

New Challenges. New Opportunities. New Horizons.

Letter to Shareholders Q. 1–3 2018/19
1 October 2018 – 30 June 2019



Contents

Key figures	3
Highlights	4
Interim management report	5
Energy sector environment	5
Business development	6
Shareholder structure	9
Segment reporting	10
Consolidated interim report	19
Consolidated statement of operations	19
Consolidated statement of comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Condensed consolidated statement of cash flows	23
Notes to the consolidated interim report	24
Adjustments to the consolidated statement of financial position	28
Adjustments to equity	29

Key figures

		2018/19 Q. 1-3	2017/18 Q. 1-3	+/- %	2018/19 Q. 3	2017/18 Q. 3	+/- %	2017/18
Sales volumes								
Electricity generation volumes	GWh	4,367	4,293	1.7	1,391	975	42.7	5,526
thereof from renewable energy	GWh	1,860	1,755	6.0	676	589	14.7	2,213
Electricity sales volumes to end customers	GWh	15,289	14,209	7.6	4,347	4,054	7.2	18,413
Natural gas sales volumes to end customers	GWh	4,762	4,866	-2.1	760	453	67.6	5,178
Heat sales volumes to end customers	GWh	1,933	1,936	-0.2	364	306	18.9	2,219
Consolidated statement of operations								
Revenue ¹⁾	EURm	1,712.6	1,654.8	3.5	466.4	405.8	15.0	2,078.7
EBITDA	EURm	435.7	585.0	-25.5	105.4	114.2	-7.7	671.8
EBITDA margin ²⁾	%	25.4	35.4	-9.9	22.6	28.1	-5.6	32.3
Results from operating activities (EBIT)	EURm	236.4	387.2	-39.0	38.3	46.9	-18.3	392.9
EBIT margin ²⁾	%	13.8	23.4	-9.6	8.2	11.6	-3.3	18.9
Result before income tax	EURm	222.0	372.6	-40.4	47.0	57.3	-17.9	355.7
Group net result	EURm	168.2	273.2	-38.4	39.2	43.8	-10.4	254.6
Earnings per share	EUR	0.95	1.54	-38.4	0.22	0.25	-10.4	1.43
Statement of financial position								
Balance sheet total	EURm	7,696.4	6,955.1	10.7	7,696.4	6,955.1	10.7	7,831.1
Equity	EURm	4,269.2	3,595.3	18.7	4,269.2	3,595.3	18.7	4,092.6
Equity ratio ²⁾	%	55.5	51.7	3.8	55.5	51.7	3.8	52.3
Net debt ³⁾	EURm	1,000.4	1,020.8	-2.0	1,000.4	1,020.8	-2.0	963.7
Gearing ²⁾	%	23.4	28.4	-5.0	23.4	28.4	-5.0	23.5
Cash flow and investments								
Gross cash flow	EURm	474.1	507.2	-6.5	85.0	68.7	23.7	560.3
Net cash flow from operating activities	EURm	238.8	351.9	-32.1	131.7	97.9	34.5	603.5
Investments ⁴⁾	EURm	220.6	205.1	7.6	86.2	69.0	24.8	356.4
Share performance								
Share price at 30 June	EUR	13.30	16.00	-16.9	13.30	16.00	-16.9	16.88
Value of shares traded ⁵⁾	EURm	129.4	131.3	-1.4	-	-	-	169.7
Market capitalisation at 30 June	EURm	2,392	2,878	-16.9	2,392	2,878	-16.9	3,036
Employees	∅	6,889	6,822	1.0	6,917	6,831	1.3	6,831

1) The comparative information for the first three quarters of 2017/18 and for the 2017/18 financial year was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”.

2) Changes reported in percentage points

3) Incl. non-current personnel provisions

4) In intangible assets and property, plant and equipment

5) Vienna Stock Exchange, single counting

Highlights

Business development confirms outlook for 2018/19

- Revenue slightly above previous year (+3.5%), decline in EBITDA (-25.5%), EBIT (-39.0%) and Group net result (-38.4%)
- Forecasted negative factors (in particular rising wholesale prices and the absence of network stabilisation for southern Germany as well as price and volume effects in the Networks Segment) led to a year-on-year decline in earnings.
- Third-quarter earnings were supported by sound contributions from wind power and cooler temperatures in May 2019.
- Group net result for 2018/19 is expected to reflect the upper end of the assumed range of EUR 160m to EUR 180m.

Energy sector conditions

- Temperature-related energy demand in Austria almost returns to average level after mild winter half-year due to cooler temperatures in May 2019
- Heating degree total in Bulgaria and North Macedonia improves slightly year-on-year, but remains below long-term average
- Water flows in Austria and Germany above long-term average, but below the very good prior year level
- Increase in forward and spot market prices for base load and peak load electricity, above all due to substantially higher prices for CO₂ emission certificates
- Use of natural gas power plants further limited to network stabilisation due to ongoing low spreads

Increase in wholesale prices leads to decline in distribution results

- Negative effect from valuation of hedges held by EVN KG as of 30 June 2019
- Higher procurement costs for electricity and natural gas passed on to household customers as of 1 June 2019 within the framework of EnergieAllianz

Early exit from coal-fired generation in Lower Austria

- Termination of electricity production in the Dürnrohr coal-fired power plant during August 2019 due to threefold increase in the price of CO₂ emission certificates within the past one and a half years
- Contribution to climate protection through reduction of roughly 3.6m tonnes of CO₂ emissions by the end of the technical useful life in 2025
- Focus on further development of Dürnrohr as an energy location: installation of an additional gas-fired boiler to generate steam for industrial customers, construction of a sewage sludge incineration plant and a large-scale photovoltaic plant

Successful expansion of wind power

- Medium-term expansion target of approximately 370 MW to be met at the end of September 2019 and thereby one year earlier than planned with the commissioning of three new wind parks
- Plans call for the expansion of wind power capacity to approximately 500 MW by the end of 2023 (subject to appropriate framework conditions)

Investment strategy with clear focus on regulated and stable activities

- Annual investments of up to EUR 400m over the coming years
- Thereof roughly EUR 300m annually for network infrastructure, renewable generation and drinking water supplies in Lower Austria

Good order level in the international project business

- Seven general contractor assignments in Lithuania, Poland, Romania and Bahrain currently in progress, including five which were acquired in this financial year¹⁾

1) As of July 2019

Interim management report

Energy sector environment

Energy sector environment		2018/19 Q. 1–3	2017/18 Q. 1–3	2018/19 Q. 3	2017/18 Q. 3
Temperature-related energy demand¹⁾					
Austria	%	98.5	101.7	–	–
Bulgaria	%	93.8	92.9	–	–
North Macedonia	%	96.9	94.5	–	–
Primary energy and CO₂ emission certificates					
Crude oil – Brent	EUR/bbl	59.9	56.3	62.0	61.9
Natural gas – NCG ²⁾	EUR/MWh	19.2	20.7	13.6	21.0
Hard coal – API#2 ³⁾	EUR/t	66.7	75.0	48.5	75.0
CO ₂ emission certificates	EUR/t	22.1	10.6	24.4	14.4
Electricity – EEX forward market⁴⁾					
Base load	EUR/MWh	45.7	34.0	43.1	30.7
Peak load	EUR/MWh	56.3	42.6	50.0	36.5
Electricity – EPEX spot market⁵⁾					
Base load	EUR/MWh	47.8	34.9	36.8	36.0
Peak load	EUR/MWh	55.4	43.7	40.2	40.7

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	2018/19 Q. 1–3	2017/18 Q. 1–3	+/-		2018/19 Q. 3	2017/18 Q. 3	+/- %
			nominal	%			
GWh							
Electricity generation volumes	4,367	4,293	74	1.7	1,391	975	42.7
Renewable energy sources	1,860	1,755	105	6.0	676	589	14.7
Thermal energy sources	2,507	2,538	-31	-1.2	715	386	85.0
Network distribution volumes							
Electricity	17,466	17,296	170	1.0	5,169	4,967	4.1
Natural gas ¹⁾	13,486	14,669	-1,182	-8.1	2,791	2,251	24.0
Energy sales volumes to end customers							
Electricity	15,289	14,209	1,080	7.6	4,347	4,054	7.2
thereof Central and Western Europe ²⁾	6,020	5,393	628	11.6	1,922	1,645	16.8
thereof South Eastern Europe	9,269	8,816	453	5.1	2,425	2,409	0.7
Natural gas	4,762	4,866	-104	-2.1	760	453	67.6
Heat	1,933	1,936	-3	-0.2	364	306	18.9
thereof Central and Western Europe ²⁾	1,735	1,741	-6	-0.4	341	289	18.0
thereof South Eastern Europe	198	195	3	1.5	23	17	33.2

1) Incl. network distribution volumes to EVN power plants

2) Central and Western Europe covers Austria and Germany.

