



## Letter to Shareholders HY. 1 2020 / 21

1 October 2020 – 31 March 2021  
Half-year financial report

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# Key figures

		2020/21 HY. 1	2019/20 HY. 1	+/- %	2020/21 Q. 2	2019/20 Q. 2	+/- %	2019/20
<b>Sales volumes</b>								
Electricity generation volumes	GWh	2,079	2,146	-3.1	1,032	1,052	-1.9	3,785
thereof from renewable energy	GWh	1,112	1,155	-3.7	569	611	-6.9	2,250
Electricity sales volumes to end customers	GWh	10,976	10,905	0.7	5,802	5,851	-0.8	19,813
Natural gas sales volumes to end customers	GWh	4,167	3,907	6.7	2,341	2,188	7.0	4,957
Heat sales volumes to end customers	GWh	1,733	1,581	9.6	949	874	8.7	2,303
<b>Consolidated statement of operations</b>								
Revenue	EURm	1,284.8	1,194.4	7.6	680.7	618.1	10.1	2,107.5
EBITDA	EURm	535.8	388.8	37.8	202.0	198.2	1.9	590.4
EBITDA margin <sup>1)</sup>	%	41.7	32.6	9.1	29.7	32.1	-2.4	28.0
Results from operating activities (EBIT)	EURm	254.5	230.7	10.3	118.6	111.9	5.9	273.1
EBIT margin <sup>1)</sup>	%	19.8	19.3	0.5	17.4	18.1	-0.7	13.0
Result before income tax	EURm	233.5	201.7	15.8	105.5	93.6	12.8	257.3
Group net result	EURm	176.0	152.7	15.3	82.5	69.7	18.4	199.8
Earnings per share	EUR	0.99	0.86	15.2	0.46	0.39	18.4	1.12
<b>Statement of financial position</b>								
Balance sheet total	EURm	9,342.9	7,268.8	28.5	9,342.9	7,268.8	28.5	8,365.7
Equity	EURm	5,209.0	3,996.5	30.3	5,209.0	3,996.5	30.3	4,543.3
Equity ratio <sup>1)</sup>	%	55.8	55.0	0.8	55.8	55.0	0.8	54.3
Net debt <sup>2)</sup>	EURm	929.9	1,191.2	-21.9	929.9	1,191.2	-21.9	1,037.7
Gearing <sup>1)</sup>	%	17.9	29.8	-12.0	17.9	29.8	-12.0	22.8
<b>Cash flow and investments</b>								
Gross cash flow	EURm	591.0	321.1	84.1	183.2	181.4	1.5	497.1
Net cash flow from operating activities	EURm	311.6	31.2	-	267.9	60.1	-	412.0
Investments <sup>3)</sup>	EURm	155.8	128.4	21.3	69.0	52.2	32.1	367.9
<b>Share performance</b>								
Share price at 31 March	EUR	18.36	13.34	37.6	18.36	13.34	37.6	14.28
Value of shares traded <sup>4)</sup>	EURm	188.3	127.0	48.3	-	-	-	190.1
Market capitalisation at 31 March	EURm	3,303	2,400	37.6	3,303	2,400	37.6	2,569
<b>Employees</b>	∅	<b>7,140</b>	<b>7,021</b>	<b>1.7</b>	<b>7,128</b>	<b>7,026</b>	<b>1.5</b>	<b>7,007</b>

1) Changes reported in percentage points

2) Incl. non-current personnel provisions

3) In intangible assets and property, plant and equipment

4) Vienna Stock Exchange, single counting

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# Highlights

## **Solid business development in the first half of 2020/21**

- Increase in revenue (+7.6%), EBIT (+10.3%) and Group net result (+15.3%)
- Earnings contributions from equity accounted investees with operational nature and non-recurring effect cause an increase in EBITDA (+37.8%), which was partly offset by an impairment loss (also see page 10)
- Only limited influence on earnings from the Covid-19 pandemic; integrated business model and broad customer diversification as stabilising factors

## **Energy sector environment**

- Temperature-related energy demand in Austria above both previous year and long-term average
- Temperatures in South East Europe lower than the unusually mild previous year, but higher than the long-term average
- Wind flows substantially below the previous year and long-term average
- Above-average good water flows
- Market price increases for natural gas, CO<sub>2</sub> emission certificates and base load and peak load electricity

## **Extensive investment programme for the coming years**

- Annual investments of up to EUR 450m, thereof roughly three-fourths in Lower Austria
- Wide-ranging network investments protect supply security, carbon-free energy future and growth in the Networks Segment
- Additional focal points: renewable generation (wind power, photovoltaics and biomass) and drinking water supplies

## **Increase in installed wind power capacity to 376 MW**

- Commissioning of the Kettlasbrunn II wind park (8.4 MW) at the end of December 2020
- Share of renewable generation at 53.5% (previous year: 53.8%)

## **Construction of a biomass combined heat and power plant in Krems**

- 5 MW of electrical and 15 MW of thermal generation
- Investment volume: approximately EUR 40m
- Green electricity for 15,000 households and natural heat for up to 30,000 households
- Start of construction in the first quarter of 2021, planned commissioning in the first quarter of 2023

## **New general contractor assignment in Romania for the international project business**

- Modernisation of a drinking water treatment plant
- Contract volume: approximately EUR 12m

## **Outlook for the 2020/21 financial year confirmed**

- Assuming average framework conditions in the energy business environment, EVN expects Group net result of approximately EUR 200m to EUR 230m in the 2020/21 financial year.
- However, the further course of the corona crisis and the resulting macroeconomic effects could have a negative influence on individual business areas at EVN and, in turn, on the development of earnings for the entire Group.

## **Confirmation of dividend policy**

- EVN's dividend policy is directed to holding the absolute amount of the dividend at least constant at EUR 0.49 per share.

## **EVN returns to the ATX**

- EVN was reincluded in the benchmark index of the Vienna Stock Exchange as of 22 March 2021.

# Interim management report

## General business and energy sector environment

<b>GDP growth</b>	%	<b>2022f</b>	<b>2021f</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
EU-27 <sup>1) 2) 5)</sup>		3.6 to 4.4	4.3 to 4.4	-6.6	1.3	1.9
Austria <sup>1) 2) 3) 5)</sup>		4.0 to 4.7	1.5 to 3.5	-6.6	1.4	2.6
Bulgaria <sup>1) 2) 4)</sup>		3.7 to 4.7	3.3 to 3.5	-4.2 to -5.1	3.7	3.1
Croatia <sup>1) 2) 5)</sup>		4.8 to 6.1	4.5 to 5.0	-8.0 to -9.0	2.9	2.8
North Macedonia <sup>4) 5)</sup>		3.5 to 4.0	3.6 to 3.8	-5.1 to -4.5	3.2	2.9

1) Source: "European Economic Forecast, Spring 2021", EU-Commission, May 2021

2) Source: "Prognose der österreichischen Wirtschaft 2020–2021", IHS, October 2020

3) Source: "Prognose für 2020 und 2021: Zähe Konjunktur nach kräftigem Rebound", WIFO, October 2020

4) Source: "Global Economic Prospects", World Bank, January 2021

5) Source: "World Economic Outlook", International Monetary Fund, October 2020

### General business environment

The Covid-19 pandemic and its severe economic consequences continue to influence the global economy at both the present time and through the outlook for future developments. Economic activity weakened substantially during the first half of 2020 but has recovered steadily since the third quarter. This improvement was supported by the extensive monetary and fiscal measures implemented to limit the negative effects of the pandemic. The eurozone follows a similar course: The decline of roughly 6.6% in 2020 is expected to be followed by growth of 4.3% to 4.4% in 2021 and by 3.6% to 4.4% in 2022.

The Austrian economy should resume its solid growth course in line with the global recovery and the easing of containment measures. The first lockdown in spring 2020 covered nearly all economic sectors, but the latest demand shortfalls have been concentrated in areas directly affected by the restrictions – e. g. the retail trade, tourism and the events sector. Austria's exports of goods and the manufacturing sector remained nearly untouched by the most recent lockdown measures and benefited substantially from the upturn in worldwide industrial production and global goods trade. The high level of uncertainty

<b>Energy sector environment</b>		<b>2020/21 HY.1</b>	<b>2019/20 HY.1</b>	<b>2020/21 Q.2</b>	<b>2019/20 Q.2</b>
<b>Temperature-related energy demand<sup>1)</sup></b>					
Austria	%	104.0	93.2	105.5	93.6
Bulgaria	%	93.4	80.0	97.5	84.0
North Macedonia	%	98.3	84.9	104.4	98.7
<b>Primary energy and CO<sub>2</sub> emission certificates</b>					
Crude oil – Brent	EUR/bbl	41.6	52.1	47.6	46.0
Natural gas – GIMP <sup>2)</sup>	EUR/MWh	16.4	11.6	18.5	10.2
Hard coal – API#2 <sup>3)</sup>	EUR/t	52.7	48.0	56.2	45.2
CO <sub>2</sub> emission certificates	EUR/t	30.5	24.7	33.9	24.1
<b>Electricity – EEX forward market<sup>4)</sup></b>					
Base load	EUR/MWh	41.9	51.3	41.9	51.2
Peak load	EUR/MWh	52.9	63.6	53.1	63.0
<b>Electricity – EPEX spot market<sup>5)</sup></b>					
Base load	EUR/MWh	48.1	35.7	53.9	31.5
Peak load	EUR/MWh	58.9	43.3	64.5	37.9

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

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

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

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

5) EPEX spot – European Power Exchange

EVN's key energy business indicators GWh	2020/21	2019/20	+/-		2020/21	2019/20	+/-
	HY. 1	HY. 1	Nominal	%	Q. 2	Q. 2	%
<b>Electricity generation volumes</b>	<b>2,079</b>	<b>2,146</b>	<b>-67</b>	<b>-3.1</b>	<b>1,032</b>	<b>1,052</b>	<b>-1.9</b>
Renewable energy sources	1,112	1,155	-43	-3.7	569	611	-6.9
Thermal energy sources	968	991	-24	-2.4	463	442	4.9
<b>Network distribution volumes</b>							
Electricity	12,569	12,164	404	3.3	6,604	6,398	3.2
Natural gas <sup>1)</sup>	10,750	10,336	413	4.0	5,516	5,376	2.6
<b>Energy sales volumes to end customers</b>							
<b>Electricity</b>	<b>10,976</b>	<b>10,905</b>	<b>71</b>	<b>0.7</b>	<b>5,802</b>	<b>5,851</b>	<b>-0.8</b>
thereof Central and Western Europe <sup>2)</sup>	4,588	4,422	166	3.7	2,329	2,308	0.9
thereof South Eastern Europe	6,389	6,483	-95	-1.5	3,473	3,544	-2.0
<b>Natural gas</b>	<b>4,167</b>	<b>3,907</b>	<b>261</b>	<b>6.7</b>	<b>2,341</b>	<b>2,188</b>	<b>7.0</b>
<b>Heat</b>	<b>1,733</b>	<b>1,581</b>	<b>151</b>	<b>9.6</b>	<b>949</b>	<b>874</b>	<b>8.7</b>
thereof Central and Western Europe <sup>2)</sup>	1,569	1,425	144	10.1	847	779	8.8
thereof South Eastern Europe	164	156	7	4.8	102	95	7.4

1) Incl. network distribution volumes to EVN power plants

2) Central and Western Europe covers Austria and Germany.

during the past year has subdued consumers' propensity to spend and pushed the savings rate up to 14.5%. However, the gradual easing of controls and increase in vaccination rates should make private consumption a key driver for growth as the year progresses. The Austrian economy contracted by 6.6% in 2020, but real GDP is expected to grow by 1.5% to 3.5% in 2021 and by 4.0% to 4.7% in 2022.

