278.1	278.1	417.2	417.2
Liabilities arising from derivative transactions	FVTPL	Level 2	97.9	97.9	141.9	141.9
Liabilities arising from derivative transactions	Hedging	Level 2	133.3	133.3	9.8	9.8
<b>thereof aggregated to measurement categories</b>						
Fair value through other comprehensive income	FVOCI		4,027.7	–	4,025.5	–
Financial assets designated at fair value through profit or loss	FVTPL		312.6	–	537.1	–
Financial assets and liabilities at amortised cost	AC		3,155.4	–	2,455.4	–
Financial liabilities designated at fair value through profit or loss	FVTPL		122.1	–	153.5	–

1) See note 10. Other investments

<b>Net results by measurement category<sup>1)</sup></b>				
EURm	<b>2021/22</b>		<b>2020/21</b>	
Classes	<b>Net result</b>	<b>Of which impairment losses</b>	<b>Net result</b>	<b>Of which impairment losses</b>
Fair value through other comprehensive income (FVOCI)	–	–	–	–
Financial assets at amortised cost (AC)	–79.7	–52.7	–15.6	–7.0
Financial assets and liabilities at fair value through profit or loss (FVTPL)	–7.4	–	–92.2	–
Financial assets and liabilities (hedging)	–6.8	–	5.1	–
Financial liabilities at amortised cost (AC)	8.1	–	5.5	–
<b>Total</b>	<b>–85.8</b>	<b>–52.7</b>	<b>–97.2</b>	<b>–7.0</b>

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	30.09.2022					30.09.2021				
	Nominal value <sup>1)</sup>		Fair values <sup>2)</sup>			Nominal value <sup>1)</sup>		Fair values <sup>2)</sup>		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
<b>Forward exchange transactions</b>										
KWD <sup>3)</sup>	–	81.2	–	–25.6	–25.6	–	89.5	–	–11.2	–11.2
USD <sup>3)</sup>	–	174.7	–	–19.5	–19.5	–	174.7	–	–4.8	–4.8
USD	–	40.0	–	–0.1	–0.1	–	–	–	–	–
BHD	–	33.4	–	–1.5	–1.5	–	–	–	–	–
KWD	–	3.5	–	–0.2	–0.2	–	–	–	–	–
PLN	–	4.9	–	–	–	–	–	–	–	–
<b>Currency swaps</b>										
JPYm (>5 years) <sup>3)</sup>	10,000.0	–	–	–11.1	–11.1	10,000.0	–	–	–4.4	–4.4
<b>Interest rate swaps</b>										
EURm (<5 years) <sup>3)</sup>	–	–	–	–	–	10.6	–	–	–0.1	–0.1
<b>Derivatives energy</b>										
Swaps	2.7	–4.3	10.0	–8.4	1.6	24.5	47.9	30.6	–7.2	23.5
Futures	25.4	32.3	3.1	–0.5	2.6	–	–	–	–	–
Forwards	32.5	–151.1	37.6	–92.6	–54.9	152.4	126.0	32.5	–141.6	–109.1
Forwards <sup>3) 4)</sup>	107.6	–198.7	24.3	–183.0	–158.7	3.5	31.9	0.7	–10.3	–9.7

1) In m nominal currency

2) In EURm

3) Designated as a hedge in accordance with IFRS 9

4) EUR 31.8m negative market value recognised in the consolidated statement of operations at the beginning of the hedging relationship

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 **61. 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 derivatives and evaluated to determine whether the relationship with the respective hedges was or will be effective. Possible sources of ineffectiveness are, for example, timing shifts or a change in the volume of an existing underlying transaction as well as adjustments for the credit risk of hedges and underlying transactions. All measures are based on internal guidelines.

The EVN Group applied the hedge accounting rules under IFRS 9 to hedge a bond issued in JPY (see note **50. Non-current loans and borrowings**) as well as for the hedging of the currency risk from the Umm Al Hayman wastewater treatment project. In addition, derivative financial instruments were used as part of cash flow hedge accounting to hedge the price risk from the planned future income from electricity sales at variable prices.

### **JPY bond**

The hedge of the JPY bond primarily involves EUR/JPY cross-currency swaps. These cross-currency swaps (for a nominal value of JPY 12bn up to 15 January 2019 and for a nominal value of JPY 10bn since that date) represent a fair value hedge and are recorded and measured in the treasury management system, designated as a hedge and documented. The corresponding change in the bond liability from the hedge represents a contrary movement to the market value of the swaps. The results from the hedge of the JPY bond with cross-currency swaps totalled EUR 1.0m in 2021/22 (measurement of the bond EUR 7.8m and measurement of the swaps EUR –6.8m; previous year: earnings effect EUR 0.5m, including measurement of the bond EUR –5.6m and measurement of the swaps EUR 5.1m) 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 2022: EUR –0.3m and as of 30 September 2021: EUR –0.5m).

### **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, interest rate swaps are used to exchange variable for fixed interest. The interest rate swap for EVN Naturkraft expired in the financial year 2021/22.

### **Umm Al Hayman**

EVN concluded forward exchange contracts to hedge the planned net foreign currency cash flows from the Umm Al Hayman project. These contracts were concluded in the year the contract was accepted and hedge the full amount of the expected payments. A Group guideline requires the critical terms of these forward exchange contracts to reflect the hedged transaction as best as possible. The hedging does not result in any ineffectiveness if the expectations for the timing and amount remain unchanged.

EVN establishes the existence of an economic relationship between the hedging instrument and the hedged transaction based on the currency, amount and timing of the respective cash flows. The dollar-offset derivative method is used to evaluate whether the derivative designated in each hedge will presumably be, and was, effective in offsetting changes in the cash flows from the hedged transaction.