Business development

Statement of operations

Highlights

- Revenue: +3.5% to EUR 1,712.6m
 - EBITDA: –25.5% to EUR 435.7m
 - EBIT: –39.0% to EUR 236.4m
 - Financial results: +2.0% to EUR –14.4m
 - Group net result: –38.4% to EUR 168.2m
-

Revenue recorded by the EVN Group rose by 3.5% year-on-year to EUR 1,712.6m in the first three quarters of 2018/19. This growth was supported, above all, by a substantial increase in renewable generation, positive impulses from the heat supply business and valuation effects from hedges for electricity generation. These factors were contrasted by declines in thermal electricity generation and in the Networks Segment as well as a change in the calculation method for the so-called “green electricity mark-up” in Bulgaria which, however, has no effect on profit or loss (also see the comments on the South East Europe Segment).

Other operating income rose by 35.3% over the previous year to EUR 93.3m due to positive changes in inventories, among others in the international project business.

The cost of electricity purchases from third parties and primary energy expenses were also influenced by contrary effects in the first three quarters of 2018/19. Upstream network costs and the valuation of hedges for primary energy carriers and CO₂ emission certificates were responsible for an increase, while the above-mentioned change in the calculation method for the green electricity mark-up in Bulgaria, among others, led to a reduction.

The cost of materials and services was nearly stable, in total, at EUR 194.2m.

Personnel expenses rose by 6.5% to EUR 252.2m due to the annual adjustments required by collective agreements and an increase in the average number of employees. The EVN Group employed an average workforce of 6,889 employees during the reporting period (previous year: 6,822 employees).

Other operating expenses declined by 17.0% to EUR 88.5m, among others as a result of lower receivables write-offs in South East Europe.

The share of results from equity accounted investees with operational nature fell to EUR 17.3m in the first nine months of 2018/19 (previous year: EUR 160.7m). This decline reflected the development of business in EVN KG during the reporting period, which was influenced by higher procurement costs and negative effects from the valuation of hedges as of 30 June 2019, in combination with a lower earnings contribution from RAG.

EBITDA recorded by the EVN Group fell by 25.5% to EUR 435.7m in the first three quarters of 2018/19, and the EBITDA margin dropped from 35.4% to 25.4%.

Scheduled depreciation and amortisation increased to EUR 199.6m as the result of investments (previous year: EUR 192.8m). The effects of impairment tests changed from EUR –5.1m to EUR 0.4m in the reporting period, primarily based on a reversal of impairments which resulted from the extension of the concession in Croatia during the second quarter of 2018/19. EVN generated EBIT of EUR 236.4m in the first three quarters of 2018/19 (previous year: EUR 387.2m). Financial results remained nearly stable at EUR –14.4m for the reporting period.

The result before income tax declined by 40.4% year-on-year to EUR 222.0m. After the deduction of EUR 35.3m (previous year: EUR 79.0m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period amounted to EUR 168.2m and was 38.4% lower than the previous year.

Statement of cash flows

Gross cash flow fell by 6.5% year-on-year to EUR 474.1m in the first three quarters of 2018/19, primarily due to the decline in the result before income tax. A contrary effect was provided by lower non-cash results from equity accounted investees.

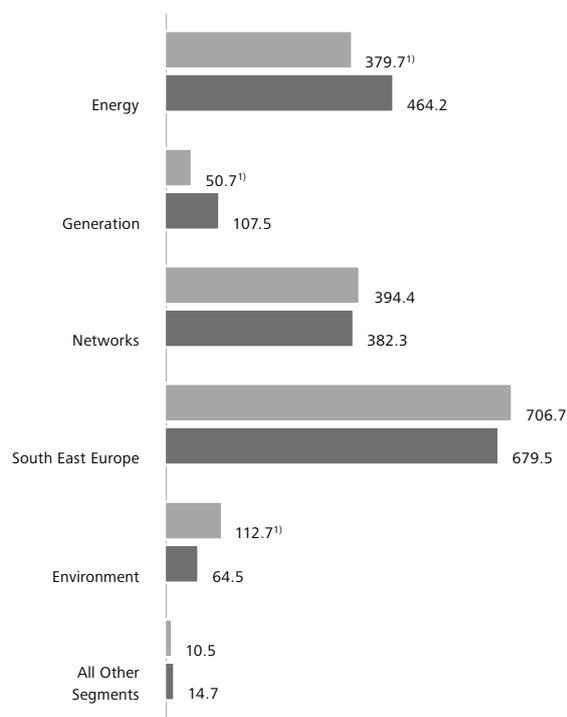
Cash flow from operating activities amounted to EUR 238.8m (previous year: EUR 351.9m) and was influenced by the negative development of working capital as of 30 June 2019.

Cash flow from investing activities totalled EUR –54.3m (previous year: EUR –239.4m) and was influenced primarily by investments in cash funds and in securities of the R 138 fund. The increase in these investments during the previous year was followed by a reduction during the reporting period. The net investments in property, plant and equipment and in intangible assets – which focused on the network infrastructure, wind power and drinking water supplies – were higher than the previous year.

Cash flow from financing activities totalled EUR –187.7m (previous year: EUR –129.7m) and included the dividend payment for the 2017/18 financial year to the shareholders of EVN AG and to non-controlling interests as well as the scheduled repayment of financial liabilities.

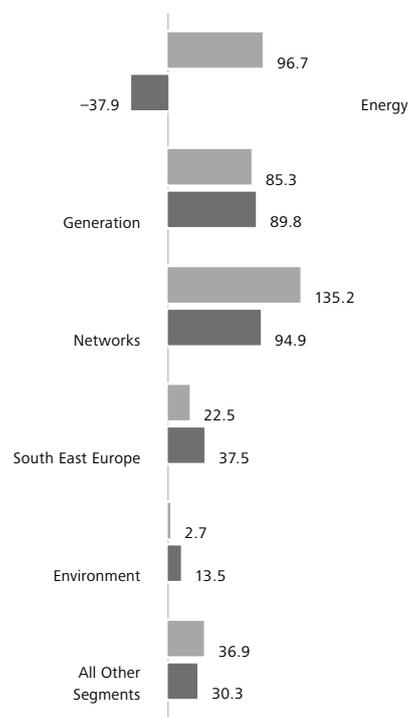
External revenue by segments Q. 1–3

EURm
2017/18
2018/19



EBIT by segments Q. 1–3

EURm
2017/18
2018/19



1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”.

Cash flow totalled EUR –3.2m in the first three quarters of 2018/19, and cash and cash equivalents totalled EUR 211.5m as of 30 June 2019. The EVN Group also had contractually agreed, undrawn credit lines of EUR 492.0m at its disposal to service potential short-term financing requirements.

Statement of financial position

EVN’s balance sheet total equalled EUR 7,696.4m as of 30 June 2019 and was 1.7% lower than on 30 September 2018.

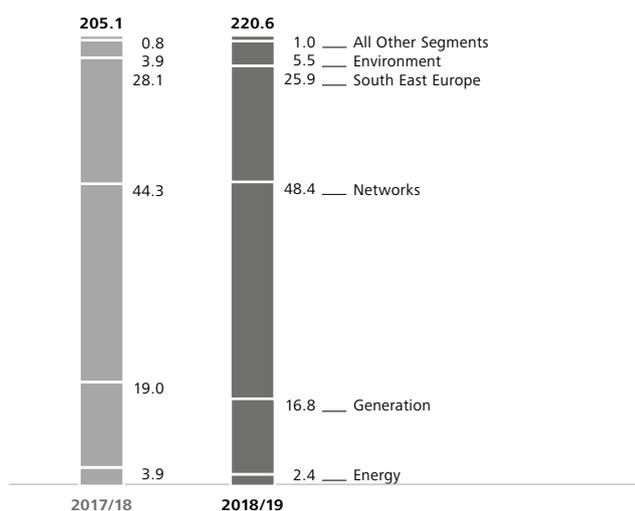
Non-current assets were generally stable at EUR 6,856.4m (30 September 2018: EUR 6,881.9m), but influenced by contrary developments. Other investments were increased by the higher price of the Verbund share (share price: EUR 46.00 as of 30 June 2019 vs. EUR 42.42 as of 30 September 2018), while the negative earnings contribution from EVN KG and its

earnings distribution for 2017/18 led to a decline in equity accounted investees. Additional factors included reduced investments in long-term securities in the R 138 fund, a decline in receivables from derivative transactions which resulted from the lower valuation of derivatives in the energy business and was caused by the increase in wholesale prices, and the reclassification of inventories to current assets. Intangible assets and property, plant and equipment, on the other hand, were relatively constant.