The Covid-19 crisis also had a negative effect on the Bulgarian economy, which declined by approximately 4.5% in 2020. The parliamentary elections in April 2021 failed to bring a clear majority. The formation of a new government is still unresolved, and new elections cannot be excluded. The impact of the pandemic on the economy should weaken with the spring weather and the increase in vaccinations. GDP growth of approximately 3.4% is projected for 2021 and 3.7% to 4.7% for 2022.

The growth course followed by Croatia up to 2019 reversed during 2020 with a decline of up to 9.0%. The generally high dependence on tourism and sharp drop in consumer spending caused by the uncertainty surrounding the pandemic were the main reasons for this turnaround. The global recovery, especially in the eurozone, should create positive impulses for the local economy. GDP forecasts point to growth of 4.5% to 5.0% in 2021 and up to 6.1% in 2022.

In the Republic of North Macedonia, the corona pandemic was also responsible for a decline of 5.0% in the economy. The country has only been able to obtain limited amounts of vaccine to date, and the vaccination process will very likely take longer than

in the neighbouring regions. An increase of roughly 3.7% is, however, still forecasted for 2021 and 3.5% to 4.0% in 2022.

### Energy sector environment

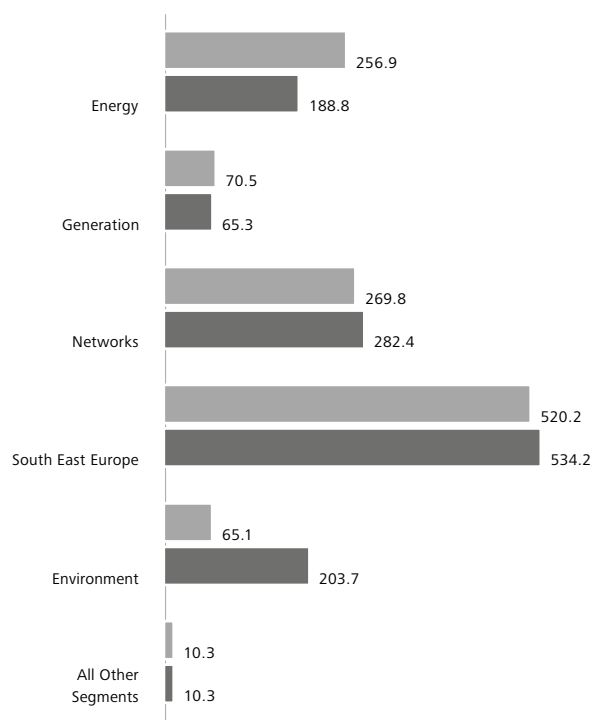
EVN's three core markets reported a year-on-year decline in temperatures during the first half of 2020/21. In Austria, the heating degree total – which defines the temperature-related demand for energy – was 10.7 percentage points higher than the first half of the previous year and also exceeded the long-term average. Bulgaria and North Macedonia each recorded an increase of 13.4 percentage points.

The prices for primary energy and CO<sub>2</sub> emission certificates were heavily influenced by the outbreak of the Covid-19 pandemic and related weaker demand in the first half of the previous year. The progressive improvement of the economy and temperature-related higher demand for energy during the first half of 2020/21 brought a year-on-year increase of 41.5% in the average EEX price for natural gas to EUR 16.4 per MWh and 9.7% in the average price of hard coal to EUR 52.7 per tonne. The price of CO<sub>2</sub> emission certificates rose to an average of EUR 30 per tonne (previous year: approximately EUR 24 per tonne). Additional impulses were also created by the introduction of more stringent targets for the reduction of CO<sub>2</sub> emissions at the EU level.

The market prices for base load and peak load electricity also increased during the first half of 2020/21 in line with the development of primary energy and CO<sub>2</sub> certificate prices. The spot market prices for base load and peak load electricity averaged EUR 48.1 per MWh and EUR 58.9 per MWh and were 34.7% and 35.9%, respectively, higher than the previous year.

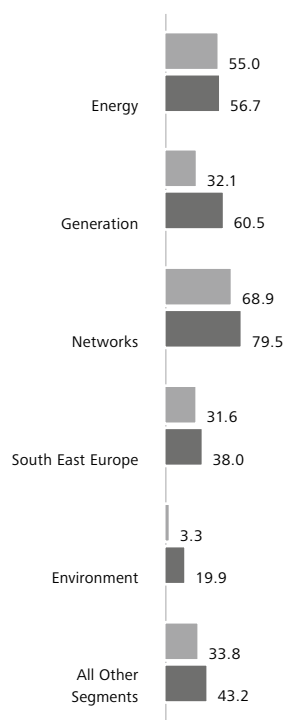
## External revenue by segments HY. 1

EURm  
2019/20  
2020/21



## EBIT by segments HY. 1

EURm  
2019/20  
2020/21



## Business development

### Statement of operations

#### Highlights

- Revenue: +7.6% to EUR 1,284.8m
- EBITDA: +37.8% to EUR 535.8m
- EBIT: +10.3% to EUR 254.5m
- Group net result: +15.3% to EUR 176.0m

Revenue recorded by the EVN Group rose by 7.6% to EUR 1,284.8m in the first half of 2020/21. This growth was supported, primarily, by the international project business and, in this connection, the wastewater treatment plant project

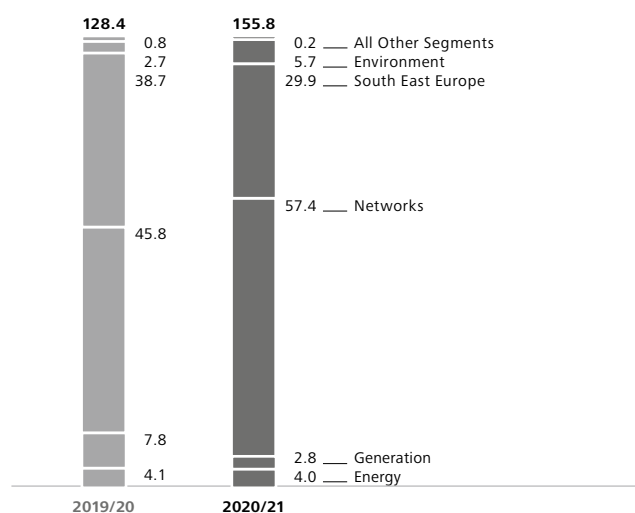
in Kuwait which started in summer 2020. Network sales also increased during the reporting period, whereby positive factors included the cooler weather in all three core markets and the higher network tariffs set by E-Control in Austria as of 1 January 2021. Contrary factors were lower effects from the valuation of hedges for electricity generation and a decline in revenue from natural gas trading.

Other operating income rose to EUR 165.5m (previous year: EUR 41.9m), primarily owing to the effects from the takeover of an additional electricity procurement right from the Walsum 10 power plant (also see page 10).

The cost of electricity purchases from third parties and primary energy expenses increased by 2.4% to EUR 568.7m and involved the recognition of an additional provision for onerous contracts in the second quarter of 2020/21. The decline in revenue from natural gas trading led to a reduction of the related costs.

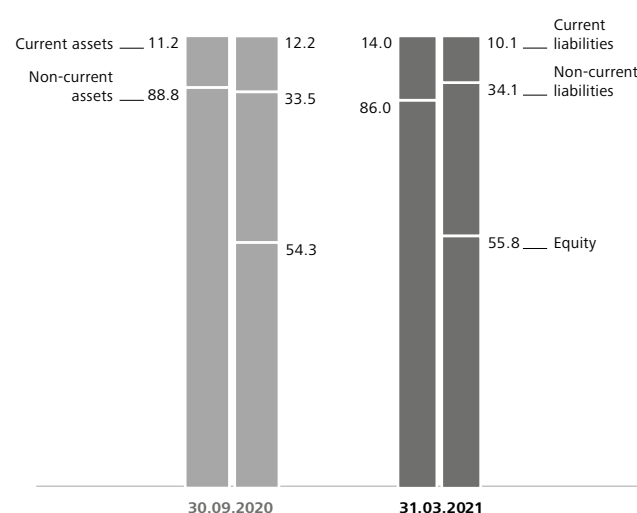
## Structure of investments HY. 1

%, total in EURm



## Balance sheet structure as of the balance sheet date

%



Developments in the international project business were responsible for an increase of 81.4% in the cost of materials and services to EUR 240.8m.

Personnel expenses were 4.1% higher year-on-year at EUR 176.9m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the wastewater treatment plant project in Kuwait. The average number of employees equalled 7,140 in the first half of 2020/21 (previous year: 7,021 employees).

Other operating expenses rose by 9.2% to EUR 55.5m in the first half of 2020/21.

The share of results from equity accounted investees with operational nature amounted to EUR 127.3m (previous year: EUR 61.2m). This year-on-year increase is primarily attributable to an improvement in operating earnings and changes in the valuation effects from hedges held by EVN KG. In addition to higher earnings contributions from RAG and Energie Burgenland, the improvement was also supported by a revaluation of EUR 9.6m to the Ashta hydro-power plant based on a reduction of the country risk premium. In the previous year, an increase in the country risk premium due to the Covid-19 pandemic had led to an impairment loss of EUR 4.9m.

EBITDA recorded by the EVN Group totalled EUR 535.8m in the first half of 2020/21, which represents an increase of 37.8% over the previous year.

Scheduled depreciation and amortisation rose by 17.2% to EUR 168.2m owing to the high level of investment and the amortisation of capitalised project costs for the project in Kuwait. In connection with the takeover of an additional electricity procurement right, an impairment loss of EUR 113.1m was recognised to the Walsum 10 power plant. In the first half of 2019/20, the outbreak of the Covid-19 pandemic and the subsequent increase in country risk premiums had led to the recognition of impairment losses totalling EUR 14.5m. EBIT therefore increased by 10.3% to EUR 254.5m in the first half of 2020/21.

Financial results improved by 27.8% to EUR -21.0m supported, in particular, by better performance of the R 138 fund.

The result before income tax rose by 15.8% year-on-year to EUR 233.5m in the first half of 2020/21. After the deduction of EUR 38.7m (previous year: EUR 33.2m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period equalled EUR 176.0m. This represents an increase of 15.3% over the previous year.



### Statement of cash flows

Gross cash flow for the first half of 2020/21 – which totalled EUR 591.0m (previous year: EUR 321.1m) – includes an adjustment for the non-cash valuation measures related to the takeover of an additional electricity procurement right from the Walsum 10 power plant. Specifically, this involves an impairment loss to the power plant, the premature release of a related network subsidy and the creation of a provision for onerous contracts (also see page 10). The substantial year-on-year increase is therefore based principally on the compensation payment for the takeover of the electricity procurement right. A further contributing factor was the higher balance of dividends from equity accounted investees.

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

Cash flow from investing activities amounted to EUR –295.9m in the first half of 2020/21 (previous year: EUR 57.2m). This development resulted from a year-on-year increase in investments in property, plant and equipment as well as a higher volume of investments in cash funds. A comparison with the previous year must also reflect the fact that investments in cash funds and in the R 138 fund were reduced during 2019/20. The guarantee payment from the Republic of Montenegro for the wastewater treatment plant project in Budva represented a further effect in the previous year.

Cash flow from financing activities totalled EUR –13.9m (previous year: EUR –150.8m). This amount includes the scheduled repayment of financial liabilities and the issue of a green bond through a private placement (nominal value: EUR 101m) as well as the dividend payment for the 2019/20 financial year.

In total, cash flow amounted to EUR 1.8m in the first half of 2020/21 and cash and cash equivalents equalled EUR 141.6m as of 31 March 2021. The EVN Group also had contractually committed, undrawn credit lines of EUR 551.0m at its disposal to service potential short-term financing requirements.