### **Portfolio hedge**

EVN implemented a portfolio hedge for the first time in 2020/21 to hedge the risk from the marketing of the Group's own electricity production. Under cash flow hedge accounting as defined by IFRS 9, derivative financial instruments used to hedge the price risk from planned future income from electricity sales are carried at variable prices. The underlying transaction represents the portfolio of future highly probable sales of electricity produced by the EVN Group in Austria.

Evaluating the effectiveness of the hedge involves demonstrating an economic relationship between the underlying transaction and the hedging instrument. In addition, the default risk may not have a dominant influence on the changes in value. The prospective effectiveness assessment principally takes place on a qualitative basis in accordance with the critical terms match method, which compares the key conditions of the hedging instrument with the underlying transaction. In order to minimise the risk of ineffectiveness from over-hedging, the hedges are not concluded for the total planned sales volumes. The major conditions between the hedging instruments and planned cash flows agree, and it is therefore assumed that the changes in the value of the hedging instruments will be offset in full by the changes in future cash flows. The hedged risks to which both the underlying transaction and hedging instrument are exposed therefore have an opposite influence on the value of the underlying transaction and hedging instrument.

<b>Fair value hedging instruments – 30.09.2022</b>					
EURm	Carrying amount		Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	-11.1	–	Other non-current assets	10.0 <sup>1)</sup>	-6.8

1) JPYbn

<b>Fair value hedging instruments – 30.09.2021</b>					
EURm	Carrying amount		Balance sheet position	Nominal amount	Change in fair value
Cross-currency swaps	-4.4	–	Other non-current assets	10.0 <sup>1)</sup>	5.1

1) JPYbn

<b>Fair value hedge – underlying transaction 30.09.2022</b>					
EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	-70.9	-2.3	Non-current financial liabilities	10.0 <sup>1)</sup>	7.8

1) JPYbn

<b>Fair value hedge – underlying transaction 30.09.2021</b>					
EURm	Carrying amount	Fair value adjustment	Balance sheet position	Nominal amount	Change in fair value
JPY bond	-79.0	-3.0	Non-current financial liabilities	10.0 <sup>1)</sup>	-5.6

1) JPYbn

<b>Cash flow hedging instruments – 30.09.2022</b>					
EURm	Carrying amount		Balance sheet position	Nominal amount	Change in fair value
FX-forwards (KWD/EUR)	-25.6		Other current/non-current liabilities	81.2 <sup>1)</sup>	-14.4
FX-forwards (USD/EUR)	-19.5		Other current/non-current liabilities	174.7 <sup>2)</sup>	-14.8
Purchase of electricity forwards	-19.9		Other current/non-current liabilities	107.6	-20.6
Sale of electricity forwards	-138.7 <sup>3)</sup>		Other current/non-current liabilities	-198.7	-96.6

1) Nominal amount in KWDm

2) Nominal amount in USDm

3) EUR 31.8m negative market value recognised in the consolidated statement of operations at the beginning of the hedging relationship

### Cash flow hedging instruments – 30.09.2021

EURm	Carrying amount	Balance sheet position	Nominal amount	Change in fair value
Interest rate swaps ENK (French lease)	-0.1	Other current/non-current liabilities	13.2	0.5
FX-forwards (KWD/EUR)	-11.2	Other current/non-current liabilities	89.5 <sup>1)</sup>	-9.1
FX-forwards (USD/EUR)	-4.8	Other current/non-current liabilities	174.7 <sup>2)</sup>	-2.9
Bank balance/Contract assets (KWD)	102.4	Bank balance/Contract assets	35.8 <sup>1)</sup>	1.5
Bank balance (USD)	-43.0	Bank balance	-49.8 <sup>2)</sup>	-1.0
Purchase of electricity forwards	0.7	Other current/non-current liabilities	3.5	0.7
Sale of electricity forwards	-10.3	Other current/non-current liabilities	31.9	-10.3

1) Nominal amount in KWDm

2) Nominal amount in USDm

### Cash flow hedges – underlying transactions 30.09.2022

EURm	Change in fair value	Reserve for measurement of cash flow hedges
Proceeds from sales (Firm commitment)	-43.1	-43.8
Disbursements for procurements (Planning and firm commitment)	-	-
Proceeds from sales (Firm commitment)	-35.6	-35.8
Disbursements for procurements (Planning and firm commitment)	-	-
Purchase of electricity forwards	-9.8	-19.9
Sale of electricity forwards	-137.1	-106.9

### Cash flow hedges – underlying transactions 30.09.2021

EURm	Change in fair value	Reserve for measurement of cash flow hedges
ENK (French lease)	0.5	0.1
Proceeds from sales (Firm commitment)	9.1	-10.0
Disbursements for procurements (Planning and firm commitment)	-1.5	3.4
Proceeds from sales (Firm commitment)	2.9	-4.3
Disbursements for procurements (Planning and firm commitment)	1.0	-1.8
Purchase of electricity forwards	0.7	0.7
Sale of electricity forwards	-10.3	-10.3

### Effects on the statement of comprehensive income, statement of financial position and statement of operations 30.09.2022

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 adjustment
DBO project (KWD)	-43.1	-	-	-9.3	Revenue	-
BOT project (USD)	-35.6	-	-	-4.1	Revenue	-
Disbursements for procurements (Planning and firm commitment)	-	-	-	-	-	3.4
Disbursements for procurements (Planning and firm commitment)	-	-	-	-	-	-1.8
Purchase of electricity forwards	-9.8	-	-	10.8	Revenue	-
Sale of electricity forwards	-137.1	-	-	-40.5	Revenue	-