Current assets declined by 11.5% to EUR 840.1m, chiefly due to a decrease in cash funds, cash and cash equivalents and receivables as of 30 June 2019. This was contrasted by a higher balance of inventories, which resulted from an increase in customer orders not yet invoiced, and by the above-mentioned reclassification of raw materials and supplies.

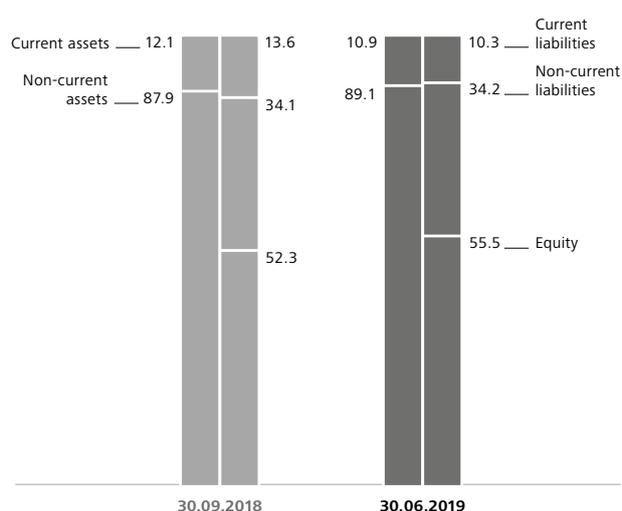
Structure of investments Q. 1–3

%, total in EURm



Balance sheet structure as of the balance sheet date

%



Equity rose by 4.3% during the first three quarters of 2018/19 to EUR 4,269.2m as of 30 June 2019 despite the dividend payment for the 2017/18 financial year in January 2019. Positive factors included the earnings generated during the reporting period and measurement effects recognised directly in equity (in particular from the increase in the Verbund share price). The equity ratio equalled 55.5% as of 30 June 2019 (30 September 2018: 52.3%).

Non-current liabilities declined slightly by 1.4% to EUR 2,632.8m as of 30 June 2019, chiefly due to the reclassification of financial liabilities from non-current to current as well as a reduction in

non-current liabilities from derivative transactions. Contrary factors included the increase in non-current tax liabilities which resulted from the higher price of the Verbund share and from long-term employee-related provisions following the application of a lower discount rate. In addition, an increase was recorded in network subsidies during the reporting period.

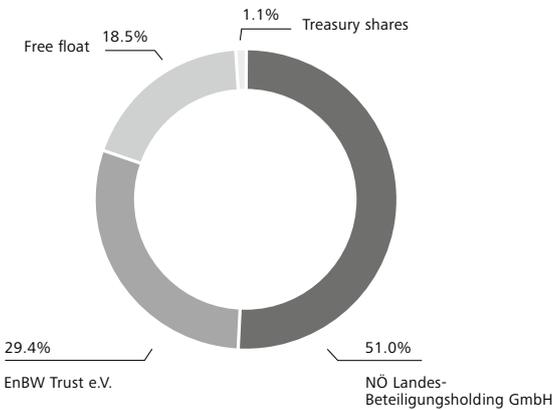
Current liabilities were 25.6% lower at EUR 794.3m, primarily owing to declines in liabilities to equity accounted investees, trade payables, current liabilities from derivative transactions and current financial liabilities. These reductions were contrasted by an increase in current tax liabilities.

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 is EnBW Trust e.V., an association headquartered in Karlsruhe, which is recorded in the register of associations maintained by the district court in Mannheim under VR 3737. As of 30 June 2019, EnBW Trust held an investment of 29.4% of the share capital in trust for EnBW Energie Baden-Württemberg AG, which is also headquartered in Karlsruhe and recorded in the commercial register of the district court in Mannheim under HRB 107956.

Shareholder structure¹⁾



1) As at 30 June 2019

Segment reporting

Overview

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

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

Business areas	Segments	Major activities
Energy business	Energy	<ul style="list-style-type: none"> → Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in ENERGIEALLIANZ Austria GmbH¹⁾ → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)¹⁾
	Generation	<ul style="list-style-type: none"> → Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations → Operation of a thermal waste utilisation plant in Lower Austria²⁾ → 13.0% investment in Verbund Innkraftwerke GmbH (Germany)¹⁾ → 49.0% investment in Walsum 10 hard coal-fired power plant (Germany)³⁾ → 49.99% investment in Ashta run-of-river power plant (Albania)¹⁾
	Networks	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity in Bulgaria and North Macedonia → Sale of electricity to end customers in Bulgaria and North Macedonia → Generation of electricity from hydropower in North Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	<ul style="list-style-type: none"> → Water supply and wastewater disposal in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation
Other business activities	All Other Segments	<ul style="list-style-type: none"> → 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG Austria AG (RAG)¹⁾ → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG¹⁾ → 12.63% investment in Verbund AG⁴⁾ → Corporate services

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

2) The thermal waste utilisation plant in Zwentendorf/Dürnrohr that was previously held in the Environment Segment was assigned to the Generation Segment beginning with the fourth quarter of 2017/18.

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

4) Dividends are included under financial results.

Energy

Highlights

- Increase in electricity sales volumes; decline in natural gas and heat sales volumes due to mild temperatures
- Valuation effects from hedges
- EBITDA, EBIT and result before income tax below previous year

EVN's energy sales volumes to end customers were influenced by contrasting factors during the first three quarters of 2018/19. Electricity sales volumes rose by 11.6% to 6,020 GWh based on growth in the industrial customer segment, while natural gas sales volumes fell by 2.5% to 4,679 GWh and heat sales volumes by 0.4% to 1,735 GWh. These declines mainly resulted from the generally milder temperatures throughout the reporting period, despite very cool weather in May.

Revenue in the Energy Segment rose by 21.2% over the previous year to EUR 467.9m despite a decline in sales of the energy gener-

ated in EVN's plants. Operating expenses increased by 19.4% to EUR 452.9m. In both cases, the increases resulted primarily from effects related to the valuation of hedges as of 30 June 2019.

The share of results from equity accounted investees with operational nature totalled EUR –38.7m in the first three quarters of 2018/19 (previous year: EUR 104.4m). This decline resulted chiefly from higher energy procurement prices and negative effects from the valuation of hedges held by EVN KG as of 30 June 2019. EBITDA in this segment amounted to EUR –23.7m for the reporting period (previous year: EUR 111.4m).

Depreciation and amortisation, including the effects of impairment tests, were slightly lower than the previous year at EUR 14.2m. EBIT in the Energy Segment equalled EUR –37.9m (previous year: EUR 96.7m).

Financial results improved from EUR –2.6m to EUR –1.6m in the first three quarters of 2018/19, and the result before income tax totalled EUR –39.5m (previous year: EUR 94.1m).

Investments in this segment were 23.4% lower year-on-year at EUR 6.2m and focused entirely on the expansion of the heating plants and networks.