### Statement of financial position

EVN's balance sheet total equalled EUR 9,342.9m as of 31 March 2021 and was 11.7% higher than on 30 September 2020. This growth was supported, in particular, by the development of the Verbund share price, which led to an increase in non-current assets (quoted per share at EUR 62.00 on 31 March 2021 versus EUR 46.68 on 30 September 2020). Another factor was the increase in the carrying amount of equity accounted investees that resulted mainly from a higher

earnings contribution from EVN KG and revaluations recognised through other comprehensive income. In contrast, the impairment loss recognised to the Walsum 10 power plant in the first quarter led to a reduction in property, plant and equipment. Non-current assets rose by a total of 8.2% to EUR 8,034.6m.

Current assets rose by 39.5% to EUR 1,308.2m during the reporting period, chiefly due to a seasonal rise in receivables from the energy and international project businesses. The development of current assets was also influenced by higher investments in cash funds and compensation payments received for the takeover of an additional electricity procurement right.

Equity totalled EUR 5,209.0m as of 31 March 2021 and was 14.7% higher than on 30 September 2020 despite the dividend paid in January 2021 for the 2019/20 financial year.

This substantial increase was based on Group net result for the reporting period and, specifically, on the positive effects of revaluations recorded under equity. Other important factors were the increase in the Verbund share price and the above-mentioned effects from equity accounted investments. The equity ratio equalled 55.8% as of 31 March 2021 (30 September 2020: 54.3%).

Non-current liabilities were 14.0% higher at EUR 3,190.5m. The main factors underlying this development included the increase in non-current tax liabilities which resulted from the higher price of the Verbund share at the end of the reporting period and the creation of a provision for onerous contracts. Non-current financial liabilities were increased by the issuance of a 15-year, bullet repayment green bond with a nominal value of EUR 101m through a private placement, which was contrasted by the reclassification of loans from non-current to current.

Current liabilities declined 7.9% below the level on 30 September 2020 to EUR 943.4m, whereby the main reasons included a lower balance of trade payables as of 31 March 2021, a decrease in financial and tax liabilities, and a reduction in other current liabilities.

### Takeover of an electricity procurement right

EVN took over an additional 150 MW electricity procurement right from the Walsum 10 power plant in December 2020. This transaction will simplify the current contractual relationships with the Walsum 10 power plant against the backdrop of the German law which requires the termination of coal-fired generation. The accounting effects as of 31 March 2021 which resulted from the takeover of the electricity procurement right are described below:

- The takeover of the electricity procurement right and the related marketing risks were offset by a compensation payment to EVN. Part of the compensation payment corresponds to a provision for onerous contracts, which was recognised without recognition to profit or loss and is based on the risk from the marketing of the electricity procurement right which exceeds EVN's investment in the power plant. The remainder of the compensation payment is recorded under other operating income with recognition through profit or loss.
- A construction subsidy collected in the past and reported under non-current liabilities was prematurely released to profit or loss.
- The takeover of the additional electricity procurement right and the related marketing risks led to the recognition of an impairment loss of EUR 113.1m to the Walsum 10 power plant, which is carried under property, plant and equipment at the proportional share of EVN's investment.
- The transaction had a negative effect of EUR 2.0m on the Group's result as of 31 December 2020. Further changes in the energy sector environment led to an addition to the provision for onerous contracts as of 31 March 2021.

## Risk management report

pursuant to § 125 (4) of the Austrian Stock Exchange Act 2018 ("Börsegesetz 2018")

### Risk profile

The risk profile of the EVN Group is influenced, in particular, by common industry risks and uncertainties and especially by political, legal and regulatory challenges. The classification of the related aspects is based on EVN's risk management process.

EVN is continuing to monitor the potential risks and effects of the Covid-19 pandemic. The uncertainties and effects of a pandemic which are relevant for EVN can be assigned to the existing risk categories, in line with the identification as of 30 September 2020. The risks identified in connection with the corona crisis were therefore assessed from a qualitative and quantitative standpoint according to the risk categories listed in the following table.

The overall risk profile has not changed significantly since the end of the previous financial year on 30 September 2020 and therefore remains intact for the remaining six months of the 2020/21 financial year. No future risks can be identified at the present time that could endanger the continued existence of the EVN Group. The following table provides a summary of the material risks and uncertainties to which the EVN Group is exposed.

## EVN's major risks and related risk management measures

Risk category	Description	Measure
<b>Market and competition risks</b>		
<b>Profit margin risk (price and volume effects)</b>	<p>Energy sales and production: failure to meet profit margin targets</p> <ul style="list-style-type: none"> <li>→ Procurement and selling prices (esp. for energy carriers) that are volatile and/or deviate from forecasts</li> <li>→ Weaker demand (above all due to weather/ climate change, politics, reputation or competition)</li> <li>→ Decline in own generation</li> <li>→ Reduced project volume in the environmental services business (in particular due to market saturation, limited resources for infrastructure projects, non-inclusion in or failure to win tenders)</li> </ul> <p>Potential climate risk</p>	Procurement strategy tailored to the market environment; hedging strategies; diversification of customer segments and business areas; product portfolio that reflects customer demands; longer-term sale of power plant capacity
<b>Supplier risk</b>	Cost overruns on planned projects; incomplete performance of contracted services or failure to meet contract obligations	Partnerships; contractual controls wherever possible; third party expert opinions
<b>Financial risks</b>		
<b>Foreign currency risks</b>	Transaction risks (foreign exchange losses) and translation risks on the conversion of foreign currency amounts in the consolidated financial statements; financing for Group companies that does not reflect the respective foreign exchange situation	Monitoring; limits; hedging instruments
<b>Liquidity, cash flow and financing risk</b>	Failure to repay liabilities on schedule or to obtain the required liquidity/funds when needed at the expected conditions; potential climate risk	Long-term, centrally managed financial planning; safeguarding financing requirements (e. g. through credit lines)
<b>Market price risks</b>	Decline in the value of investments (e. g. funds) and listed strategic holdings (e. g. Verbund AG, Burgenland Holding AG); potential climate risk	Monitoring of loss potential via daily value-at-risk calculations; investment guidelines
<b>Counterparty/credit risks (default risks)</b>	Complete or partial failure of a business partner or customer to provide the agreed performance	Contractual construction; credit monitoring and credit limit systems; regular monitoring of customer behaviour; hedging instruments; insurance; systematic diversification of business partners
<b>Investment risks</b>	Failure of a core subsidiary or holding company to meet profit targets; potential climate risk	Representation on corporate bodies of the respective company
<b>Rating changes</b>	Higher refinancing costs due to rating downgrades; potential climate risk	Ensuring compliance with key financial indicators
<b>Interest rate risks</b>	Changes in market rates; increase in interest expense; negative effects of low interest rates on the valuation of assets and provisions and on future tariffs	Use of hedging instruments; fixed interest rates in financing contracts

## EVN's major risks and related risk management measures

Risk category	Description	Measure
<b>Impairment risks</b>	Recognition of impairment losses to receivables, goodwill, investments, generation equipment and other assets (profitability/value significantly dependent on electricity and primary energy prices and energy sector framework conditions); potential climate risk	Monitoring via sensitivity analyses
<b>Guarantee risk</b>	Financial loss due to claim of contingent liabilities; potential climate risk	Limit volume of guarantees as far as possible; routine monitoring
<b>Strategy and planning risks</b>		
<b>Technology risk</b>	Late identification of and reaction to new technologies (delayed investments) or to changes in customer needs; investments in "wrong" technologies; potential climate risk	Active participation in external research projects; own demonstration facilities and pilot projects; ongoing adjustments to keep technologies at the latest level
<b>Planning risk</b>	Model risks; incorrect or incomplete assumptions; lost opportunities	Feasibility studies by experienced, highly qualified employees; monitoring of parameters and regular updates; four-eyes principle
<b>Organisational risks</b>	Inefficient or ineffective processes and interfaces; duplication; potential climate risk	Process management; documentation; internal control system (ICS)
<b>Operating risks</b>		
<b>Infrastructure risks</b>	Incorrect design and use of technical facilities; potential climate risk	Elimination of technical weaknesses; regular inspections and reviews of current and planned infrastructure
<b>Service disruptions/network breakdowns (own and third party), accidents</b>	Supply interruptions; physical danger to persons or infrastructure through explosions/accidents; potential climate risk	Technical upgrading at interfaces of the different networks; expansion and maintenance of network capacity
<b>IT/security risks (incl. cybersecurity)</b>	System losses; data loss or unintended transfer; hacker attacks	Strict system and risk monitoring (internal control system); backup systems; technical maintenance; external audits; occupational safety and health measures; crisis training
<b>Workforce risks</b>	Loss of highly qualified employees; absence due to work accidents; surplus or shortfall of personnel; communication problems; cultural barriers; fraud; intentional or unintentional misrepresentations of transactions or items in the annual financial statements	Attractive work environment; occupational health care and safety measures; flexible working time models; training; events for employees for the exchange of information and networking purposes; internal control system (ICS)
<b>External risks</b>		
<b>Legislative, regulatory and political risks</b>	Change in political and legal parameters and/or the regulatory environment (e.g. environmental laws, changes in the legal framework, shifting subsidy scheme, market liberalisation in South East Europe); political and economic instability; network operations: non-inclusion of actual operating costs in the network tariffs established by regulatory authority; potential climate risk	Cooperation with interest groups, associations and government agencies on a regional, national and international level; appropriate documentation and service charges

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## EVN's major risks and related risk management measures

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Risk category	Description	Measure
<b>Legal and litigation risks</b>	Non-compliance with contracts; litigation risk from various lawsuits; regulatory and supervisory audits	Representation in local, regional, national and EU-wide interest groups; legal consulting
<b>Social and general economic environment</b>	Macroeconomic developments; debt/financial crisis; stagnating or declining purchasing power; rising unemployment; potential climate risk	Best possible utilisation of (anti-)cyclical optimisation potential
<b>Contract risks</b>	Failure to identify legal, economic or technical problems; contract risks under financing agreements	Extensive legal due diligence; involvement of external experts/legal advisors; contract database and ongoing monitoring
<b>Other risks</b>		
<b>Granting of undue advantages, non-compliance, data protection incidents</b>	Distribution of confidential internal information to third parties and the granting of undue advantages/corruption; violation of regulations for the protection of personal data	Internal control systems; uniform guidelines and standards; Code of Conduct; compliance organisation
<b>Project risk</b>	Cost overruns on the construction of new capacity; potential climate risk	Contractual agreement on economic parameters
<b>Co-investment risk</b>	Risks related to the implementation of major projects jointly with partners; potential climate risk	Contractual safeguards; efficient project management
<b>Sabotage</b>	Sabotage, e. g. to natural gas lines, wastewater treatment plants or waste incineration plants	Suitable security measures; regular measurement of water quality and emissions
<b>Image risk</b>	Reputational damage; potential climate risk	Transparent and proactive communications; sustainable management

## Transactions with related parties

The material transactions with related companies and persons which require disclosure are presented in the notes.

## Segment reporting

### Overview

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

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

Business areas	Segments	Major activities
Energy business	Energy	<ul style="list-style-type: none"> <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 Austria GmbH<sup>1)</sup></li> <li>→ Investment as sole limited partner in EVN Energievertrieb GmbH &amp; Co KG (EVN KG)<sup>1)</sup></li> </ul>
	Generation	<ul style="list-style-type: none"> <li>→ Generation of electricity from thermal production capacities and renewable energy sources 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 GmbH (Germany)<sup>1)</sup></li> <li>→ 49.0% investment in Walsum 10 hard coal-fired power plant (Germany)<sup>2)</sup></li> <li>→ 49.99% investment in Ashta run-of-river power plant (Albania)<sup>1)</sup></li> </ul>
	Networks	<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>
	South East Europe	<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 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>
Environmental services business	Environment	<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>
Other business activities	All Other Segments	<ul style="list-style-type: none"> <li>→ 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG Austria AG (RAG)<sup>1)</sup></li> <li>→ 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG<sup>1)</sup></li> <li>→ 12.63% investment in Verbund AG<sup>3)</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) The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft is accounted for as a joint operation.