Effects on the statement of comprehensive income, statement of financial position and statement of operations 30.09.2021	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 adjustment
EURm						
Debt financing STEAG-EVN Walsum 10 Kraftwerksgesellschaft	1.6	–	Other financial results	12.3	Interest expense	–
ENK (French lease)	0.5	–	–	–	–	–
DBO Project (KWD)	9.5	–	–	–1.4	Revenue	–
BOT Project (USD)	2.9	–	–	–	Revenue	–0.3
Purchase of electricity forwards	0.7	–	–	–	Revenue	–
Sale of electricity forwards	–10.3	–	–	–	Revenue	–

#### Expected occurrence of cash flows from forward exchange transactions 30.09.2022

Million foreign currency or exchange rate

	< 1 year	> 1 year
USD		
Nominal amount in USD	93.7	81.0
Average USD/EUR forward rate	1.1703	1.0742
KWD		
Nominal amount in KWD	26.5	54.6
Average KWD/EUR forward rate	0.3363	0.3489

#### Expected occurrence of cash flows from forward exchange transactions 30.09.2021

Million foreign currency or exchange rate

	< 1 year	> 1 year
USD		
Nominal amount in USD	106.0	68.7
Average USD/EUR forward rate	1.2058	1.2058
KWD		
Nominal amount in KWD	63.7	25.8
Average KWD/EUR forward rate	0.3713	0.3772

#### 64. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 264 under **EVN's investments**.

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2021/22 is provided below.

The share of results from equity accounted investees with operational nature is reported as part of the results from operating activities (EBIT).

The following table shows the equity accounted investees with operational nature:

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**Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2022 in accordance with IFRS 11**

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**Company**

Bioenergie Steyr GmbH

Biowärme Amstetten-West GmbH

Degremont WTE Wassertechnik Praha v.o.s.

EnergieAllianz

EVN KG

EVN-WE Wind KG

Fernwärme St. Pölten GmbH

Fernwärme Steyr GmbH

RAG

Ashta

sludge2energy

Umm Al Hayman Wastewater Treatment Company KSPC

ZOV

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**Associates that were included at equity in the consolidated financial statements as of 30.09.2022 in accordance with IAS 28**

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**Company**

Burgenland Energie

Verbund Innkraftwerke

ZOV UIP

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The following table provides summarised financial information on each individually material joint venture included in the consolidated financial statements:

<b>Financial information of material joint ventures</b>								
EURm								
	<b>30.09.2022</b>				<b>30.09.2021</b>			
<b>Joint venture</b>	<b>EVN KG</b>	<b>RAG</b>	<b>ZOV</b>	<b>Energie Allianz</b>	<b>EVN KG</b>	<b>RAG</b>	<b>ZOV</b>	<b>Energie Allianz</b>
<b>Statement of financial position</b>								
Non-current assets	160.8	527.7	160.5	77.9	39.4	600.4	179.6	13.5
Current assets	1,134.3	507.8	46.8	2,313.5	766.3	63.1	80.8	941.2
Non-current liabilities	2.1	261.1	–	432.6	0.3	324.0	–	220.8
Current liabilities	462.9	501.7	15.5	757.6	365.2	88.8	46.3	325.2
<b>Reconciliation of the carrying amount of the share of EVN in the joint venture</b>								
Net assets	830.2	272.7	191.8	1,201.3	440.2	250.7	214.1	408.7
Share of EVN in net assets (%)	100.0	100.0	48.50	45.00	100.00	100.00	48.50	45.00
Share of EVN in net assets	830.2	272.7	93.0	540.6	440.2	250.7	103.8	183.9
+/- Revaluations	–	138.8	5.9	–	–	139.1	–	–
Carrying amount of the share of EVN in the joint venture	830.2	411.4	99.0	540.6	440.2	389.8	103.8	183.9
<b>Statement of operations</b>								
Revenue	703.2	650.1	26.7	2,934.0	432.4	339.5	17.6	1,338.9
Scheduled depreciation and amortisation	–0.6	–40.1	–	–0.6	–0.5	–40.5	–	–0.7
Interest income	0.1	0.7	–	–	–	2.2	28.0	–
Interest expense	–0.1	–1.9	–	–2.0	–	–1.6	–1.1	–0.8
Income tax	–	–17.4	–4.6	0.2	–	–14.9	–5.0	–0.3
Result for the period	7.2	51.9	21.1	–5.5	117.2	47.7	22.6	5.0
Other comprehensive income	409.0	17.9	–0.3	1,165.0	289.2	1.1	2.1	366.2
Comprehensive income	416.2	69.8	20.8	1,159.5	406.4	48.8	24.7	371.2
Dividends received by EVN	76.2	48.0	14.6	–	56.4	45.0	13.0	–

The following table provides summarised financial information on the individually immaterial joint ventures included in the consolidated financial statements:

<b>Financial information of individually immaterial joint ventures (EVN share)</b>		
EURm		
	<b>2021/22</b>	<b>2020/21</b>
Carrying value of the joint ventures as of the balance sheet date	138.7	103.5
Result for the period	7.8	3.9
Other comprehensive income	23.9	9.4
Comprehensive income	31.7	13.3

The following table provides summarised financial information on each individually material associate included in the consolidated financial statements:

<b>Financial information of material associates</b>						
EURm						
<b>Associate</b>	<b>30.09.2022</b>			<b>30.09.2021</b>		
	<b>Verbund IKW</b>	<b>ZOV UIP</b>	<b>Burgenland Energie</b>	<b>Verbund IKW</b>	<b>ZOV UIP</b>	<b>Burgenland Energie</b>
<b>Statement of financial position</b>						
Non-current assets	1,250.9	0.5	842.5	1,190.2	0.3	767.3
Current assets	25.9	5.3	289.8	3.8	8.2	189.8
Non-current liabilities	76.3	–	178.2	63.5	–	182.9
Current liabilities	27.9	1.7	605.9	25.9	5.2	427.3
<b>Reconciliation of the carrying amount of the share of EVN in the associate</b>						
Net assets	1,172.6	4.1	348.4	1,104.7	3.3	346.9
Share of EVN in net assets (%)	13.00	31.00	49.00	13.00	31.00	49.00
Share of EVN in net assets	152.4	1.3	170.7	143.6	1.0	170.0
+/- Revaluations	23.4	0.1	20.3	26.2	–	15.7
Carrying amount of the share of EVN in the associate	175.9	1.4	191.0	169.8	1.0	185.6
<b>Statement of operations</b>						
Revenue	152.9	23.7	528.2	96.2	14.9	336.3
Result for the period	72.3	5.1	23.9	27.3	4.2	20.5
Other comprehensive income	–6.2	–	2.4	–	–	0.1
Comprehensive income	66.1	5.1	26.3	27.3	4.2	20.6
Dividends received by EVN	1.3	1.2	10.3	1.3	1.3	10.3

The consolidated financial statements include no associates that are individually immaterial.

## 65. Other obligations and risks

The commitments entered into by EVN and the related risks are as follows:

<b>Other obligations and risks</b>		
EURm		
	<b>30.09.2022</b>	<b>30.09.2021</b>
Guarantees in connection with energy transactions	82.5	95.2
Guarantees in connection with projects in the Environment Segment	684.1	579.0
Guarantees related to the construction and operation of		
Energy networks	2.0	3.7
Power plants	87.6	98.4
Order obligations for investments in intangible assets and property, plant and equipment	218.5	191.0
Further obligations arising from guarantees or other contractual contingent liabilities	0.1	0.1
<b>Total</b>	<b>1,074.8</b>	<b>967.4</b>
thereof in connection with equity accounted investees	82.0	89.9

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 21.2m (previous year: EUR 10.7m).

Other obligations and risks increased by EUR 107.4m to EUR 1,074.9m compared to 30 September 2021. This change mainly resulted from an increase in guarantees for environmental projects as well as from an increase in scheduled orders for investments in intangible assets and property, plant and equipment. This was offset by a reduction in guarantees in connection with energy transactions and in connection with the construction and operation of power plants.

Contingent liabilities relating to guarantees in connection with energy transactions are recognised in the amount of the actual risk for EVN for those guarantees issued for the procurement or marketing of energy. 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 19.8m as of 30 September 2022. The nominal volume of the guarantees underlying this assessment was EUR 527.5m. As of 31 October 2022, the market price risk was EUR 75.2m based on an underlying nominal volume of EUR 522.1m.

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.

## 66. 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 264 under **EVN's investments**.

The province of Lower Austria holds 51.0% of the shares of EVN AG through NÖ Landes-Beteiligungsholding GmbH, St. Pölten. Therefore, the province of Lower Austria and companies under its control or significant influence are classified as related parties of the EVN Group. Since the province of Lower Austria is a government-related entity which has control over EVN AG due to its majority shareholding, EVN has elected to apply the exemption provided by IAS 24.25. This exemption releases EVN from the requirement to disclose business transactions and outstanding balances with related parties when the related party is a government-related entity. The business transactions with companies under the control or significant influence of NÖ Landes-Beteiligungsholding GmbH are related mainly to the provision of electricity, natural gas, network and telecommunications services.

NÖ Holding GmbH holds 100% of the shares in NÖ Landes-Beteiligungsholding GmbH, which prepares and publishes consolidated financial statements.

Wiener Stadtwerke GmbH acquired 51,000,000 EVN shares on 5 August 2020. The closing of this transaction made the company, which is wholly owned by the city of Vienna, the second largest shareholder of EVN AG with an investment of 28.4%. Since the city of Vienna is a government-related entity which, based on the majority shareholding, can exercise significant influence over EVN AG, the exemption provided by IAS 24.25 was applied. This exemption permits the non-disclosure of business transactions and outstanding balances with related parties when the related party is a government-related entity.

### **Transactions with related parties**

#### **Main shareholder**

EVN AG is part of a joint venture with NÖ Landes-Beteiligungsholding GmbH as the main shareholder and WIENER STADTWERKE GmbH as the minority shareholder. A group and tax equalisation agreement was concluded to regulate the modalities. On the basis of this agreement, EVN AG has included further subsidiaries in this group of companies. This resulted in a current liability of EUR 28.9m to NÖ Landes-Beteiligungsholding GmbH as of 30 September 2022 (previous year: EUR 32.6m). All other business relationships with the main shareholder or companies attributable to the main shareholder are carried out at arm's length.

#### **Wiener Stadtwerke GmbH**

Based on a syndicate agreement, EVN AG and Wiener Stadtwerke GmbH together hold roughly 26% of the voting shares in Verbund AG through their direct and indirect investments (also see note **38. Other investments**).

Based on the group and tax equalisation agreement, there is a current liability to Wiener Stadtwerke GmbH of EUR 8.8m as of 30 September 2022 (previous year: EUR 8.9m).

EnergieAllianz is a joint energy distribution company comprising Burgenland Energie, EVN and Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH. EVN holds 45% of the shares in EnergieAllianz, which is responsible for the trading and sale of electricity, natural gas and energy-related services for industrial, large-scale and business customers.