Key indicators – Energy		2018/19	2017/18	+/-		2018/19	2017/18	+/-
		Q. 1–3	Q. 1–3	nominal	%	Q. 3	Q. 3	%
Key energy business indicators	GWh							
Energy sales volumes to end customers								
Electricity		6,020	5,393	628	11.6	1,922	1,645	16.8
Natural gas		4,679	4,796	-117	-2.5	735	431	70.5
Heat		1,735	1,741	-6	-0.4	341	289	18.0
Key financial indicators	EURm							
External revenue ¹⁾		464.2	379.7	84.5	22.2	106.2	49.9	-
Internal revenue		3.7	6.5	-2.8	-42.5	1.1	2.2	-47.3
Total revenue¹⁾		467.9	386.2	81.7	21.2	107.4	52.1	-
Operating expenses ¹⁾		-452.9	-379.2	-73.7	-19.4	-119.2	-67.4	-77.0
Share of results from equity accounted investees with operational nature		-38.7	104.4	-143.1	-	3.5	40.9	-91.6
EBITDA		-23.7	111.4	-135.1	-	-8.4	25.7	-
Depreciation and amortisation including effects from impairment tests		-14.2	-14.7	0.4	3.0	-4.6	-4.9	7.3
Results from operating activities (EBIT)		-37.9	96.7	-134.6	-	-13.0	20.7	-
Financial results		-1.6	-2.6	1.0	39.8	-0.7	-0.5	-32.5
Result before income tax		-39.5	94.1	-133.6	-	-13.6	20.2	-
Total assets		768.9	750.4	18.5	2.5	768.9	750.4	2.5
Total liabilities		663.4	644.5	18.9	2.9	663.4	644.5	2.9
Investments ²⁾		6.2	8.1	-1.9	-23.4	2.8	2.8	-1.5

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”.

2) In intangible assets and property, plant and equipment

Generation

Highlights

- Increase in electricity generation from renewable energy
 - Expansion of wind power capacity
 - High wind flows
- Supply of 430 MW in reserve capacity to prevent shortages in the electricity network
- EBITDA, EBIT and result before income tax above previous year

Supported by a substantial year-on-year increase in wind flows and the ongoing expansion of EVN's wind power capacity, electricity generation from renewable energy rose by 10.1% to 1,559 GWh in the first three quarters of 2018/19. Water flows exceeded the long-term average throughout the reporting period, but were unable to match the very good prior year level.

Electricity generation from the thermal power plants declined by 4.6% to 2,194 GWh primarily owing to a reduction in the

reserve capacity under contract to prevent shortages. Since 1 October 2018, 430 MW from the natural gas-fired plant in Theiss have served as reserve capacity for the Austrian transmission network (previous year: 1,090 MW of capacity reserved for southern Germany). The underlying contract initially covers three years. The thermal power plant capacities in Theiss and Korneuburg, which are currently not under contract to prevent shortages, have been deactivated and conserved due to the present market environment.

In total, the Generation Segment recorded a year-on-year increase of 1.0% in electricity generation to 3,753 GWh in the first three quarters of 2018/19. At the Group level, EVN covered 28.6% of the electricity sold during the reporting period with its own production (previous year: 30.2%). The share of renewable energy in the Group's electricity production rose to 42.6% (previous year: 40.9%).

Revenue in the Generation Segment rose by 24.0% year-on-year to EUR 264.9m in the reporting period. This increase was supported by the positive contribution from renewable electricity generation and by revenue from the thermal waste utilisation plant in Zwentendorf/Dürnrohr which has been included in this segment since the fourth quarter of 2017/18. This reclassifica-

Key indicators – Generation		2018/19	2017/18	+/-		2018/19	2017/18	+/-
		Q. 1-3	Q. 1-3	nominal	%	Q. 3	Q. 3	%
Key energy business indicators	GWh							
Electricity generation volumes		3,753	3,715	38	1.0	1,203	777	54.9
thereof renewable energy sources		1,559	1,416	143	10.1	569	468	21.5
thereof thermal energy sources		2,194	2,299	-105	-4.6	634	309	-
Key financial indicators	EURm							
External revenue ¹⁾		107.5	50.7	56.9	-	34.1	20.2	68.5
Internal revenue		157.3	163.0	-5.7	-3.5	50.5	35.1	44.0
Total revenue¹⁾		264.9	213.7	51.2	24.0	84.6	55.3	52.9
Operating expenses ¹⁾		-131.7	-92.4	-39.3	-42.6	-48.1	-35.7	-34.6
Share of results from equity accounted investees with operational nature		3.9	3.6	0.2	6.8	1.5	1.2	27.8
EBITDA		137.0	124.9	12.1	9.7	38.0	20.7	83.2
Depreciation and amortisation including effects from impairment tests		-47.2	-39.6	-7.6	-19.1	-15.8	-15.8	0.0 ^{*)}
Results from operating activities (EBIT)		89.8	85.3	4.5	5.3	22.1	4.9	-
Financial results		-11.5	-10.3	-1.2	-12.0	-3.5	-3.3	-3.5
Result before income tax		78.3	75.0	3.3	4.4	18.7	1.5	-
Total assets		1,025.0	932.6	92.4	9.9	1,025.0	932.6	9.9
Total liabilities		763.1	644.6	118.5	18.4	763.1	644.6	18.4
Investments ²⁾		42.7	42.6	0.2	0.4	11.6	8.9	30.2

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”.

2) In intangible assets and property, plant and equipment

*) Small amount

tion was also primarily responsible for an increase of 42.6% in operating expenses to EUR 131.7m.

The share of results from equity accounted investees with operational nature was 6.8% higher than the previous year at EUR 3.9m in the first three quarters of 2018/19, chiefly due to the earnings contribution from Verbund Innkraftwerke GmbH. EBITDA in the Generation Segment totalled EUR 137.0m for the reporting period, which represents a year-on-year increase of 9.7%.

Depreciation and amortisation, including the effects of impairment tests, rose to EUR 47.2m (previous year: EUR 39.6m), also due to the inclusion of the thermal waste utilisation plant in this segment. In total, EBIT equalled EUR 89.8m (previous year: EUR 85.3m).

Financial results were generally stable at EUR –11.5m (previous year: EUR –10.3m). The result before income tax equalled EUR 78.3m, which represents an increase of 4.4% over the prior year.

Investments in this segment nearly matched the previous year at EUR 42.7m in the first three quarters of 2018/19. Following the commissioning of two new wind parks – Gänserndorf West (6 MW, repowering, December 2018) and Au am Leithaberge (18 MW, December 2018) – plans for the current financial year call for the completion of three further large wind power projects with a combined capacity of 31 MW. EVN's wind power generation capacity will then equal 367 MW (30 September 2018: 318 MW), which means the interim goal for expansion towards the targeted 500 MW will be met ahead of schedule.

In view of the threefold increase in the prices for CO₂ emission certificates within the past one and a half years, EVN terminated electricity production at the coal-fired Dürnrrohr power plant earlier than planned during August 2019. Dürnrrohr will, however, be expanded as an energy location due to its importance. EVN is currently installing an additional gas-fired boiler to generate steam for industrial customers, and a sewage sludge incineration plant and large-scale photovoltaic plant are currently in the planning stage.

Networks

Highlights

- Revenue development negatively influenced by price and volume effects
 - Tariff reductions due to lower cost of capital rates (new regulatory periods)
 - Warmer weather reflected in reduced network distribution volumes for electricity and natural gas; further decline in natural gas following lower use of power plants
 - EBITDA, EBIT and result before income tax below previous year
-

The decline in EVN's network distribution volumes in Lower Austria which resulted from the warm weather during the first half of 2018/19 was partly offset by cooler temperatures in May 2019, but electricity network distribution volumes still declined slightly by 0.7% to 6,527 GWh in the first three quarters of the current financial year. Natural gas network distribution volumes fell by 8.4% to 13,300 GWh, above all due to the reduced use of EVN's gas-fired power plants to support network stabilisation.

The tariffs set by the E-Control Commission as of 1 January 2019 resulted in an average reduction of 5.7% for electricity and 9.3% for natural gas for household customers. These adjustments reflect the application of changed parameters for the new regulatory periods (in particular, a lower weighted average cost of capital). They also reflect an offset for positive volume effects resulting from the cold winter weather in earlier periods.

These volume and price effects also led to a decline of 3.3% in revenue for the Networks Segment to EUR 420.3m. Operating expenses were 10.3% higher than the previous year at EUR 233.3m, primarily due to an increase in upstream network costs and expenses for third party services.