3) Dividends are included under financial results.

## Energy

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

- Development of electricity business supported by new industrial customers and growth in private customer business
- Weather-related increase in the demand for natural gas and heat
- No material negative effects from the Covid-19 pandemic

- Increase in share of results from equity accounted investees with operational nature to EUR 66.5m (previous year: EUR 22.1m), supported mainly by an improvement in operating earnings at EVN KG and a year-on-year increase in positive effects from the valuation of hedges held by EVN KG

### EBITDA, EBIT and result before income tax above previous year

- Decline in revenue mostly attributable to lower marketing of EVN's own thermal electricity production and a year-on-year decrease in valuation effects from hedges; other factors included a reduction in natural gas trading and at EVN Wärme
- Operating expenses 12.0% lower, in particular as a result of the following contrary effects:
  - An increase in other operating income which resulted from the takeover of an additional electricity procurement right from the Walsum 10 power plant (also see page 10)
  - Recognition of an additional provision for onerous contracts in the second quarter of 2020/21
  - Reduction in the cost of electricity purchases from third parties and primary energy expenses in line with the decline in revenue from natural gas trading

### Construction of a biomass combined heat and power plant in Krems

- 5 MW of electrical and 15 MW of thermal generation
- Investment volume: approximately EUR 40m
- Green electricity for 15,000 households and natural heat for up to 30,000 households
- Start of construction in the first quarter 2021, planned commissioning in the first quarter 2023

### Confirmation of segment outlook for 2020/21

- Segment results for 2019/20 positively influenced by better procurement prices for EVN Wärme and the release of a previously recognised provision for onerous contracts for the marketing of EVN's own electricity production
- Segment results for 2020/21 are therefore expected to be below the previous year

Key indicators – Energy		2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY. 1	HY. 1	Nominal	%	Q. 2	Q. 2	%
<b>Key energy business indicators</b>	GWh							
<b>Energy sales volumes to end customers</b>								
Electricity <sup>1)</sup>		4,588	4,422	166	3.7	2,329	2,308	0.9
Natural gas <sup>1)</sup>		4,084	3,842	242	6.3	2,294	2,152	6.6
Heat		1,569	1,425	144	10.1	847	779	8.8
<b>Key financial indicators</b>	EURm							
External revenue		188.8	256.9	-68.1	-26.5	95.5	127.0	-24.9
Internal revenue		2.3	2.2	0.1	2.5	1.7	1.0	69.6
<b>Total revenue</b>		<b>191.1</b>	<b>259.1</b>	<b>-68.1</b>	<b>-26.3</b>	<b>97.1</b>	<b>128.0</b>	<b>-24.1</b>
Operating expenses		-190.1	-216.0	25.9	12.0	-112.1	-108.4	-3.4
Share of results from equity accounted investees with operational nature		66.5	22.1	44.3	-	28.7	13.9	-
<b>EBITDA</b>		<b>67.4</b>	<b>65.2</b>	<b>2.2</b>	<b>3.3</b>	<b>13.8</b>	<b>33.5</b>	<b>-58.8</b>
Depreciation and amortisation including effects from impairment tests		-10.7	-10.2	-0.4	-4.3	-5.4	-5.2	-3.6
<b>Results from operating activities (EBIT)</b>		<b>56.7</b>	<b>55.0</b>	<b>1.7</b>	<b>3.1</b>	<b>8.4</b>	<b>28.3</b>	<b>-70.3</b>
Financial results		-1.0	-0.8	-0.2	-19.2	-0.5	-0.4	-23.9
<b>Result before income tax</b>		<b>55.7</b>	<b>54.2</b>	<b>1.6</b>	<b>2.9</b>	<b>7.9</b>	<b>27.9</b>	<b>-71.7</b>
Total assets		1,026.9	760.4	266.5	35.0	1,026.9	760.4	35.0
Total liabilities		892.7	623.9	268.8	43.1	892.7	623.9	43.1
Investments <sup>2)</sup>		6.6	10.7	-4.1	-38.1	3.2	4.3	-24.8

1) Consists mainly of sales volumes from EVN KG and ENERGIEALLIANZ Austria GmbH in Austria and Germany; the results from these two sales companies are included in EBITDA under the share of results from equity accounted investees with operational nature.

2) In intangible assets and property, plant and equipment

## Generation

### Renewable and thermal electricity generation below previous year

- Above-average good water flows only able to partly offset the decline in wind flows
- Electricity generation from thermal power plants falls to 747 GWh (reduced use of the Theiss power plant for network stabilisation)
- Coverage ratio of 18.9% (previous year: 19.7%)

### EBITDA, EBIT and result before income tax above previous year

- Decline in operating expenses based on higher other operating income (premature release of a construction subsidy for the Walsum 10 power plant, also see page 10)
- Increase in share of results from equity accounted investees with operational nature to EUR 10.1m (previous year: EUR –3.2m), chiefly due to a EUR 9.6m revaluation at the Ashta hydropower plant which followed a reduction in the country risk premium (previous year: impairment loss of EUR 4.9m based on an increase in the country risk premium at the beginning of the Covid-19 pandemic)

- Investment-related increase in scheduled depreciation and amortisation, including the effects from impairment testing, to EUR 42.2m

### Increase in installed wind power capacity to 376 MW

- Commissioning of the Kettlasbrunn II wind park (8.4 MW) at the end of December 2020

### Confirmation of segment outlook for 2020/21

- Segment results in previous year influenced by negative effects from impairment testing (in particular, impairment loss of EUR 20.7m to the equity accounted Verbund Innkraftwerke GmbH)
- Year-on-year increase in segment results expected in 2020/21 (assuming wind and water flows reflect the long-term average)

Key indicators – Generation		2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY. 1	HY. 1	Nominal	%	Q. 2	Q. 2	%
<b>Key energy business indicators</b>		GWh						
Electricity generation volumes		1,677	1,749	-72	-4.1	807	835	-3.3
thereof renewable energy sources		930	978	-48	-4.9	465	516	-9.9
thereof thermal energy sources		747	771	-24	-3.1	342	319	7.3
<b>Key financial indicators</b>		EURm						
External revenue		65.3	70.5	-5.3	-7.5	32.9	37.9	-13.1
Internal revenue		92.4	76.5	15.9	20.9	45.1	35.3	27.8
<b>Total revenue</b>		<b>157.7</b>	<b>147.0</b>	<b>10.7</b>	<b>7.2</b>	<b>78.1</b>	<b>73.2</b>	<b>6.6</b>
Operating expenses		-65.1	-77.0	11.9	15.5	-42.0	-37.0	-13.3
Share of results from equity accounted investees with operational nature		10.1	-3.2	13.4	-	9.8	-3.9	-
<b>EBITDA</b>		<b>102.7</b>	<b>66.8</b>	<b>35.9</b>	<b>53.8</b>	<b>46.0</b>	<b>32.3</b>	<b>42.1</b>
Depreciation and amortisation including effects from impairment tests		-42.2	-34.7	-7.6	-21.8	-21.2	-18.1	-17.2
<b>Results from operating activities (EBIT)</b>		<b>60.5</b>	<b>32.1</b>	<b>28.4</b>	<b>88.3</b>	<b>24.8</b>	<b>14.3</b>	<b>73.7</b>
Financial results		-4.8	-7.4	2.6	35.3	-2.5	-2.9	15.8
<b>Result before income tax</b>		<b>55.7</b>	<b>24.7</b>	<b>31.0</b>	<b>-</b>	<b>22.3</b>	<b>11.4</b>	<b>96.6</b>
Total assets		1,102.4	1,168.6	-66.2	-5.7	1,102.4	1,168.6	-5.7
Total liabilities		663.1	773.1	-110.0	-14.2	663.1	773.1	-14.2
Investments <sup>1)</sup>		4.5	11.7	-7.2	-61.7	1.8	5.6	-68.0

1) In intangible assets and property, plant and equipment



## Networks

### Increase in electricity and natural gas network sales volumes

- Electricity network sales volumes were driven, above all, by substantially higher demand from household customers
- In contrast, slight decline in electricity consumption by commercial customers
- Temperature-related increase in natural gas network sales volumes to end customers

### Revenue positively affected by price and volume effects

- Network tariffs for household customers increased by an average of 6.3% for electricity and 6.4% for natural gas as of 1 January 2021
- Positive revenue development at kabelplus

### EBITDA, EBIT and result before income tax above previous year

- High level of investments reflected in increase in scheduled depreciation and amortisation

### Investments in supply security above previous year

- Wide-ranging installation of smart meters
- Ongoing expansion of the pipeline networks, transformer stations and substations
- Rising demand for photovoltaic connections at all voltage levels
- Increase of 51.8% in investments to support supply security and quality

### Segment outlook for 2020/21

- Investment-related increase in scheduled depreciation and amortisation
- Stable to slight improvement in results expected for the Networks Segment

Key indicators – Networks		2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY. 1	HY. 1	Nominal	%	Q. 2	Q. 2	%
<b>Key energy business indicators</b>	GWh							
<b>Network distribution volumes</b>								
Electricity		4,673	4,545	128	2.8	2,347	2,261	3.8
Natural gas		10,583	10,193	390	3.8	5,421	5,295	2.4
<b>Key financial indicators</b>	EURm							
External revenue		282.4	269.8	12.6	4.7	148.4	136.6	8.7
Internal revenue		24.8	22.8	1.9	8.4	12.5	11.5	8.7
<b>Total revenue</b>		<b>307.2</b>	<b>292.7</b>	<b>14.5</b>	<b>5.0</b>	<b>160.9</b>	<b>148.0</b>	<b>8.7</b>
Operating expenses		-158.9	-159.0	0.1	0.1	-83.6	-82.9	-0.8
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
<b>EBITDA</b>		<b>148.3</b>	<b>133.7</b>	<b>14.7</b>	<b>11.0</b>	<b>77.3</b>	<b>65.1</b>	<b>18.7</b>
Depreciation and amortisation including effects from impairment tests		-68.8	-64.8	-4.0	-6.1	-34.6	-32.5	-6.6
<b>Results from operating activities (EBIT)</b>		<b>79.5</b>	<b>68.9</b>	<b>10.7</b>	<b>15.5</b>	<b>42.7</b>	<b>32.6</b>	<b>30.8</b>
Financial results		-6.2	-4.5	-1.7	-38.1	-2.6	-1.3	-95.9
<b>Result before income tax</b>		<b>73.4</b>	<b>64.4</b>	<b>9.0</b>	<b>13.9</b>	<b>40.1</b>	<b>31.3</b>	<b>28.0</b>
Total assets		2,216.8	2,031.0	185.9	9.2	2,216.8	2,031.0	9.2
Total liabilities		1,437.2	1,395.3	41.9	3.0	1,437.2	1,395.3	3.0
Investments <sup>1)</sup>		89.4	58.9	30.5	51.8	43.3	26.1	65.9

1) In intangible assets and property, plant and equipment

## South East Europe

### Increase in network sales volumes, decline in energy sales to end customers

- Temperature-related energy demand in Bulgaria and North Macedonia above previous year, but below long-term average
- Stronger competition in Bulgaria caused by market liberalisation for commercial customers as of October 2020