EVN and Wiener Stadtwerke GmbH jointly operate the project company EVN-Wien Energie Windparkentwicklungs- und Betriebs GmbH & Co KG through their respective subsidiaries, EVN Naturkraft 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 EnergieAllianz 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 the investments in equity accounted investees listed above is as follows:

<b>Transactions with joint ventures included at equity</b>		
EURm	2021/22	2020/21
Revenue	449.1	252.4
Cost of services received	-144.5	-28.4
Trade accounts receivable	50.6	55.2
Other receivables	-	-
Trade accounts payable	120.1	18.7
Other liabilities	-	-
Loans	11.5	20.0
Liabilities from cash pooling	8.2	323.1
Interest income from loans	0.4	0.5

<b>Transactions with associates included at equity</b>		
EURm	2021/22	2020/21
Revenue	-	-
Cost of services received	-16.2	-10.2
Trade accounts receivable	-	-
Trade accounts payable	1.4	0.7

### 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 2021/22 totalled TEUR 1,253.5 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,225.4).

<b>Remuneration of the active Executive Board</b>						
TEUR	2021/22			2020/21		
	Fixed remuneration	Variable remuneration <sup>1)</sup>	Compensation in kind	Fixed remuneration	Variable remuneration <sup>1)</sup>	Compensation in kind
Stefan Szyszkowitz	446.9	127.4	3.4	434.8	129.3	3.3
Franz Mittermayer	417.1	114.4	14.1	405.8	111.7	14.0

1) Corresponds to the amounts paid in the 2021/22 financial year; the variable remuneration depends on the achievement of targets. Details can be found in the remuneration report.

In addition, pension fund contributions made in 2021/22 equalled TEUR 67.6 for Stefan Szyszkowitz (previous year: TEUR 65.8) and TEUR 62.5 for Franz Mittermayer (previous year: TEUR 60.8).

The provision for pension obligations for Stefan Szyszkowitz was reversed in the amount of TEUR -2,313.9 in 2021/22 (thereof TEUR 71.4 interest expense and TEUR -2,609.3 of actuarial gains/losses). In the previous year, the change was TEUR 49.3 (thereof TEUR 64.5 interest expense and TEUR -245.6 of actuarial gains/losses). For Franz Mittermayer, there was a reversal of the provision for pension obligations in the amount of TEUR -1,707.4 (thereof TEUR 90.3 interest expense and TEUR -2,071.3 of actuarial gains/losses). In the previous year, the change was TEUR 164.9 (thereof TEUR 80.5 interest expense and TEUR -193.1 of actuarial gains/losses).

In 2021/22 contributions of TEUR 8.8 (previous year: TEUR 8.7) were made to an external employee fund on behalf of Stefan Szyszkowitz and TEUR 8.3 (previous year: TEUR 8.1) 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 1,008.4 in 2021/22 (previous year: TEUR 1,159.3).

For severance payments and pensions for active members of senior management, there was income of TEUR –575.0 in total, consisting of the utilisation of provisions as well as pension fund contributions and contributions to the employee pension fund (thereof TEUR 35.0 interest expense and TEUR –1,155.4 of actuarial gains/losses) and in the previous year an expense of TEUR 445.5 (thereof TEUR 28.7 interest expense and TEUR 65.0 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 IAS 19, actuarial gains and losses are recorded under other comprehensive income.

The Supervisory Board remuneration totalled TEUR 156.7 in 2021/22 (previous year: TEUR 154.7). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of TEUR 98.4 during the reporting year (previous year: TEUR 104.9).

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 2021/22. The resulting items outstanding as of 30 September 2022 are reported under trade accounts receivable.

### **67. Significant events after the balance sheet date**

The following significant events occurred between the balance sheet date of 30 September 2022 and the release for publication of the consolidated financial statements on 23 November 2022:

On 18 November 2022, the Austrian federal government announced the implementation of EU Regulation 2022/1854 on emergency measures in response to high energy prices, which in particular provides for a temporary revenue cap for inframarginal electricity generation and an energy crisis contribution for fossil fuels. EVN is evaluating the effects of the new provisions.

### **68. Information on management and staff**

The corporate bodies of EVN AG are:

#### **Executive Board**

Stefan Szyszkowitz – Spokesman of the Executive Board

Franz Mittermayer – Member of the Executive Board

**Supervisory Board****Chairwoman**

Bettina Glatz-Kremsner

**Vice-Chairmen**

Norbert Griesmayr

Willi Stiowicek

**Members**

Georg Bartmann

Maria Patek

Peter Weinelt

Gustav Dressler

Angela Stransky

Friedrich Zibuschka

Philipp Gruber

**Employee representatives**

Friedrich Bußlehner

Paul Hofer

Irene Pugl

Monika Fraißl

Uwe Mitter

**69. Approval of the 2021/22 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 14 December 2022 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

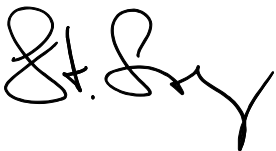
**70. Auditing fees**

EVN's consolidated financial statements and annual financial statements for the 2021/22 financial year were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The costs for BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, totalled EUR 0.5m (previous year: EUR 0.3m) and were distributed as follows: 52.1% for auditing services (previous year: 76.6%), 15.6% for audit-related services (previous year: 6.8%) and 32.3% for other consulting services (previous year: 16.7%). Auditing and consulting fees for the Group amounted to EUR 0.8m for the reporting year (previous year: EUR 0.5m), whereby 67.0% (previous year: 86.2%) are attributable to auditing, 14.0% (previous year: 4.0%) to audit-related services and 19.0% (previous year: 9.8%) to other consulting services.