Key indicators – Networks		2018/19	2017/18	+/-		2018/19	2017/18	+/-
		Q. 1–3	Q. 1–3	nominal	%	Q. 3	Q. 3	%
Key energy business indicators		GWh						
Network distribution volumes								
Electricity		6,527	6,575	-48	-0.7	1,982	1,967	0.8
Natural gas		13,300	14,522	-1,222	-8.4	2,733	2,202	24.1
Key financial indicators		EURm						
External revenue		382.3	394.4	-12.1	-3.1	102.8	100.5	2.3
Internal revenue		38.0	40.2	-2.2	-5.5	12.8	11.3	13.3
Total revenue		420.3	434.6	-14.3	-3.3	115.6	111.8	3.4
Operating expenses		-233.3	-211.5	-21.7	-10.3	-77.4	-72.0	-7.6
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
EBITDA		187.0	223.1	-36.1	-16.2	38.2	39.8	-4.0
Depreciation and amortisation including effects from impairment tests		-92.1	-87.8	-4.3	-4.9	-30.7	-28.3	-8.6
Results from operating activities (EBIT)		94.9	135.2	-40.4	-29.8	7.5	11.5	-35.0
Financial results		-12.8	-12.7	-0.1	-0.8	-4.3	-4.2	-0.8
Result before income tax		82.1	122.5	-40.5	-33.0	3.2	7.3	-55.8
Total assets		1,955.7	1,910.5	45.1	2.4	1,955.7	1,910.5	2.4
Total liabilities		1,329.3	1,296.5	32.8	2.5	1,329.3	1,296.5	2.5
Investments ¹⁾		107.0	91.1	15.9	17.5	50.9	39.6	28.6

1) In intangible assets and property, plant and equipment

The above developments led to a decline of 16.2% in segment EBITDA to EUR 187.0m. Scheduled depreciation and amortisation rose by 4.9% to EUR 92.1m as the result of investments and, together with the decline in EBITDA, led to a 29.8% drop in EBIT to EUR 94.9m.

Financial results generally reflected the previous year at EUR -12.8m. The Networks Segment recorded result before income tax of EUR 82.1m for the reporting period (previous year: EUR 122.5m).

Investments in the Networks Segment rose by 17.5% to EUR 107.0m in the first nine months of 2018/19 and reflect EVN's strategic focus on supply security and quality. The projects realised during the reporting period were directed to the expansion and strengthening of power lines and to the construction of new transformer plants and stations.

South East Europe

Highlights

- Increase in network and energy sales volumes
- Receipt of license as a "supplier of universal service" in North Macedonia
- Increase in EBITDA, EBIT and result before income tax

Heating energy requirements in Bulgaria and North Macedonia at 93.8% and 96.9%, respectively, were below the long-term average, but slightly higher than the previous year. This development was reflected in an increase of 2.0% to 10,939 GWh in electricity network distribution volumes and 5.2% to 9,550 GWh in energy sales volumes to end customers. Electricity sales in Bulgaria were also positively influenced by the reacquisition of commercial customers.

Electricity generation in South Eastern Europe was characterised by different developments during the reporting period. Following

Key indicators – South East Europe		2018/19 Q. 1–3	2017/18 Q. 1–3	+/-		2018/19 Q. 3	2017/18 Q. 3	+/-
				nominal	%			%
Key energy business indicators		GWh						
Electricity generation volumes								
		352	312	40	12.7	112	121	-7.6
	thereof renewable energy	94	134	-40	-29.6	48	59	-19.7
	thereof thermal power plants	258	179	79	44.2	64	62	4.0
Electricity network distribution volumes		10,939	10,721	218	2.0	3,187	3,000	6.2
Energy sales volumes to end customers		9,550	9,082	468	5.2	2,473	2,449	1.0
	thereof electricity	9,269	8,816	453	5.1	2,425	2,409	0.7
	thereof natural gas	83	70	12	17.8	25	22	12.4
	thereof heat	198	195	3	1.5	23	17	33.2
Key financial indicators		EURm						
External revenue		679.5	706.7	-27.3	-3.9	192.7	193.4	-0.3
Internal revenue		0.6	0.6	0.0	-1.9	0.2	0.2	-21.6
Total revenue		680.1	707.4	-27.3	-3.9	192.9	193.6	-0.4
Operating expenses		-597.1	-638.1	41.0	6.4	-163.9	-170.7	4.0
Share of results from equity accounted investees with operational nature		-	-	-	-	-	-	-
EBITDA		83.0	69.3	13.7	19.8	29.0	22.9	27.0
Depreciation and amortisation including effects from impairment tests		-45.6	-46.8	1.2	2.6	-15.8	-15.5	-2.3
Results from operating activities (EBIT)		37.5	22.5	14.9	66.3	13.2	7.4	78.7
Financial results		-15.3	-15.2	-0.1	-0.7	-4.7	-4.9	3.6
Result before income tax		22.2	7.3	14.8	-	8.5	2.5	-
Total assets		1,175.3	1,174.8	0.4	0.0	1,175.3	1,174.8	0.0
Total liabilities		912.9	938.2	-25.3	-2.7	912.9	938.2	-2.7
Investments ¹⁾		57.1	57.7	-0.6	-1.0	17.2	16.8	2.7

1) In intangible assets and property, plant and equipment

unusually high water flows in the previous year, hydrological conditions in North Macedonia were below the long-term average in the first three quarters of 2018/19. Renewable generation in this segment therefore fell by 29.6% to 94 GWh. Thermal generation, in contrast, rose by 44.2% to 258 GWh, whereby the previous year was influenced by an unscheduled standstill at the co-generation plant in Plovdiv.

The so-called “green electricity mark-up” in Bulgaria is no longer included in the energy price, but reported separately and charged to customers following the change in the calculation method as of 1 July 2018. This change has no effect in total because revenue and procurement costs are reduced by the same amount.

The above-mentioned change in the calculation method led to a 3.9% year-on-year decline in segment revenue to EUR 680.1m in spite of positive energy sector developments.

Operating expenses declined by 6.4% to EUR 597.1m due to a reduction in receivables write-offs and the changed calculation method for the “green electricity mark-up”. EBITDA in the South East Europe Segment therefore increased by 19.8% to EUR 83.0m.

As reported in the first half of 2018/19, the extension of the concessions for EVN’s natural gas activities in two Croatian countries led to an improvement in the economic framework conditions and, in turn, to a subsequent reversal of impairments in this segment. Depreciation and amortisation, including the results of impairment tests, therefore declined by 2.6% to EUR 45.6m. These factors were reflected in an increase in EBIT in the South East Europe Segment to EUR 37.5m (previous year: EUR 22.5m).

Financial results were nearly constant at EUR -15.3m, and the result before income tax amounted to EUR 22.2m (previous year: EUR 7.3m).

EVN's investments in South East Europe were generally stable year-on-year at EUR 57.1m. Most of these projects involved new connections, the exchange of meters and expansion measures in the distribution grid to protect supply security.

EVN won the tender for the license as the "supplier of universal service" in North Macedonia at the end of February 2019. This represents the basis, beginning on 1 July 2019, to supply electricity to all households and small companies through the newly founded distribution company "EVN Home DOO". The license has an initial term of five years.

As previously announced in the first half of 2018/19, the arbitration proceedings initiated by EVN AG against the Republic of Bulgaria ended in April 2019 – following an out-of-court settlement over part of the claims in 2016/17 – without any additional compensation for claims.

The regulatory authorities in Bulgaria and North Macedonia recently set new energy tariffs for the regulated market segments. In Bulgaria, the end customer prices for household customers in EVN's supply area were raised by an average of 3.5% for electricity and by 7.4% for heat (previous year: average increase of 1.4% for electricity and reduction of roughly 4.0% for heat as of 1 July 2018). In North Macedonia, the latest tariff decisions did not result in any changes to the electricity price for end customers (previous year: average reduction of 0.2%).

Environment

Highlights

- Completion of a wastewater treatment plant project in North Macedonia during the third quarter of 2018/19
 - EBITDA, EBIT and result before income tax above previous year
 - Substantial investments in drinking water supplies for Lower Austria
-

EVN's activities in the international project business currently include work on seven general contractor assignments in Lithuania, Poland, Romania and Bahrain (as of July 2019). WTE Wassertechnik, the subsidiary responsible for this business area, was awarded the contracts for five of these projects in this financial year alone. The wastewater treatment plant project in Kočani – the fourth plant developed by WTE Wassertechnik in North Macedonia – was transferred to the customer during the third quarter of 2018/19.

In Kuwait, the exclusive negotiations and preparations in the tender for an extensive wastewater treatment project are continuing. They recently concentrated, among others, on the founding of the required project company, which will be under the majority ownership of state-owned Kuwaiti institutions with WTE Wassertechnik as a minority shareholder. Negotiations also covered the envisaged project financing. The final awarding of the contract is still outstanding.

Revenue in the Environment Segment fell by 48.3% year-on-year to EUR 64.9m in the reporting period, despite an increase in revenue from drinking water supplies in Lower Austria. This decline resulted primarily from the reassignment of the thermal waste utilisation plant in Zwentendorf/Dürnrohr to the Generation Segment in the fourth quarter of 2017/18.