### Electricity generation above previous year

- Better water flows in North Macedonia

### EBITDA lower year-on-year, EBIT and result before income tax above previous year

- Higher revenue contrasted by rising energy procurement costs and lower margins in the regulated business in North Macedonia
- Depreciation and amortisation, including the effects from impairment testing, below the previous year at EUR 36.6m; 2019/20 was negatively affected by impairment losses resulting from the higher country risk premiums in connection with Covid-19

### Construction of a photovoltaic plant in North Macedonia

- Installed capacity of approximately 1.5 MW
- First plant in North Macedonia with double-sided photovoltaic modules; use of reflecting light rays increases electricity production

### Construction of five warm water boilers by the Bulgarian district heating company TEZ Plovdiv

- Modern and efficient equipment
- Increased supply security for the roughly 31,500 district heating customers in Plovdiv

### Confirmation of segment outlook for 2020/21

- Segment EBIT 2020/21 is expected to range from EUR 40m to EUR 60m (assuming stable regulatory framework conditions during the second half-year)

Key indicators – South East Europe		2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY. 1	HY. 1	Nominal	%	Q. 2	Q. 2	%
<b>Key energy business indicators</b>	GWh							
Electricity generation volumes		238	234	4	1.9	140	132	5.5
thereof renewable energy		58	52	6	10.9	41	31	30.0
thereof thermal power plants		180	182	-1	-0.7	99	101	-2.1
Electricity network distribution volumes		7,896	7,619	276	3.6	4,256	4,137	2.9
Energy sales volumes to end customers		6,636	6,704	-69	-1.0	3,623	3,675	-1.4
thereof electricity		6,389	6,483	-95	-1.5	3,473	3,544	-2.0
thereof natural gas		83	64	19	29.0	48	36	32.9
thereof heat		164	156	7	4.8	102	95	7.4
<b>Key financial indicators</b>	EURm							
External revenue		534.2	520.2	14.0	2.7	289.3	281.8	2.6
Internal revenue		0.4	0.4	0.0	-7.6	0.2	0.2	-6.7
<b>Total revenue</b>		<b>534.6</b>	<b>520.6</b>	<b>14.0</b>	<b>2.7</b>	<b>289.4</b>	<b>282.0</b>	<b>2.6</b>
Operating expenses		-460.0	-440.4	-19.6	-4.5	-248.4	-235.1	-5.6
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
<b>EBITDA</b>		<b>74.6</b>	<b>80.2</b>	<b>-5.6</b>	<b>-7.0</b>	<b>41.0</b>	<b>46.9</b>	<b>-12.5</b>
Depreciation and amortisation including effects from impairment tests		-36.6	-48.6	11.9	24.6	-18.5	-30.7	39.8
<b>Results from operating activities (EBIT)</b>		<b>38.0</b>	<b>31.6</b>	<b>6.3</b>	<b>20.0</b>	<b>22.5</b>	<b>16.1</b>	<b>39.8</b>
Financial results		-7.8	-11.2	3.4	30.4	-3.9	-5.8	33.4
<b>Result before income tax</b>		<b>30.2</b>	<b>20.4</b>	<b>9.7</b>	<b>47.7</b>	<b>18.6</b>	<b>10.3</b>	<b>80.9</b>
Total assets		1,232.4	1,209.1	23.3	1.9	1,232.4	1,209.1	1.9
Total liabilities		877.6	901.0	-23.4	-2.6	877.6	901.0	-2.6
Investments <sup>1)</sup>		46.7	49.7	-3.1	-6.2	16.3	14.7	10.7

1) In intangible assets and property, plant and equipment

## Environment

### Drinking water sales volumes in Lower Austria slightly above previous year

#### Revenue growth in international project business

- The start of work on the wastewater treatment plant project in Kuwait during summer 2020 served as the main driver (revenue from general contractor assignments is recognised in line with the progress on the project in accordance with the percentage of completion method)

#### EBITDA, EBIT and result before income tax above previous year

- Increase in operating expenses generally corresponds to the progress of international projects and reflects a higher volume of third-party services and other material costs
- Positive non-recurring effect from the refund of energy duties at evn wasser
- Share of results from equity accounted investees with operational nature slightly above previous year
- Increase in depreciation and amortisation, including the effects from impairment testing, attributable to the scheduled amortisation of capitalised project costs for the project in Kuwait

### Higher level of investments with focus on drinking water supplies in Lower Austria

- Construction of the fifth natural filter plant in the supply area and the expansion of cross-regional pipelines

#### New project in Romania

- Contract received in February 2021 to renovate and modernise the drinking water treatment plant Gilau to supply the city of Cluj-Napoca
- Contract volume: approximately EUR 12m

#### Solid order level in the international project business

- Nine projects by WTE Wassertechnik for wastewater, drinking water and thermal sewage sludge treatment currently under planning and construction (Germany, Poland, Lithuania, Romania, Bahrain and Kuwait)
- Three further sewage sludge treatment projects under planning and construction by sludge2energy<sup>1)</sup> (Halle-Lochau, Hanover and Straubing)

#### Effects of the global Covid-19 pandemic

- National lockdowns, travel restrictions and interruptions in international supply chains complicate the international project business

1) 50:50 joint venture between WTE Wassertechnik and Huber SE

Key financial indicators – Environment	EURm	2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY.1	HY.1	Nominal	%	Q.2	Q.2	%
External revenue		203.7	65.1	138.6	-	109.5	28.3	-
Internal revenue		0.2	0.2	0.0	8.1	0.1	0.1	9.6
<b>Total revenue</b>		<b>204.0</b>	<b>65.4</b>	<b>138.6</b>	-	<b>109.7</b>	<b>28.4</b>	-
Operating expenses		-171.5	-63.0	-108.5	-	-91.4	-28.9	-
Share of results from equity accounted investees with operational nature		7.0	6.9	0.1	1.6	3.3	4.2	-22.3
<b>EBITDA</b>		<b>39.5</b>	<b>9.2</b>	<b>30.2</b>	-	<b>21.5</b>	<b>3.7</b>	-
Depreciation and amortisation including effects from impairment tests		-19.6	-5.9	-13.6	-	-10.0	-2.9	-
<b>Results from operating activities (EBIT)</b>		<b>19.9</b>	<b>3.3</b>	<b>16.6</b>	-	<b>11.6</b>	<b>0.8</b>	-
Financial results		-4.9	-3.4	-1.5	-44.9	-4.4	-2.2	-97.7
<b>Result before income tax</b>		<b>15.0</b>	<b>-0.1</b>	<b>15.1</b>	-	<b>7.2</b>	<b>-1.4</b>	-
Total assets		885.1	684.3	200.8	29.3	885.1	684.3	29.3
Total liabilities		731.6	542.5	189.2	34.9	731.6	542.5	34.9
Investments <sup>1)</sup>		9.1	3.7	5.3	-	4.9	1.1	-

1) In intangible assets and property, plant and equipment

- Customers are notified of the effects on a timely basis; work is proceeding to recover any delays as quickly as possible
- Partial shift in expected earnings to following years; a final estimate of the potential impact is not possible at the present time

#### Confirmation of segment outlook for 2020/21

- Results in the Environment Segment are significantly influenced by the progress on assignments in the international project business
- Assuming current projects proceed as scheduled, in particular the wastewater treatment project in Kuwait, an increase in segment results is expected for the 2020/21 financial year

### All Other Segments

#### Higher earnings contribution from equity accounted investees with operational nature

- Increase at RAG based on higher revenue from natural gas storage
- Improvement in earnings at Energie Burgenland

#### Increase in EBITDA, EBIT and result before income tax

#### Confirmation of segment outlook for 2020/21

- Segment results expected to be slightly lower than the previous year, which was influenced primarily by a positive non-recurring effect at Energie Burgenland

Key financial indicators – All Other Segments	EURm	2020/21	2019/20	+/-		2020/21	2019/20	+/-
		HY.1	HY.1	Nominal	%	Q. 2	Q. 2	%
External revenue		10.3	10.3	0.1	0.6	5.1	5.0	0.5
Internal revenue		36.3	33.8	2.6	7.7	18.1	16.6	8.6
<b>Total revenue</b>		<b>46.7</b>	<b>44.0</b>	<b>2.7</b>	<b>6.0</b>	<b>23.1</b>	<b>21.7</b>	<b>6.7</b>
Operating expenses		-45.9	-44.5	-1.4	-3.1	-22.7	-22.2	-2.3
Share of results from equity accounted investees with operational nature		43.7	35.4	8.3	23.3	25.2	17.9	40.9
<b>EBITDA</b>		<b>44.5</b>	<b>34.9</b>	<b>9.5</b>	<b>27.3</b>	<b>25.6</b>	<b>17.3</b>	<b>47.7</b>
Depreciation and amortisation including effects from impairment tests		-1.2	-1.1	-0.1	-11.6	-0.6	-0.6	-11.2
<b>Results from operating activities (EBIT)</b>		<b>43.2</b>	<b>33.8</b>	<b>9.4</b>	<b>27.8</b>	<b>25.0</b>	<b>16.8</b>	<b>48.9</b>
Financial results		17.9	14.0	3.9	28.2	0.8	-3.8	-
<b>Result before income tax</b>		<b>61.2</b>	<b>47.8</b>	<b>13.4</b>	<b>27.9</b>	<b>25.8</b>	<b>13.0</b>	<b>98.7</b>
Total assets		5,399.0	3,734.5	1,664.5	44.6	5,399.0	3,734.5	44.6
Total liabilities		2,095.2	1,455.5	639.8	44.0	2,095.2	1,455.5	44.0
Investments <sup>1)</sup>		0.3	1.0	-0.8	-73.5	0.2	0.5	-49.4

1) In intangible assets and property, plant and equipment

# EVN on the capital market

## The EVN share

### Market environment and performance

In view of the crisis surrounding the Covid-19 pandemic, the European stock markets produced surprisingly positive results for the period from October 2020 to March 2021. The German benchmark index DAX rose by 17.6% but was outpaced by Vienna's benchmark index ATX with an increase of 49.8%. Similar to the DAX, the US Dow Jones continued its record upturn with a plus of 18.7%. Both the DAX and the Dow Jones reached historical levels with this performance.

The DJ Euro Stoxx Utilities, the relevant industry index for EVN, rose by nearly 10% during this same period but was outperformed by the EVN share with an increase of 28.6%. The average daily turnover in EVN shares equalled 85,015 (single counting). That represents an annual trading volume of EUR 188.3m (single counting) for EVN's shares on the Vienna Stock Exchange and 1.08%

of the total trading volume in Vienna's Prime Market. As a result of the high market capitalisation which resulted from the increase in the share price and the higher turnover, the EVN share was re-included in the Vienna's benchmark ATX index as of March 2021.

### Dividend policy

EVN's strategy is to create and maintain a balance between current investment projects and attractive dividends for its shareholders. The 92<sup>nd</sup> Annual General Meeting on 21 January 2021 approved a dividend of EUR 0.49 per eligible share to the shareholders of EVN AG for the 2019/20 financial year. The ex-dividend day was 27 January 2021, and payment was made to shareholders on 29 January 2021.

EVN's dividend policy is designed to hold the absolute amount of the dividend of EUR 0.49 per share at least constant in the future.

		2020/21 HY. 1	2019/20 HY. 1
<b>EVN share – performance</b>			
Share price at 31 March	EUR	18.36	13.34
Highest price	EUR	21.00	18.36
Lowest price	EUR	13.38	11.22
Value of shares traded <sup>1)</sup>	EURm	188.3	127.0
Average daily turnover <sup>1)</sup>	Shares	85,015	65,357
Market capitalisation at 31 March	EURm	3,303	2,400
ATX prime weighting at 31 March	%	1.78	1.36

1) Vienna Stock Exchange, single counting

## Shareholder structure

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

The second largest shareholder of EVN AG with an investment of 28.4% is Wiener Stadtwerke GmbH, Vienna, a wholly owned subsidiary of the City of Vienna. EVN held treasury shares representing 1.0% of share capital as of 31 March 2021, and free float equalled 19.6%.