Maria Enzersdorf, 23 November 2022

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 $\geq 20.0\%$ as of 30 September 2022

#### 1.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Ashita Beteiligungsverwaltung GmbH ("Ashita"), Vienna	EVN Naturkraft	49.99	31.12.2021	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2022	E
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	31.12.2021	E
Elektrozpredelenie Yug EAD ("EP Yug"), Plovdiv, Bulgaria	BG SN Holding	100.00	31.12.2021	V
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2022	E
EVN Bulgaria Elektrosnabdavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	BG SV Holding	100.00	31.12.2021	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2021	V
EVN Bulgaria Fernwärme Holding GmbH ("BG FW Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria RES Holding GmbH ("EVN Bulgaria RES"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2022	V
EVN Bulgaria Stromerzeugung Holding GmbH ("BG SE Holding"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2022	V
EVN Bulgaria Stromnetz Holding GmbH ("BG SN Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria Stromvertrieb Holding GmbH ("BG SV Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	BG FW Holding	100.00	31.12.2021	V
EVN Croatia Plin d.o.o ("EVN Croatia"), Zagreb, Croatia	Kroatien Holding	100.00	31.12.2021	V
ELEKTRODISTRIBUCIJA DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Energievertrieb GmbH & Co KG ("EVN KG"), Maria Enzersdorf	EVN	100.00	30.09.2022	E
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
EVN Home DOO, Skopje, North Macedonia	EVN Macedonia/ EVN Supply	100.00	31.12.2021	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Bulgaria RES	100.00	31.12.2021	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Kroatien Holding GmbH ("Kroatien Holding"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, North Macedonia	EVN Mazedonien	90.00	31.12.2021	V
EVN Macedonia Elektrani DOOEL, Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Macedonia Elektrosnabduvanje DOOEL ("EVN Supply"), Skopje, North Macedonia	EVN Macedonia	100.00	31.12.2021	V
EVN Mazedonien GmbH ("EVN Mazedonien"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
evn naturkraft Erzeugungsgesellschaft m.b.H. ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2021	V
EVN Trading DOOEL, Skopje, North Macedonia	EVN Trading SEE	100.00	31.12.2021	V
EVN Trading South East Europe EAD ("EVN Trading SEE"), Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2021	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Wärmekraftwerke GmbH ("EVN Wärmekraftwerke"), Maria Enzersdorf	EVN/EVN Bet. 52	100.00	30.09.2022	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 2021/22
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2022	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2021	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2022	E
Hydro Power Company Gorna Arda AD, Sofia, Bulgaria	BG SE Holding	76.00	31.12.2021	V
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
Netz Niederösterreich GmbH ("Netz Niederösterreich"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
Verbund Innkraftwerke GmbH ("Verbund Innkraftwerke"), Töging, Germany <sup>1)</sup>	EVN Naturkraft	13.00	31.12.2021	E
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2022	V

1) This company is included in the consolidated financial statements at equity and presented in the above table despite a participation interest  $\leq 20.0\%$  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 2021/22
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	807 (765)	135 (93)	31.12.2021 (31.12.2020)	NV
cyberGRID Verwaltungs GmbH, Vienna	EVN	100.00	5 (-)	- (-)	31.03.2022	NV
cyberGRID GmbH & Co KG, Vienna	EVN	100.00	565 (-)	-137 (-)	31.03.2022 (-)	NV
Energie Zukunft Niederösterreich GmbH ("EZN"), Heiligenkreuz	EVN	50.00	1,122 (-)	-428 (-)	31.12.2021 (-)	NE
EVN Macedonia Holding DOOEL, Skopje, North Macedonia	EVN	100.00	413 (424)	-11 (-13)	31.12.2021 (31.12.2020)	NV
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf	EVN Naturkraft	50.00	881 (389)	-28 (-46)	30.09.2022 (30.09.2021)	NE
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH ("EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	37 (36)	1 (1)	30.09.2021 (30.09.2020)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	286 (134)	152 (109)	31.12.2021 (31.12.2020)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	39 (47)	3 (3)	31.12.2021 (31.12.2020)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	9,235 (8,837)	397 (351)	31.12.2021 (31.12.2020)	NE
Netz Niederösterreich Beteiligung 31 GmbH ("Netz Bet. 31"), Maria Enzersdorf	Netz Niederösterreich	100.00	14,923 (14,925)	-2 (-3)	30.09.2022 (30.09.2021)	NV
Netz Niederösterreich Liegenschaftsbesitz 31 GmbH, Maria Enzersdorf	Netz Bet. 31	100.00	15,427 (15,344)	187 (418)	30.09.2022 (30.09.2021)	NV

## 2. EVN's investments in the environmental services business $\geq 20.0\%$ as of 30 September 2022

### 2.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2022	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic	WTE	35.00	31.12.2021	E
EVN Beteiligung 52 GmbH ("EVN Bet. 52"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2022	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2022	V
EVN Wasser GmbH ("EVN Wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2022	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2021	V
OOO EVN Umwelt, Moscow, Russia	EVN UBS	100.00	31.12.2021	V
sludge2energy GmbH ("sludge2energy"), Berching, Germany	WTE	50.00	31.12.2021	E
Storitveno podjetje Laško d.o.o., Laško, Slovenia	WTE	100.00	30.09.2022	V
Umm Al Hayman Holding Company WLL, Kuwait City, Kuwait	WTE	50.00	31.12.2021	E
WTE Abwicklungsgesellschaft Kuwait mbH, Essen, Germany <sup>1)</sup>	International	100.00	30.09.2022	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany <sup>1)</sup>	WTE	100.00	30.09.2022	V
WTE International GmbH ("International"), Essen, Germany	WTE	100.00	30.09.2022	V
WTE O&M Kuwait Sewerage Treatment O.P.C., Kuwait City, Kuwait	International	100.00	30.09.2022	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE	100.00	31.12.2021	V
WTE Projektna družba Bled d.o.o., Bled, Slovenia	WTE	100.00	30.09.2022	V
WTE Wassertechnik GmbH ("WTE"), Essen, Germany	EVN Bet. 52	100.00	30.09.2022	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warsaw, Poland	WTE	100.00	30.09.2022	V
Zagrebačke otpadne vode d.o.o. ("ZOV"), Zagreb, Croatia	WTE	48.50	31.12.2021	E
Zagrebačke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Croatia	WTE	29.00	31.12.2021	E

1) The relief options of § 264 (3) of the German Commercial Code (dHGB) are used.