Key financial indicators – Environment	EURm	2018/19	2017/18	+/-		2018/19	2017/18	+/-
		Q. 1-3	Q. 1-3	nominal	%	Q. 3	Q. 3	%
External revenue ¹⁾		64.5	112.7	-48.1	-42.7	24.5	38.0	-35.4
Internal revenue		0.3	12.8	-12.5	-97.3	0.1	4.6	-97.6
Total revenue¹⁾		64.9	125.5	-60.6	-48.3	24.6	42.7	-42.2
Operating expenses ¹⁾		-56.0	-115.4	59.4	51.5	-19.7	-41.3	52.2
Share of results from equity accounted investees with operational nature		13.3	9.8	3.5	35.8	4.0	1.8	-
EBITDA		22.2	19.8	2.3	11.7	8.9	3.2	-
Depreciation and amortisation including effects from impairment tests		-8.6	-17.1	8.4	49.5	-2.9	-5.5	47.1
Results from operating activities (EBIT)		13.5	2.7	10.8	-	6.0	-2.4	-
Financial results		-4.4	-0.2	-4.2	-	-1.8	0.1	-
Result before income tax		9.1	2.5	6.6	-	4.2	-2.3	-
Total assets		666.0	782.7	-116.7	-14.9	666.0	782.7	-14.9
Total liabilities		517.1	616.6	-99.5	-16.1	517.1	616.6	-16.1
Investments ²⁾		12.1	8.1	4.0	50.2	4.4	1.1	-

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”.

2) In intangible assets and property, plant and equipment

Operating expenses declined by 51.5% to EUR 56.0m during the reporting period, in line with developments in the international project business and the above-mentioned reassignment.

In contrast, the share of results from equity accounted investees with operational nature rose by 35.8% to EUR 13.3m. This improvement is attributable, in particular, to the earnings contributions from the wastewater treatment plant project in Zagreb.

The improvement in the international project business was reflected in an increase in EBITDA, which rose by 11.7% over the previous year to EUR 22.2m in the first nine months of 2018/19. Since scheduled depreciation on the thermal waste utilisation plant is no longer allocated to this segment, EBIT also increased to EUR 13.5m (previous year: EUR 2.7m).

Financial results equalled EUR -4.4m (previous year: EUR -0.2m). The Environment Segment recorded result before income tax of EUR 9.1m for the reporting period, compared with EUR 2.5m in the previous year.

Investments in the Environment Segment rose by 50.2% to EUR 12.1m and reflect EVN's strategy to realise a massive expansion in drinking water supplies for Lower Austria during the coming years. Projects are focused on the construction of new transport lines in the region south of Vienna, an area which has seen strong population growth for many years. In addition, the new natural filter plant on the Wienerherberg well field, which supplies 18 communities south of Vienna with high quality drinking water, advanced from test to full operations at the end of May 2019.

Key financial indicators – All Other Segments	EURm	2018/19	2017/18	+/-		2018/19	2017/18	+/-
		Q. 1-3	Q. 1-3	nominal	%	Q. 3	Q. 3	%
External revenue		14.7	10.5	4.2	40.1	6.1	3.7	64.0
Internal revenue		48.0	44.7	3.3	7.4	15.9	15.1	5.2
Total revenue		62.7	55.2	7.5	13.6	22.0	18.8	16.8
Operating expenses		-69.9	-60.0	-9.9	-16.4	-25.6	-21.7	-17.7
Share of results from equity accounted investees with operational nature		38.9	42.9	-4.0	-9.3	3.7	5.7	-34.2
EBITDA		31.7	38.0	-6.4	-16.7	0.1	2.7	-95.4
Depreciation and amortisation including effects from impairment tests		-1.3	-1.2	-0.2	-15.4	-0.4	-0.4	-13.5
Results from operating activities (EBIT)		30.3	36.9	-6.5	-17.7	-0.3	2.4	-
Financial results		46.4	42.0	4.4	10.4	23.7	23.3	1.5
Result before income tax		76.7	78.9	-2.2	-2.8	23.4	25.7	-9.0
Total assets		4,324.4	3,532.0	792.4	22.4	4,324.4	3,532.0	22.4
Total liabilities		1,495.7	1,363.2	132.5	9.7	1,495.7	1,363.2	9.7
Investments ¹⁾		2.1	1.6	0.5	34.0	0.9	0.1	-

1) In intangible assets and property, plant and equipment

All Other Segments

Highlights

- Different development of earnings contributions:
 - Increase at Energie Burgenland
 - Decline at RAG
- Lower EBITDA, EBIT and result before income tax

Revenue in this segment rose by 13.6% to EUR 62.7m in the first nine months of 2018/19, and operating expenses increased by 16.4% to EUR 69.9m.

In contrast, the share of results from equity accounted investees with operational nature declined by 9.3% to EUR 38.9m. The higher earnings contribution from Energie Burgenland was unable to fully offset the lower earnings contribution from RAG.

EBITDA equalled EUR 31.7m (previous year: EUR 38.0m) in this segment and EBIT equalled EUR 30.3m (previous year: EUR 36.9m).

Financial results totalled EUR 46.4m and were 10.4% higher than the previous year. This amount includes the dividend of EUR 0.42 per share paid by Verbund AG on 20 May 2019 for the 2018 financial year (previous year: dividend of EUR 0.42 per share).

The result before income tax equalled EUR 76.7m in the first three quarters of 2018/19, which represents a decline of 2.8%.

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2018/19 Q. 1-3	2017/18 Q. 1-3	+/- %	2018/19 Q. 3	2017/18 Q. 3	+/- %	2017/18
Revenue ¹⁾	1,712.6	1,654.8	3.5	466.4	405.8	15.0	2,078.7
Other operating income ¹⁾	93.3	69.0	35.3	31.9	23.4	36.3	98.9
Electricity purchases and primary energy expenses	-852.6	-763.6	-11.7	-215.6	-172.5	-25.0	-961.3
Cost of materials and services	-194.2	-192.4	-1.0	-71.7	-67.7	-6.0	-275.1
Personnel expenses	-252.2	-236.7	-6.5	-89.3	-81.2	-10.0	-321.7
Other operating expenses	-88.5	-106.6	17.0	-29.0	-43.2	32.9	-135.7
Share of results from equity accounted investees with operational nature	17.3	160.7	-89.2	12.7	49.6	-74.4	188.0
EBITDA	435.7	585.0	-25.5	105.4	114.2	-7.7	671.8
Depreciation and amortisation	-199.6	-192.8	-3.6	-66.4	-62.8	-5.7	-258.3
Effects from impairment tests	0.4	-5.1	-	-0.6	-4.5	85.9	-20.6
Results from operating activities (EBIT)	236.4	387.2	-39.0	38.3	46.9	-18.3	392.9
Share of results from equity accounted investees with financial nature	0.5	0.1	-	-	-	-	0.1
Results from other investments	20.5	19.9	3.1	20.5	20.8	-1.4	20.1
Interest income	6.2	7.8	-20.8	1.7	2.5	-29.9	10.7
Interest expense	-38.9	-40.3	3.4	-12.6	-13.1	3.9	-54.0
Other financial results	-2.7	-2.2	-21.4	-1.0	0.2	-	-14.0
Financial results	-14.4	-14.7	2.0	8.7	10.4	-16.3	-37.2
Result before income tax	222.0	372.6	-40.4	47.0	57.3	-17.9	355.7
Income tax expense	-35.3	-79.0	55.3	-4.5	-9.4	51.6	-76.1
Result for the period	186.7	293.6	-36.4	42.5	47.9	-11.3	279.6
thereof result attributable to EVN AG shareholders (Group net result)	168.2	273.2	-38.4	39.2	43.8	-10.4	254.6
thereof result attributable to non-controlling interests	18.4	20.4	-9.7	3.2	4.1	-21.3	25.0
Earnings per share in EUR ²⁾	0.95	1.54	-38.4	0.22	0.25	-10.4	1.43

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data.”