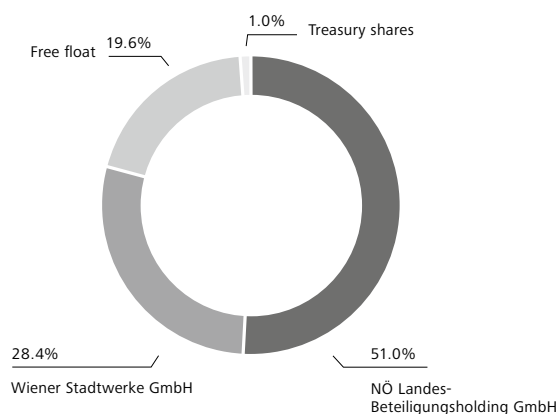
## External ratings

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

Both rating agencies confirmed their ratings for EVN in May 2021:

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

### Shareholder structure<sup>1)</sup>



1) As at 31 March 2021

# Consolidated interim report

according to IAS 34

## Consolidated statement of operations

EURm	2020/21 HY. 1	2019/20 HY. 1	+/- %	2020/21 Q. 2	2019/20 Q. 2	+/- %	2019/20
Revenue	1,284.8	1,194.4	7.6	680.7	618.1	10.1	2,107.5
Other operating income	165.5	41.9	-	27.7	21.6	28.2	64.4
Electricity purchases and primary energy expenses	-568.7	-555.2	-2.4	-326.5	-292.1	-11.8	-888.3
Cost of materials and services	-240.8	-132.7	-81.4	-125.7	-66.9	-88.0	-316.9
Personnel expenses	-176.9	-169.9	-4.1	-89.1	-84.5	-5.4	-349.3
Other operating expenses	-55.5	-50.8	-9.2	-32.1	-30.1	-6.6	-121.1
Share of results from equity accounted investees with operational nature	127.3	61.2	-	67.1	32.1	-	94.1
<b>EBITDA</b>	<b>535.8</b>	<b>388.8</b>	<b>37.8</b>	<b>202.0</b>	<b>198.2</b>	<b>1.9</b>	<b>590.4</b>
Depreciation and amortisation	-168.2	-143.6	-17.2	-83.4	-71.9	-16.0	-296.7
Effects from impairment tests	-113.1	-14.5	-	-	-14.4	-	-20.6
<b>Results from operating activities (EBIT)</b>	<b>254.5</b>	<b>230.7</b>	<b>10.3</b>	<b>118.6</b>	<b>111.9</b>	<b>5.9</b>	<b>273.1</b>
Results from other investments	-	-	-	-	-	-	33.3
Interest income	4.0	2.6	57.2	3.0	1.3	-	4.5
Interest expense	-23.5	-23.2	-1.1	-11.6	-11.3	-3.1	-47.0
Other financial results	-1.6	-8.4	81.5	-4.4	-8.3	46.8	-6.7
<b>Financial results</b>	<b>-21.0</b>	<b>-29.1</b>	<b>27.8</b>	<b>-13.0</b>	<b>-18.3</b>	<b>28.9</b>	<b>-15.8</b>
<b>Result before income tax</b>	<b>233.5</b>	<b>201.7</b>	<b>15.8</b>	<b>105.5</b>	<b>93.6</b>	<b>12.8</b>	<b>257.3</b>
Income tax expense	-38.7	-33.2	-16.5	-12.3	-15.8	22.1	-28.7
<b>Result for the period</b>	<b>194.8</b>	<b>168.5</b>	<b>15.7</b>	<b>93.2</b>	<b>77.8</b>	<b>19.9</b>	<b>228.6</b>
thereof result attributable to EVN AG shareholders (Group net result)	176.0	152.7	15.3	82.5	69.7	18.4	199.8
thereof result attributable to non-controlling interests	18.8	15.8	19.1	10.7	8.1	32.5	28.9
Earnings per share in EUR <sup>1)</sup>	0.99	0.86	15.2	0.46	0.39	18.4	1.12

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

## Consolidated statement of comprehensive income

EURm	2020/21 HY.1	2019/20 HY.1	+/- %	2020/21 Q.2	2019/20 Q.2	+/- %	2019/20
<b>Result for the period</b>	194.8	168.5	15.7	93.2	77.8	19.9	228.6
<b>Other comprehensive income from</b>							
<b>Items that will not be reclassified to profit or loss</b>	509.0	-566.0	-	-251.5	-391.0	35.7	-112.0
Remeasurements IAS 19	-4.6	15.5	-	-2.1	12.3	-	10.2
Investments in equity accounted investees	-0.1	1.3	-	-	-0.4	100.0	-2.2
Shares and other equity instruments measured at fair value and reported in other comprehensive income	683.4	-771.9	-	-333.3	-532.3	37.4	-156.5
thereon apportionable income tax expense	-169.7	189.1	-	83.9	129.4	-35.2	36.5
<b>Items that may be reclassified to profit or loss</b>	51.8	-66.5	-	7.4	-45.0	-	-14.8
Currency translation differences	0.5	-7.7	-	0.7	-7.7	-	-3.8
Cash flow hedges	1.0	4.0	-75.7	-13.7	0.9	-	2.8
Investments in equity accounted investees	68.7	-82.9	-	22.8	-51.5	-	-14.1
thereon apportionable income tax expense	-18.4	20.1	-	-2.5	13.3	-	0.3
<b>Total other comprehensive income after tax</b>	560.8	-632.4	-	-244.1	-436.0	44.0	-126.8
<b>Comprehensive income for the period</b>	755.6	-464.0	-	-150.9	-358.2	57.9	101.8
thereof income attributable to EVN AG shareholders	738.3	-482.4	-	-160.8	-368.1	56.3	74.5
thereof income attributable to non-controlling interests	17.3	18.4	-5.7	9.9	9.9	0.6	27.3



## Consolidated statement of financial position

EURm	31.03.2021	30.09.2020	+/-	
			Nominal	%
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	223.3	216.9	6.5	3.0
Property, plant and equipment	3,586.3	3,703.4	-117.1	-3.2
Investments in equity accounted investees	1,093.1	1,002.1	91.0	9.1
Other investments	2,854.7	2,168.7	685.9	31.6
Deferred tax assets	72.4	75.4	-3.0	-4.0
Other non-current assets	204.8	261.0	-56.2	-21.5
	<b>8,034.6</b>	<b>7,427.6</b>	<b>607.0</b>	<b>8.2</b>
<b>Current assets</b>				
Inventories	77.4	66.6	10.8	16.2
Trade and other receivables	605.9	403.2	202.7	50.3
Securities	432.5	253.8	178.7	70.4
Cash and cash equivalents	192.5	214.6	-22.1	-10.3
	<b>1,308.2</b>	<b>938.1</b>	<b>370.2</b>	<b>39.5</b>
<b>Total assets</b>	<b>9,342.9</b>	<b>8,365.7</b>	<b>977.2</b>	<b>11.7</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.8	253.8	-	-
Retained earnings	2,713.8	2,625.0	88.8	3.4
Valuation reserve	1,667.6	1,105.7	561.9	50.8
Currency translation reserve	-13.0	-13.5	0.4	3.1
Treasury shares	-19.0	-19.0	-	-
Issued capital and reserves attributable to shareholders of EVN AG	4,933.1	4,282.1	651.1	15.2
Non-controlling interests	275.9	261.2	14.6	5.6
	<b>5,209.0</b>	<b>4,543.3</b>	<b>665.7</b>	<b>14.7</b>
<b>Non-current liabilities</b>				
Non-current loans and borrowings	1,115.8	1,045.3	70.5	6.7
Deferred tax liabilities	676.8	490.0	186.8	38.1
Non-current provisions	653.6	506.4	147.3	29.1
Deferred income from network subsidies	609.4	619.1	-9.7	-1.6
Other non-current liabilities	134.9	137.5	-2.6	-1.9
	<b>3,190.5</b>	<b>2,798.3</b>	<b>392.2</b>	<b>14.0</b>
<b>Current liabilities</b>				
Current loans and borrowings	93.4	110.0	-16.7	-15.1
Taxes payable and levies	51.1	75.5	-24.4	-32.3
Trade payables	244.0	298.4	-54.4	-18.2
Current provisions	109.2	96.2	13.0	13.5
Other current liabilities	445.7	444.0	1.8	0.4
	<b>943.4</b>	<b>1,024.1</b>	<b>-80.7</b>	<b>-7.9</b>
<b>Total equity and liabilities</b>	<b>9,342.9</b>	<b>8,365.7</b>	<b>977.2</b>	<b>11.7</b>

## Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	<b>Total</b>
<b>Balance on 30.09.2019</b>	4,295.6	256.5	4,552.1
Comprehensive income for the period	-482.4	18.4	-464.0
Dividends 2018/19	-89.0	-2.6	-91.6
<b>Balance on 31.03.2020</b>	3,724.2	272.3	3,996.5
<b>Balance on 30.09.2020</b>	4,282.1	261.2	4,543.3
Comprehensive income for the period	738.3	17.3	755.6
Dividends 2019/20	-87.3	-2.7	-90.0
<b>Balance on 31.03.2021</b>	4,933.1	275.9	5,209.0

## Condensed consolidated statement of cash flows

EURm	2020/21	2019/20	+/-		2019/20
	HY. 1	HY. 1	Nominal	%	
<b>Result before income tax</b>	<b>233.5</b>	<b>201.7</b>	<b>31.8</b>	<b>15.8</b>	<b>257.3</b>
+ Depreciation and amortisation of intangible assets and property, plant and equipment as well as other non-current assets	281.3	158.1	123.2	77.9	317.3
- Non-cash share of results of equity accounted investees and other investments	-127.3	-61.2	-66.1	-	-127.5
+ Dividends from equity accounted investees and other investments	103.0	46.6	56.4	-	113.3
+ Interest expense	23.5	23.2	0.3	1.1	47.0
- Interest paid	-21.4	-20.8	-0.7	-3.2	-40.2
- Interest income	-4.0	-2.6	-1.5	-57.2	-4.5
+ Interest received	4.0	2.6	1.5	57.2	3.8
+/- Losses/gains from foreign exchange translations	3.3	3.0	0.3	9.8	4.1
+/- Other non-cash financial results	-0.5	5.7	-6.2	-	0.7
- Release of deferred income from network subsidiaries	-44.3	-25.7	-18.6	-72.5	-52.1
- Decrease in non-current provisions	140.2	-10.3	150.6	-	-21.4
+/- Losses/gains on the disposal of intangible assets and property, plant and equipment	-0.3	0.8	-1.1	-	-0.7
<b>Gross cash flow</b>	<b>591.0</b>	<b>321.1</b>	<b>269.9</b>	<b>84.1</b>	<b>497.1</b>
- Changes in assets and liabilities arising from operating activities	-217.2	-264.1	47.0	17.8	-40.7
+/- Income tax paid	-62.2	-25.7	-36.5	-	-44.3
<b>Net cash flow from operating activities</b>	<b>311.6</b>	<b>31.2</b>	<b>280.4</b>	<b>-</b>	<b>412.0</b>
+ Proceeds from the disposal of intangible assets and property, plant and equipment	1.8	1.0	0.8	73.0	6.7
+/- Changes in intangible assets and property, plant and equipment	-118.8	-96.7	-22.2	-22.9	-306.8
+/- Changes in financial assets and other non-current assets	2.4	63.5	-61.1	-96.3	34.0
+/- Changes in current securities	-181.2	89.4	-270.5	-	-162.5
<b>Net cash flow from investing activities</b>	<b>-295.9</b>	<b>57.2</b>	<b>-353.0</b>	<b>-</b>	<b>-428.6</b>
- Dividends paid to EVN AG shareholders	-87.3	-89.0	1.7	2.0	-89.0
- Dividends paid to non-controlling interests	-2.7	-2.6	-0.2	-6.2	-22.6
+/- Sales/repurchase of treasury shares	-	-	-	-	1.0
- Changes in financial and lease liabilities	76.1	-59.2	135.3	-	21.8
<b>Net cash flow from financing activities</b>	<b>-13.9</b>	<b>-150.8</b>	<b>136.9</b>	<b>90.8</b>	<b>-88.8</b>
<b>Net change in cash and cash equivalents</b>	<b>1.8</b>	<b>-62.4</b>	<b>64.3</b>	<b>-</b>	<b>-105.4</b>
<b>Cash and cash equivalents at the beginning of the period<sup>1)</sup></b>	<b>140.0</b>	<b>246.2</b>	<b>-106.3</b>	<b>-43.2</b>	<b>246.2</b>
Currency translation differences on cash and cash equivalents	-0.2	-0.4	0.2	53.6	-0.9
<b>Cash and cash equivalents at the end of the period<sup>1)</sup></b>	<b>141.6</b>	<b>183.4</b>	<b>-41.8</b>	<b>-22.8</b>	<b>140.0</b>