## 2.2. Not included in the consolidated financial statements of EVN due to immateriality

Company, registered office	Shareholder	Interest %	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2021/22
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	EVN Umwelt	26.00	260 (234)	190 (164)	31.12.2021 (31.12.2020)	NE
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE	100.00	0 (-)	-1.006 (-)	30.09.2022 (30.09.2021)	NV
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH in Ligu. ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/ Utilitas	100.00	94 (-)	-5 (-)	30.09.2022 (30.09.2021)	NV
JV WTE Tecton Azmeel W.L.L, Al Seef (Manama), Bahrain	WTE	50.00	87 (20)	41 (0)	30.09.2021 (30.09.2020)	NE
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Croatia	WTE	50.00	493 (505)	-12 (-16)	31.12.2021 (31.12.2020)	NE
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbH, Buckow, Germany	WTE	49.00	563 (560)	3 (3)	31.12.2021 (31.12.2020)	NE
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	EVN Wasser	50.00	866 (866)	0 (0)	31.12.2021 (31.12.2020)	NE
WTE Abwicklungsgesellschaft Russland mbH, Essen, Germany	International	100.00	25 (25)	0 (0)	30.09.2022 (30.09.2021)	NV
WTE Baltic UAB, Kaunas, Lithuania	WTE	100.00	256 (203)	16 (16)	30.09.2022 (30.09.2021)	NV
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Betrieb	100.00	-646 (-632)	-13 (-16)	31.12.2021 (31.12.2020)	NV
WTE Projektentwicklung GmbH, Maria Enzersdorf	WTE	100.00	40 (-)	0 (-)	30.09.2022 (30.09.2021)	NV
WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany	International	100.00	24 (25)	-1 (0)	30.09.2022 (30.09.2021)	NV

**3. EVN's investments in other business activities ≥ 20.0%  
as of 30 September 2022**

**3.1. Included in the consolidated financial statements of EVN**

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2021/22
Burgenland Holding Aktiengesellschaft ("Burgenland Holding" or "BUHO"), Eisenstadt	EVN	73.63	30.09.2022	V
Burgenland Energie AG ("Burgenland Energie"), Eisenstadt	BUHO	49.00	30.09.2022	E
EVN Business Service GmbH ("EVN Business"), Maria Enzersdorf	Utilitas	100.00	30.09.2022	V
R138-Fonds, Vienna	EVN/Netz Niederösterreich/ EVN Wasser	100.00	30.09.2022	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2022	V
RAG Austria AG ("RAG"), Vienna	RBG	100.00	31.12.2021	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H ("Utilitas"), Maria Enzersdorf	EVN	100.00	30.09.2022	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 2021/22
EVN Beteiligung 60 GmbH ("EVN Bet. 60"), Maria Enzersdorf	Utilitas	100.00	33 (2,295)	-2 (464)	30.09.2022 (30.09.2020)	NV
EVN Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf	EVN Bet. 60	100.00	27 (2,257)	-8 (468)	30.09.2022 (30.09.2021)	NV
eGi EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	276 (298)	62 (68)	30.09.2022 (30.09.2021)	NE
EVN Energieservices GmbH, Maria Enzersdorf	EVN	50.00	32 (-)	-4 (-)	30.09.2022 (-)	NV

# Auditors' report

## Report on the Consolidated Financial Statements

### Audit Opinion

We have audited the **consolidated financial statements** of

**EVN AG,  
Maria Enzersdorf,**

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of September 30, 2022, the consolidated statement of operations, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of September 30, 2022 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

### Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Accounting of the large-scale project Umm Al Hayman in the international project business
- Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees
- Accounting of derivative financial instruments in connection with energy transactions

### Accounting of the large-scale project Umm Al Hayman in the international project business

#### Facts and references to further information

With a contract volume of more than 1,2 billion EUR attributable to the group, the Umm Al Hayman project is currently the largest construction project in EVN's international project division. The subject of this project is the design and construction of a sewage treatment plant or respectively a sewer network with pumping stations in Kuwait. Contract costs have been capitalized and will be amortized based on the project progress.

Revenue is recognized over the period in which the term of the service was rendered, with the stage of completion being measured based on the cost incurred in relation to the expected total cost. As payments are denominated mainly in Kuwaiti Dinar and US Dollar, derivative financial instruments are used to hedge against exchange rate risks. IFRS 9 hedge accounting is applied, therefore, the cumulative gain or loss on the hedging instruments are recognized in other comprehensive income. The COVID 19 pandemic resulted in delays, which need to be assessed and accounted for. Overall, the project is classified as significant in terms of value for the consolidated financial statements and requires the application of complex accounting methods.

The risk for the consolidated financial statements lies in the uncertainty of the assumptions and estimates needed to account for this large-scale project. These may result in misstatements in the consolidated statement of financial position or the consolidated statement of operations.

#### **Auditing procedure**

During our audit, we have obtained an understanding of the relevant processes and have tested the effectiveness of selected internal controls. Additionally, we have analyzed the accounting instructions and files (accounting template) and have assessed them based on the underlying contracts. We have examined the application of the relevant accounting standards (in particular IFRS 15 – Revenue from contracts with customers and IFRS 9 – Financial instruments regarding hedge accounting). The recorded costs (third party and own work) have been critically reviewed and a detailed document examination on a sample basis was performed. We have inspected the cost and project reports and questioned the commercial and technical project managers on the current construction process. In addition, we have inspected the construction site. Finally, we also reconciled the cost element reports with the general ledger and the bookings were matched to the accounting templates.