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

Consolidated statement of comprehensive income

EURm	2018/19 Q. 1-3	2017/18 Q. 1-3	+/- %	2018/19 Q. 3	2017/18 Q. 3	+/- %	2017/18
Result for the period	186.7	293.6	-36.4	42.5	47.9	29.5	279.6
Other comprehensive income from							
Items that will not be reclassified to profit or loss	94.8	3.8	-	86.9	5.1	-	-8.5
Remeasurements IAS 19	-21.5	-2.2	-	-16.1	2.7	-	-14.3
Investments in equity accounted investees	-6.7	5.6	-	-6.9	3.1	-	2.3
Shares and other equity instruments measured at fair value and reported in other comprehensive income ¹⁾	157.4	-	-	141.6	-	-	-
thereon apportionable income tax expense	-34.4	0.5	-	-31.8	-0.7	-	3.5
Items that may be reclassified to profit or loss	1.9	255.3	-99.3	-1.0	134.6	-34.3	777.9
Currency translation differences	4.1	-0.6	-	1.6	-	64.1	2.1
Available for sale financial instruments ¹⁾	-	340.3	-	-	180.0	-	1,025.4
Cash flow hedges	-0.5	3.4	-	-0.4	-	-	7.4
Investments in equity accounted investees	-2.8	-2.5	-12.0	-3.0	-0.5	-	0.8
thereon apportionable income tax expense	1.0	-85.3	-	0.8	-44.8	-	-257.8
Total other comprehensive income after tax	96.7	259.2	-62.7	85.9	139.7	-	769.4
Comprehensive income for the period	283.4	552.8	-48.7	128.4	187.6	82.9	1,049.0
thereof income attributable to EVN AG shareholders	268.1	529.5	-49.4	128.9	181.9	92.6	1,023.4
thereof income attributable to non-controlling interests	15.3	23.2	-34.1	-0.5	5.7	-2.9	25.6

1) See the section on "IFRS 9 Financial Instruments"

Consolidated statement of financial position

EURm	30.06.2019	30.09.2018	+/-	
			nominal	%
Assets				
Non-current assets				
Intangible assets	178.1	182.1	-4.0	-2.2
Property, plant and equipment	3,467.8	3,438.7	29.1	0.8
Investments in equity accounted investees	880.1	995.7	-115.5	-11.6
Other investments	2,101.3	1,944.2	157.1	8.1
Deferred tax assets	64.6	68.8	-4.2	-6.1
Contract assets ¹⁾	0.6	-	0.6	-
Other non-current assets	163.9	252.4	-88.5	-35.1
	6,856.4	6,881.9	-25.6	-0.4
Current assets				
Inventories	115.1	94.6	20.5	21.7
Trade and other receivables	423.5	500.3	-76.7	-15.3
Securities	89.6	139.8	-50.1	-35.8
Cash and cash equivalents	211.8	214.5	-2.7	-1.3
	840.1	949.1	-109.1	-11.5
Total assets	7,696.4	7,831.1	-134.6	-1.7
Equity and liabilities				
Equity				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.4	253.4	-	-
Retained earnings	2,380.3	2,297.0	83.3	3.6
Valuation reserve	1,089.7	992.9	96.8	9.8
Currency translation reserve	-15.9	-20.0	4.1	20.6
Treasury shares	-20.5	-20.5	-	-
Issued capital and reserves attributable to shareholders of EVN AG	4,017.0	3,832.8	184.2	4.8
Non-controlling interests	252.3	259.9	-7.6	-2.9
	4,269.2	4,092.6	176.6	4.3
Non-current liabilities				
Non-current loans and borrowings	988.7	1,040.5	-51.7	-5.0
Deferred tax liabilities	489.5	471.0	18.6	3.9
Non-current provisions	494.5	480.8	13.7	2.9
Deferred income from network subsidies	612.6	602.6	10.0	1.7
Other non-current liabilities	47.4	75.4	-28.0	-37.2
	2,632.8	2,670.3	-37.4	-1.4
Current liabilities				
Current loans and borrowings	69.4	89.1	-19.7	-22.1
Taxes payable and levies	117.8	85.6	32.2	37.6
Trade payables	240.9	337.1	-96.2	-28.5
Current provisions	85.5	91.4	-5.9	-6.5
Other current liabilities	280.7	464.9	-184.2	-39.6
	794.3	1,068.1	-273.8	-25.6
Total equity and liabilities	7,696.4	7,831.1	-134.6	-1.7

1) See the section on "IFRS 15 Revenue from Contracts with Customers"

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2017	2,892.1	258.0	3,150.1
Comprehensive income for the period	529.5	23.2	552.8
Dividends 2016/17	-83.6	-23.7	-107.3
Other changes/Changes in the scope of consolidation	-0.2	-	-0.2
Balance on 30.06.2018	3,337.8	257.5	3,595.3
Balance on 30.09.2018	3,832.8	259.9	4,092.6
Change in accounting method (IFRS 9 Group) ¹⁾	-1.3	-0.5	-1.8
Change in accounting method (IFRS 9 at equity) ¹⁾	0.7	-	0.7
Change in accounting method (IFRS 15 Group) ²⁾	-0.1	-	-0.1
Change in accounting method (IFRS 15 at equity) ²⁾	0.2	-	0.2
Balance on 01.10.2018	3,832.3	259.4	4,091.7
Comprehensive income for the period	268.1	15.3	283.4
Dividends 2017/18	-83.7	-22.5	-106.1
Other changes	0.3	-	0.3
Balance on 30.06.2019	4,017.0	252.3	4,269.2

1) See the section on "Significant changes based on the initial application of IFRS 9"

2) See the section on "Significant changes based on the initial application of IFRS 15"

Condensed consolidated statement of cash flows

EURm	2018/19	2017/18	+/-		2017/18
	Q. 1-3	Q. 1-3	nominal	%	
Result before income tax	222.0	372.6	-150.6	-40.4	355.7
+ Depreciation and amortisation of intangible assets and property, plant and equipment	199.3	197.8	1.5	0.7	278.9
- Results of equity accounted investees and other investments	-38.3	-180.6	142.4	78.8	-208.2
+ Dividends from equity accounted investees and other investments	146.2	160.3	-14.1	-8.8	163.3
+ Interest expense	38.9	40.3	-1.4	-3.4	54.0
- Interest paid	-38.3	-39.6	1.3	3.3	-42.9
- Interest income	-6.2	-7.8	1.6	20.8	-10.7
+ Interest received	5.7	6.5	-0.8	-12.6	8.4
+/- Losses/gains from foreign exchange translations	2.2	-	2.1	-	10.5
+/- Other non-cash financial results	1.0	0.5	0.4	80.1	3.4
- Release of deferred income from network subsidiaries	-37.0	-34.9	-2.0	-5.8	-47.9
- Decrease in non-current provisions	-18.5	-6.9	-11.6	-	-3.6
+/- Losses/gains on the disposal of intangible assets and property, plant and equipment	-2.8	-0.9	-1.9	-	-0.7
Gross cash flow	474.1	507.2	-33.0	-6.5	560.3
- Changes in assets and liabilities arising from operating activities	-229.1	-153.4	-75.7	-49.4	45.2
+/- Income tax paid	-6.3	-1.9	-4.3	-	-2.0
Net cash flow from operating activities	238.8	351.9	-113.1	-32.1	603.5
+ Proceeds from the disposal of intangible assets and property, plant and equipment	4.1	6.5	-2.3	-36.1	20.9
+/- Changes in intangible assets and property, plant and equipment	-164.1	-148.2	-15.9	-10.7	-283.1
+/- Changes in financial assets and other non-current assets	57.0	41.5	15.5	37.2	-54.3
+/- Changes in current securities	48.7	-139.2	187.9	-	-140.6
Net cash flow from investing activities	-54.3	-239.4	185.1	77.3	-457.1
- Dividends paid to EVN AG shareholders	-83.7	-83.6	-	-	-83.6
- Dividends paid to non-controlling interests	-22.5	-2.7	-19.8	-	-23.7
- Increase in interest in fully consolidated companies	-	-	-	-	-0.1
+/- Sales/repurchase of treasury shares	-	-	-	-	1.1
- Changes in financial liabilities	-81.6	-43.3	-38.2	-88.2	-47.2
Net cash flow from financing activities	-187.7	-129.7	-58.0	-44.7	-153.5
Net change in cash and cash equivalents	-3.2	-17.3	14.1	81.5	-7.1
Cash and cash equivalents at the beginning of the period¹⁾	214.5	221.8	-7.3	-3.3	221.8
Currency translation differences on cash and cash equivalents	0.2	-	0.2	-	-0.1
Cash and cash equivalents at the end of the period¹⁾	211.5	204.5	6.9	3.4	214.5

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

Notes to the consolidated interim report

Accounting and valuation methods

This consolidated interim report as of 30 June 2019, 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 2017/18 financial year (balance sheet date: 30 September 2018).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2018 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 2018/19 financial year:

Standards and interpretations applied for the first time		Effective ¹⁾
New standards and interpretations		
IFRS 9	Financial Instruments	01.01.2018
IFRS 15	Revenue from Contracts with Customers	01.01.2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01.01.2018
Revised standards and interpretations		
Several	Annual Improvements 2014–2016	01.01.2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions	01.01.2018
IFRS 4	Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts	01.01.2018
IFRS 15	IFRS 15 Revenue from Contracts with Customers – Clarifications	01.01.2018
IAS 40	Transfers of Investment Property	01.01.2018

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

The effects of the initial mandatory application of IFRS 9 and IFRS 15 are explained in detail in the following sections. The initial obligatory application for all other revised standards and interpretations did not have any impact on the consolidated interim report.