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

## Notes to the consolidated interim report

### Accounting and valuation methods

This consolidated interim report as of 31 March 2021, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in the International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2019/20 financial year (balance sheet date: 30 September 2020).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2020 remain unchanged, with the exception of the following new rules issued by the IASB which require mandatory application in the current financial year. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

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

### Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2020/21 financial year:

<b>Standards and interpretations applied for the first time</b>		Effective <sup>1)</sup>
<b>Revised standards and interpretations</b>		
IFRS 3	Definition of a Business	01.01.2020
IAS 39 IFRS 7 IFRS 9	Interest Rate Benchmark Reform	01.01.2020
IAS 1 IAS 8	Definition of Material	01.01.2020
IFRS 16	Covid-19-Related Rent Concessions	01.06.2020
Several	Amendments to References to the Conceptual Framework	01.01.2020

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

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

The initial mandatory application of the other revised standards and interpretations had no material effect on the consolidated interim financial report.

### Reform of the interest rate benchmark

The changes provide temporary relief from the application of specific requirements for the accounting treatment of hedges in hedge relationships which are directly affected by the IBOR reform. The exceptions defined by the IBOR reform are not intended to lead to the discontinuation of hedge accounting. In this connection, it is assumed that the reference interest rates which form the basis for the underlying transaction and the hedging instrument will not be changed by the IBOR reform. However, possible ineffectiveness must still be recognised in the consolidated statement of operations.

In accordance with the transition guidance, the changes were applied retroactively to hedges in existence at the beginning of the reporting period and to the amount accumulated in the cash flow hedge reserve at that time. However, no adjustments were required to the cash flow hedge reserve during the 2019/20 financial year or in the second quarter of 2020/21 because no effects were identified.

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

EUR/JPY cross-currency swaps are generally used to hedge the JPY bond. The cross-currency swaps (for a nominal value of JPY 12bn up to 15 January 2019 and for a nominal value of JPY 10bn since that date) represent fair value hedges; they are recorded and evaluated in the treasury management system and designated and documented as hedges. The change in the bond liability resulting from this hedge represents an opposite movement to the market value of the swap.

The effectiveness calculation for the hedge of the JPY bond involves mapping the hypothetical derivative based on the 6M-JPY-LIBOR. From the current point of view, the changeover to a new reference interest rate in the future will not have any impact on the effectiveness.

Interest rate swaps are used to hedge variable interest financial liabilities and exchange variable for fixed interest. All transactions are recorded and evaluated in the treasury management system and designated and documented as hedges.

The interest rate swaps used to hedge existing risks are principally based on the 6-month or 12-month EURIBOR. Following the conversion of the EURIBOR to a transaction-based calculation method at the end of 2019, the EURIBOR is now acceptable as a reference interest rate under the EU Benchmark Regulation and will therefore not lead to any changes in existing contracts.

### Seasonally-related effects on business operations

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

### Auditor's review

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

### Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 26 domestic and 30 foreign subsidiaries (30 September 2020: 28 domestic and 32 foreign subsidiaries) were fully consolidated as of 31 March 2021. As of 31 March 2021, a total of 14 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2020: 13).

<b>Changes in the scope of consolidation</b>	Fully	Line-by-line (Joint Operation)	Equity	Total
<b>30.09.2019</b>	<b>61</b>	<b>1</b>	<b>16</b>	<b>78</b>
First consolidation	2	–	1	3
Deconsolidation	–1	–	–	–1
Reorganisation	–2	–	–	–2
<b>30.09.2020</b>	<b>60</b>	<b>1</b>	<b>17</b>	<b>78</b>
First consolidation	–	–	–	–
Deconsolidation	–3	–	–1	–4
Reorganisation	–1	–	–	–1
<b>31.03.2021</b>	<b>56</b>	<b>1</b>	<b>16</b>	<b>73</b>
thereof foreign companies	30	1	6	37

The following previously fully consolidated companies were no longer included in EVN's consolidated financial statements in the first half of 2020/21 due to immateriality.

Company, registered office	Date
WTE Abwicklungsgesellschaft Russland mbH, Essen	31.12.2020
EVN WEEV Beteiligungs GmbH in Liqu., Maria Enzersdorf	31.12.2020
EVN Trading d.o.o. Beograd, Belgrade	31.03.2021

EVN Finanzservice GmbH, Maria Enzersdorf, as the transferred company, was merged with Netz Niederösterreich GmbH, Maria Enzersdorf, as the acquiring company. The deletion of the company from the commercial register was entered on 7 March 2021.

e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna, is a 50% subsidiary of EVN AG and is no longer consolidated at equity as of 31 December 2020 due to immateriality.

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

### Effects of Covid-19

The potential effects of the Covid-19 pandemic were re-evaluated in connection with the preparation of the consolidated interim

financial statements, above all with regard to the impairment testing of assets in accordance with IAS 36 and IFRS 9 and further uncertainties involving judgments and assessments. Leading credit insurers expect the Covid-19 pandemic will lead to an increase in the number of bankruptcies in the future. In this respect, an increase is also expected in receivables default cases. The EVN Group has already incorporated the projected growth in potential receivables defaults into the “forward-looking component”, as was done in 2019/20. In summary, the Covid-19 pandemic has only a limited impact on the development of earnings in the EVN Group.

### Selected notes to the consolidated statement of operations

<b>Revenue by product</b>	<b>2020/21</b>	<b>2019/20</b>
EURm	HY. 1	HY. 1
Electricity	801.2	827.6
Natural gas	81.3	101.5
Heat	101.8	104.0
Environmental services	203.7	65.1
Others	96.7	96.1
<b>Total</b>	<b>1,284.8</b>	<b>1,194.4</b>

<b>Revenue by country</b>	<b>2020/21</b>	<b>2019/20</b>
EURm	HY. 1	HY. 1
Austria	559.8	622.9
Germany	167.3	32.0
Bulgaria	322.1	313.0
North Macedonia	212.6	206.6
Others	22.9	19.9
<b>Total</b>	<b>1,284.8</b>	<b>1,194.4</b>

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

<b>Share of results from equity accounted investees with operational nature</b>	<b>2020/21</b>	<b>2019/20</b>
EURm	HY. 1	HY. 1
EVN KG	62.5	20.3
RAG	27.7	23.1
Energie Burgenland	15.9	12.3
Ashta	9.6	-4.5
ZOV; ZOV UIP	5.6	6.6
EAA	2.2	-1.8
Verbund Innkraftwerke	0.1	0.6
Other companies	3.5	4.4
<b>Total</b>	<b>127.3</b>	<b>61.2</b>

The share of results from equity accounted investees with operational nature rose to EUR 127.3m in the first half of 2020/21 (previous year: EUR 61.2m). This increase resulted primarily from the earnings generated by EVN KG. The increase is mainly due to the improvement in operating result and is reinforced by valuation effects at the reporting date.

In addition, an impairment write-up of EUR 9.6m was recognised in connection with the Ashta hydropower plant at Ashta Beteiligungsverwaltung GmbH as a result of lower country risk premiums as at 31 March 2021. The recoverable amount for EVN's share in Ashta Beteiligungsverwaltung GmbH was determined on the basis of the value in use and amounted to EUR 9.8m. A WACC after tax of 9.09% for the regulated period and 9.10% for the non-regulated period was used as the discount rate, which corresponds to an iteratively derived WACC before tax of 10.37% and 9.39% respectively.

Earnings per share are calculated by dividing the Group net result (= net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i. e. 178,137,693 as of 31 March 2021 (31 March 2020: 178,068,106 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 176.0m (previous year: EUR 152.7m), earnings per share for the first half of 2020/21 are calculated at EUR 0.99 (previous year: EUR 0.86 per share).

In December 2020, EVN took over an additional 150 MW electricity procurement right from the Walsum 10 power plant. A compensation payment for the transfer of the electricity procurement right together with the related marketing risks was recognised.

Part of the compensation payment represents a provision for onerous contracts, which was recognised without effect in profit and loss and is based on the risk from the marketing of the electricity right which exceeds EVN's investment in the power plant. The remainder of the compensation payment is recorded under other operating income with recognition through profit or loss. The construction subsidy collected in the past and reported under non-current liabilities was subsequently released to profit or loss through other operating income. This led to an increase of EUR 111.1m in other operating income.

Following the assumption of the additional marketing risks, the proportional investment in the joint operation Walsum 10 power plant was tested for impairment in accordance with IAS 36 in the first quarter 2019/20. This led to the recognition through profit or loss of a EUR 113.1m impairment loss.

The recoverable amount was determined on the basis of the value in use and amounted to EUR 0.0m. A WACC after tax of 3.61% (previous year: 3.62%) was used as the discount rate, which corresponds to an iteratively derived pre-tax WACC of 6.04% (previous year: 5.54%). An increase of 0.5 percentage points in the WACC would not have caused any change in the first half of 2020/21. An increase of 5% in the underlying electricity price assumptions, ceteris paribus, would have resulted in an impairment loss of EUR 107.0m.

As a result of deteriorating spreads, the provision for onerous power purchase agreements had to be increased by EUR 35.5m as of 31 March 2021.

### Selected notes to the consolidated statement of financial position

In the first quarter of 2020/21, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 155.8m (previous year: EUR 128.4m). Property, plant and equipment with a net carrying amount (book value) of EUR 1.5m were disposed of (previous year EUR 1.8m), with a capital gain of EUR 0.3m (previous year: capital loss of EUR 0.8m).

The other investments of EUR 2,854.7m, mainly classified as FVOCI, include the Verbund shares held by EVN with a market value of EUR 2,720.7m, which increased by EUR 672.3m since 30 September 2020 due to the development of the Verbund share price. In accordance with IFRS 9, the adjustments to the changed market values were offset with the valuation reserve after the deduction of deferred taxes.

As at 31 March 2021, the valuation of the investment in Verbund Hydro Power AG using the discounted cash flow method resulted in a write-up of EUR 7.9m not recognised in profit or loss. The recoverable amount was determined on the basis of the fair value less costs to sell (Level 3 in accordance with IFRS 13) and amounted to EUR 101.3m. A WACC after tax of 4.38% was used as the discount rate. The present value model on which the valuation is built is based on publicly available information from the annual financial statements and forecasts the development of the coming years until 2040 on the basis of available electricity price information as well as a perpetual annuity without a growth rate.