#### **Reference to further information**

The principles of revenue recognition for construction projects are disclosed in the notes to the consolidated financial statements in section 20 (Revenue recognition) of the Accounting and valuation policies. Further information to this project can be found in section 23 Discretionary decisions and forward-looking statements, in section 39 Other non-current assets regarding costs for obtaining contracts and in section 61 Risk management regarding foreign exchange risk.

#### **Impairment of intangible assets, property, plant and equipment and investments in equity accounted investees**

##### **Facts and reference to further information**

Intangible assets, property, plant and equipment (PPE) and investments in equity accounted investees with a total carrying amount of EUR 6,459.3 million account for 52 % of total assets of the group as of September 30, 2022.

Accounting standards require an assessment to be made at each reporting date, 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 recognized in prior periods, the Group assesses whether the impairment loss no longer exists and therefore needs to be reversed.

Intangible assets and property, plant and equipment for which no separate future cash flows can be identified are tested for impairment at the level of the cash-generating units. By determining the value in use or, if necessary, the value less costs to sell, estimates must be made regarding the development of revenues and expenses and the resulting cash surpluses, as well as assumptions for determining the discount rate used.

The result of the valuation is therefore subject to estimation uncertainties. A change in the macroeconomic, industry or corporate situation in the future may lead to a reduction in cash-flows and thus to impairment losses. For the consolidated financial statements, there is a risk of incorrect valuation of intangible assets, property, plant and equipment, and investments in equity accounted investees.

#### **Auditing procedure**

During our audit, we have obtained an understanding of how the group monitors impairment triggers. In doing so, we critically assessed the processes implemented to determine whether they are suitable for the valuation of intangible assets, property, plant and equipment,

and investments in equity accounted investees. We also assessed the related key internal controls and evaluated their form, implementation and effectiveness. We critically assessed the triggers for impairments and reversals and have compared them with our own estimates.

We have critically discussed and evaluated the underlying forecasts and assumptions for the valuation and assessed their appropriateness based on current and expected developments and other evidence. In consultation with our valuation specialists, we assessed the measurement technique model, planning assumptions and measurement parameter for selected issues. We assessed the appropriateness of planning estimates by comparing actual cash flows with prior period estimated cash flows on a sample basis and discussing deviations with staff responsible for planning. We agreed that the respective results of the valuations were properly accounted for.

#### **Reference to further information**

The procedures and effects of impairment tests are described in section 22 of the notes to the consolidated financial statements. Further information can be found in section 23 Accounting estimates and forward-looking statements. The effects of impairment tests are presented in section 31 (Depreciation and amortization and effects from impairment tests) and in sections 35 (Intangible assets), 36 (Property, plant and equipment) and 37 (Investments in equity accounted investees) of the notes to the consolidated statement of financial position.

#### **Accounting of derivative financial instruments in connection with energy transactions**

##### **Facts and reference to further information**

The Group uses derivative financial instruments in the energy business to reduce risks related to price changes. The forward and future contracts and swaps concluded for the purchase or sale of electricity, natural gas and CO<sub>2</sub> emission allowances are used to hedge purchase prices for expected electricity and gas supplies or CO<sub>2</sub> emission allowances and to hedge sales prices for planned electricity production. Significant parts of the derivatives existing as of September 30, 2022 were designated as part of hedging relationships (hedge accounting). For hedge accounting, various formal and material criteria must be met. The applicable accounting provisions are to be classified as complex and require extensive descriptions.

The risk for the consolidated financial statements lies in the following: If the criteria for hedge accounting are not met, changes in the fair value of the derivative financial instruments concerned may have to be recognized in profit or loss, which in view of the high volatility of the fair values could have a significant impact on profit or loss for the annual result.

##### **Auditing procedure**

As part of our audit procedures, we analyzed the organization of energy trading at EVN AG and assessed the internal control system across the trading and valuation processes. In doing so, we assessed the organizational structure and workflows as well as the risk management and risk monitoring processes, including the trading software used. In this context, we have also assessed whether the conditions for the application of hedge accounting rules are met. In addition, we obtained third-party confirmations from trading partners and traced the valuation of the derivatives and their recognition in the consolidated financial statements. We agreed that the required disclosures are included in the notes to the consolidated financial statements.

##### **Reference to further information**

The principles for accounting for derivative financial instruments in connection with energy transactions are presented in the notes to the consolidated financial statements in section 9 (Derivative financial instruments) under accounting policies. Further details can be found in section 63 (Reporting on financial instruments) in the subsection "Derivative financial instruments and hedging transactions" to the extent that they relate to the energy sector. Changes in the fair value of derivative financial instruments to which the rules of cash flow hedges are applied and which are recognized directly in equity are covered in note section 47 (Valuation reserves).

### **Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

We received the non-financial report and the consolidated corporate governance report before the date of the auditor's report, and we expect to receive the remaining parts of the annual report after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.



We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal Requirements

### Comments on the management report for the group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

### Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

### Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

### Additional information in accordance with Article 10 of the EU Regulation

We were elected as auditor by the ordinary general meeting on February 3, 2022. We were appointed by the Supervisory Board on February 4, 2022. We have been appointed to audit the consolidated financial statements without interruption since the 2020/21 financial year.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

### Responsible austrian certified public accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Gerhard Posautz, Certified Public Accountant.

Vienna, November 23, 2022

BDO Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

**Gerhard Posautz**  
Auditor

**Peter Bartos**  
Auditor

This report is a translation of the original report in German, which is solely valid.