In addition, the investment in Wiener Börse AG was valued using the discounted cash flow method and resulted in a write-up of EUR 3.3m not recognised in profit or loss as at 31 March 2021. The recoverable amount was determined on the basis of the fair value less costs to sell (Level 3 according to IFRS 13) and amounted to EUR 22.8m. A WACC after tax of 7.03% was used as the dis-

count rate. The present value model on which the valuation is based includes forecast distributions for the coming year as well as a perpetual annuity without growth rate.

The number of EVN shares in circulation developed as follows:

<b>Development of the number of shares in circulation</b>		<b>2020/21</b>
Number		<b>HY. 1</b>
<b>Balance 30.09.2020</b>		<b>178,137,693</b>
Purchase of treasury shares		–
<b>Balance 31.03.2021</b>		<b>178,137,693</b>

As of 31 March 2021, the number of treasury shares amounted to 1,740,709 (or 0.97% of the share capital) with an acquisition value of EUR 19.0m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 92<sup>nd</sup> Annual General Meeting of EVN AG on 21 January 2021 approved the recommendation by the Executive Board and Supervisory Board to distribute a dividend of EUR 0.49 per share for the financial year 2019/20. The total dividend payout amounted to EUR 87.3m. Ex-dividend date was 27 January 2021, and the dividend payment to shareholders of EVN took place on 29 January 2021.

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

<b>Breakdown of non-current loans and borrowings</b>		
EURm	<b>31.03.2021</b>	<b>30.09.2020</b>
Bonds	611.1	514.5
Bank loans	504.7	530.8
<b>Total</b>	<b>1,115.8</b>	<b>1,045.3</b>

The increase in bonds mainly resulted from the issuance of a bullet green bond with a nominal value of EUR 101.0m. In addition, existing bonds decreased by a total of EUR 2.7m. The decrease resulted mainly from the change in value of the hedged foreign currency risk of the JPY bond. This was offset by an opposite movement in the fair values of the hedging transactions.

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

## Segment reporting

EURm	Energy		Generation		Networks		South East Europe	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1
External revenue	188.8	256.9	65.3	70.5	282.4	269.8	534.2	520.2
Internal revenue (between segments)	2.3	2.2	92.4	76.5	24.8	22.8	0.4	0.4
<b>Total revenue</b>	<b>191.1</b>	<b>259.1</b>	<b>157.7</b>	<b>147.0</b>	<b>307.2</b>	<b>292.7</b>	<b>534.6</b>	<b>520.6</b>
Operating expenses	-190.1	-216.0	-65.1	-77.0	-158.9	-159.0	-460.0	-440.4
Share of results from equity accounted investees operational	66.5	22.1	10.1	-3.2	-	-	-	-
<b>EBITDA</b>	<b>67.4</b>	<b>65.2</b>	<b>102.7</b>	<b>66.8</b>	<b>148.3</b>	<b>133.7</b>	<b>74.6</b>	<b>80.2</b>
Depreciation and amortisation	-10.7	-10.2	-42.2	-34.7	-68.8	-64.8	-36.6	-48.6
<b>Results from operating activities (EBIT)</b>	<b>56.7</b>	<b>55.0</b>	<b>60.5</b>	<b>32.1</b>	<b>79.5</b>	<b>68.9</b>	<b>38.0</b>	<b>31.6</b>
Financial results	-1.0	-0.8	-4.8	-7.4	-6.2	-4.5	-7.8	-11.2
<b>Result before income tax</b>	<b>55.7</b>	<b>54.2</b>	<b>55.7</b>	<b>24.7</b>	<b>73.4</b>	<b>64.4</b>	<b>30.2</b>	<b>20.4</b>
Total assets	1,031.1	760.4	1,102.4	1,168.6	2,216.8	2,031.0	1,232.4	1,209.1
Investments <sup>1)</sup>	6.6	10.7	4.5	11.7	89.4	58.8	46.7	49.7

	Environment		All Other Segments		Consolidation		Total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1	HY.1
External revenue	203.7	65.1	10.3	10.3	-	1.4	1,284.8	1,194.4
Internal revenue (between segments)	0.2	0.2	36.3	33.8	-156.4	-135.9	-	-
<b>Total revenue</b>	<b>204.0</b>	<b>65.4</b>	<b>46.7</b>	<b>44.0</b>	<b>-156.4</b>	<b>-134.4</b>	<b>1,284.8</b>	<b>1,194.4</b>
Operating expenses	-171.5	-63.0	-45.9	-44.5	215.2	133.2	-876.3	-866.8
Share of results from equity accounted investees operational	7.0	6.9	43.7	35.4	-	-	127.3	61.2
<b>EBITDA</b>	<b>39.5</b>	<b>9.2</b>	<b>44.5</b>	<b>34.9</b>	<b>58.8</b>	<b>-1.2</b>	<b>535.8</b>	<b>388.8</b>
Depreciation and amortisation	-19.6	-5.9	-1.2	-1.1	-102.2	7.2	-281.3	-158.1
<b>Results from operating activities (EBIT)</b>	<b>19.9</b>	<b>3.3</b>	<b>43.2</b>	<b>33.8</b>	<b>-43.4</b>	<b>6.0</b>	<b>254.5</b>	<b>230.7</b>
Financial results	-4.9	-3.4	18.0	14.0	-14.3	-15.8	-21.0	-29.1
<b>Result before income tax</b>	<b>15.0</b>	<b>-0.1</b>	<b>61.2</b>	<b>47.8</b>	<b>-57.7</b>	<b>-9.8</b>	<b>233.5</b>	<b>201.7</b>
Total assets	885.1	684.3	5,398.8	3,734.5	-2,523.7	-2,319.1	9,342.9	7,268.8
Investments <sup>1)</sup>	9.1	3.7	0.3	1.0	-0.7	-7.4	155.8	128.4

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated statement of operations. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Energy and Generation segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation Segment has not identified

any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required for the Walsum 10 power plant from the Group's point of view.



## Selected notes on financial instruments

### Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	31.03.2021		30.09.2019	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current assets</b>						
<b>Other investments</b>						
Investments	FVOCI	Level 3	129.3	129.3	115.9	115.9
Miscellaneous investments	FVOCI	Level 1	2,720.7	2,720.7	2,048.4	2,048.4
<b>Other non-current assets</b>						
Securities	FVTPL	Level 1	73.9	73.9	72.0	72.0
Loans receivable	AC	Level 2	31.3	34.4	32.9	37.0
Lease receivables	AC	Level 2	14.7	15.6	15.4	15.7
Receivables arising from derivative transactions	FVTPL	Level 2	0.9	0.9	0.1	0.1
Receivables arising from derivative transactions	Hedging	Level 2	–	–	1.0	1.0
Receivables	AC		12.3	12.3	10.9	10.9
<b>Current assets</b>						
<b>Current receivables and other current assets</b>						
Receivables	AC		415.7	415.7	281.4	281.4
Receivables arising from derivative transactions	FVTPL	Level 2	4.3	4.3	6.4	6.4
<b>Securities</b>	FVTPL	Level 1	432.5	432.5	253.8	253.8
<b>Cash and cash equivalents</b>						
Cash on hand and cash at banks	AC		192.5	192.5	214.6	214.6
<b>Non-current liabilities</b>						
<b>Non-current loans and borrowings</b>						
Bonds	AC	Level 2	611.1	676.0	514.5	592.3
Bank loans	AC	Level 2	504.7	580.5	530.8	613.3
<b>Other non-current liabilities</b>						
Leases	AC	Level 2				
Accruals of financial transactions	AC		–	–	0.1	0.1
Other liabilities	AC		42.7	42.7	47.7	47.7
Liabilities arising from derivative transactions	FVTPL	Level 2	4.9	4.9	0.7	0.7
Liabilities arising from derivative transactions	Hedging	Level 2	18.6	18.6	16.2	16.2
<b>Current liabilities</b>						
<b>Current loans and borrowings</b>	AC		93.4	93.4	110.0	110.0
<b>Trade payables</b>	AC		244.0	244.0	298.4	298.4
<b>Other current liabilities</b>						
Other financial liabilities	AC		180.8	180.8	208.3	208.3
Liabilities arising from derivative transactions	FVTPL	Level 2	18.7	18.7	4.3	4.3
Liabilities arising from derivative transactions	Hedging	Level 2	4.3	4.3	4.6	4.6
<b>thereof aggregated to measurement categories</b>						
Fair value through other comprehensive income	FVOCI		2,850.0		2,164.3	
Financial assets designated at fair value through profit or loss	FVTPL		511.6		332.2	
Financial assets and financial liabilities at amortised cost	AC		2,343.0		2,265.0	
Financial liabilities designated at fair value through profit or loss	FVTPL		23.6		5.0	

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

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

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

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

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

#### Information on transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2019/20.

EVN held an electricity procurement contract with STEAG-EVN Walsum 10 Kraftwerksgesellschaft on behalf of Wien Energie GmbH, a wholly owned subsidiary of Wiener Stadtwerke GmbH, based on a contract concluded in 2007 and charged a fee for electricity deliveries. The transaction volume totalled EUR 9.0m in the first half of 2020/21. EVN and Wien Energie GmbH terminated the existing electricity procurement contract for the Walsum 10 power plant by mutual agreement in December 2020. In this connection, EVN took over an additional electricity procurement right for 150 MW from this power plant. The accounting effects of this transaction are described under "Selected notes to the consolidated statement of operations" and "Selected notes to the consolidated statement of financial position".

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

<b>Transactions with investments in equity accounted investees</b>	<b>2020/21</b>	<b>2019/20</b>
EURm	HY. 1	HY. 1
Revenue	93.8	108.1
Cost of materials and services	17.8	25.5
Trade accounts receivable	17.9	18.1
Trade accounts payable	9.6	10.8

#### Other obligations and risks

Other obligations and risks increased by EUR 57.2m to EUR 936.5m compared to 30 September 2020. This change was mainly due to the increase in guarantees for projects in the environmental sector as well as from the increase in scheduled orders for investments in intangible assets and property, plant and equipment. This was partially offset by a reduction in guarantees in connection with the construction and operation of power plants.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by EAA at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 11.2m as of 31 March 2021. The nominal volume of the guarantees underlying this assessment was EUR 289.0m.

#### Significant events after the balance sheet date

The following events occurred after the balance sheet date for the quarterly financial statements on 31 March 2021 and the editorial deadline for this consolidated interim financial report on 21 May 2021:

- Both rating agencies confirmed their ratings for EVN in May 2021:
- Standard & Poor's: A, outlook negative
  - Moody's: A1, outlook stable

## Statement by the Executive Board

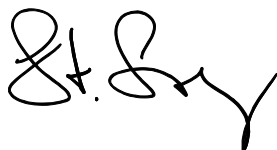
pursuant to § 125 (1) no. 3 of the Austrian Stock Exchange Act 2018 ("Börsegesetz 2018")

The Executive Board of EVN AG certifies that these condensed interim financial statements which were prepared in accordance with the decisive reporting standards present a true and fair view of the assets, liabilities, financial position and profit or loss of the

EVN Group and that the half-year management report of the Group presents a true and fair view of the assets, liabilities, financial position and profit or loss of the EVN Group with regard to important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, with regard to the principal risks and uncertainties for the remaining six months of the financial year and to transactions with related companies and individuals to be disclosed.

Maria Enzersdorf, 21 May 2021

EVN AG  
The Executive Board



**Stefan Szyszkowitz**  
Spokesman of the Executive Board



**Franz Mittermayer**  
Member of the Executive Board

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[www.verantwortung.evn.at](http://www.verantwortung.evn.at)

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## Financial calendar<sup>1)</sup>

Results Q. 1–3 2020/21	26.08.2021
Annual results 2020/21	16.12.2021

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## EVN share – Basic information<sup>2)</sup>

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

1) Preliminary

2) As of 31 March 2021

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