IFRS 9 Financial Instruments

IFRS 9 replaces the existing rules for the recognition and measurement of financial instruments under IAS 39. In comparison with IAS 39, IFRS 9 includes new rules for the classification and measurement of financial assets and expanded rules for the recognition of impairment losses to financial assets. It also defines new rules for hedge accounting.

Classification and measurement

IFRS 9 provides for a new classification of financial assets which, in contrast to IAS 39, is based on the respective business model and the characteristics of the contractual payment flows for the individual financial instruments. In the future, financial assets must be allocated to one of the following three categories: “at amortised cost (AC)”, “at fair value through profit or loss (FVTPL)” or “at fair value through other comprehensive income (FVOCI)”.

An evaluation by the EVN Group showed that most of the financial assets – in particular loans receivable, other non-current assets, trade and other receivables as well as cash on hand and at banks – will continue to meet the criteria for classification at amortised cost. Investments in equity instruments are generally classified as FVTPL; investments in equity instruments which were previously classified as available for sale (AFS) and are held over the long term will be assigned to the category FVOCI under the application of IFRS 9.5.7.5. Related valuation adjustments to these instruments will no longer be reclassified to the consolidated statement of operations in the future. The investments in equity instruments which were previously measured at amortised cost based on the exemption provided by IAS 39.46(c) do not lead to a material increase in the carrying amount.

IFRS 9 Financial Instruments

Classification and measurement	Previous measurement category in accordance with IAS 39	New measurement category in accordance with IFRS 9	Carrying amount IFRS 9 as of 01.10.2018	Carrying amount IAS 39 as of 30.09.2018
EURm				
Measurement at fair value				
Investments	AFS	FVOCI ¹⁾	1,939.6	1,939.6
Securities (non-current)	FVTPL	FVTPL	135.1	135.1
Securities (current)	AFS	FVTPL	139.8	139.8
Receivables arising from derivative transactions ²⁾	FVTPL	FVTPL	83.2	83.2
Liabilities arising from derivative transactions ²⁾	FVTPL	FVTPL	122.3	122.3
Measurement at amortised cost				
Loans receivable	LAR	AC	38.3	38.3
Lease receivables	LAR	AC	28.7	28.7
Contract assets	–	AC	0.2 ³⁾	–
Remaining other non-current assets	LAR	AC	0.6 ⁴⁾	0.2
Trade and other receivables	LAR	AC	418.5 ⁵⁾	419.5
Cash on hand and at banks	LAR	AC	214.5	214.5
Bonds	FLAC	AC	504.5	504.5
Bank loans	FLAC	AC	536.0	536.0
Leases	FLAC	AC	4.8	4.8
Accruals of financial transactions	FLAC	AC	0.6	0.6
Other liabilities	FLAC	AC	20.3	20.3
Current loans and borrowings	FLAC	AC	89.1	89.1
Trade payables	FLAC	AC	337.1	337.1
Other financial liabilities	FLAC	AC	292.7	292.7

1) The option provided by IFRS 9.5.7.5, which permits the assignment of other investments to the category FVOCI, was applied to all investments.

2) Including hedging instruments

3) Valuation adjustments in accordance with IFRS 15 (contract assets)

4) Valuation adjustments in accordance with IFRS 15 (incremental costs for obtaining a contract)

5) Valuation adjustments in accordance with IFRS 9 (impairments)

Impairments

With regard to the recognition of impairment losses on financial assets, IFRS 9 replaces the “incurred loss model” with the “expected loss model”. Financial assets carried at amortised cost, contractual assets as defined in IFRS 15 and debt instruments measured at FVOCI are now subject to the provisions of the “expected loss model” on initial recognition and are tested for impairment. Impairment losses must be recognised in one of two forms: on the basis of a twelve-month model at the amount of the credit losses expected within the next twelve months or on the basis of a lifetime loss model at the amount of the credit losses expected over the lifetime of the asset. The latter alternative must be applied to trade receivables without material financing components and to assets whose credit risk has increased significantly since initial recognition. In the EVN Group, the twelve month model will be applied, in particular, to loans receivable, lease receivables and bank deposits, when the requirements of IFRS 9.7.2.19a are met. The preparation of the consolidated financial statements as of 30 September 2018 included impairment testing at the Group level in accordance with IFRS 9 for the following balance sheet positions: loans receivables, lease receivables and cash at banks. These impairment tests would have led, in total, to the recognition of an immaterial impairment loss of EUR 0.1m. EVN did not recognise this impairment because the amount is immaterial.

The application of the lifetime loss model is mandatory for trade receivables without material financing components. EVN applied the rules provided by IFRS 9B5.5.35, which provide for the use of an impairment matrix as a practical expedient to determine the amount of an impairment loss. The default incidents in recent years were analysed by region and core market, and an impairment matrix was then developed for the EVN Group based on time intervals. The calculations as of 30 September 2018 resulted in an additional need for the recognition of impairment losses totalling EUR 1.0m at the Group level as well as the reversal of impairment losses totalling EUR 0.9m for equity accounted investees.

EURm	Trade receivables	Other receivables (general approach) ¹⁾	Total
30.09.2018 (IAS 39)	301.3	399.9	701.2
Impairment losses – adjustment	–1.0	–	–1.0
01.10.2018 (IFRS 9)	300.3	399.9	700.2

1) The general approach covers the following balance sheet positions: loans receivables, lease receivables, remaining other non-current assets and other receivables as well as cash on hand and at banks.

Hedge accounting

The new model for hedge accounting is intended to create a better connection between the company’s risk management strategy, the reasons for the conclusion of hedges and the recognition and measurement of these hedges. In addition to convergence with the goals and strategies of corporate risk management, IFRS 9 expands the range of acceptable underlying transactions and requires a rather qualitative and future-oriented approach for evaluating the effectiveness of the hedge relationship.

The hedges held by the EVN Group on the transition date for the hedging of foreign exchange and interest rate risks meet the requirements of IFRS 9. They are in agreement with the strategies and goals of risk management in the EVN Group and can therefore also be continued under the provisions of IFRS 9.

Transition

In principle, IFRS 9 is to be applied retrospectively. EVN, however, has decided to utilise the exception rule and will not adjust the comparative information for classification and measurement (including impairment) in previous accounting periods as of the initial application date. Differences between the carrying amounts which result from the application of IFRS 9 will generally be recorded under retained earnings without recognition through profit or loss as of 1 October 2018. In contrast, the new rules for hedge accounting will principally be applied prospectively.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 defines a five-step model for the recognition of revenue from contracts with customers and replaces all previously applicable standards and related interpretations. Under this model, a company recognises revenue at an amount equal to the consideration expected in exchange for the accepted performance obligations, i. e. the transfer of goods or the provision of services. A determination must therefore be made when a contract is concluded as to whether the resulting revenue should be recognised at a point in time or over time. Revenue is recognised when the customer obtains control over the goods or services. This standard also includes extensive requirements for qualitative and quantitative disclosures on the assets resulting from the capitalised costs for the acquisition and fulfilment of contracts with customers.

EVN's customer contracts were analysed as part of a Group-wide project to identify the contracts that could lead to a potential change in the previous method used to realise revenue. The application of IFRS 15 is not expected to result in any material effects on the scope or timing of revenue recognition, especially in EVN's core energy supply business. The EVN Group will, as soon as the corresponding prerequisites are met, utilise the practical expedient provided by IFRS 15.B16, which permits the recognition of revenue at the amount the company is entitled to invoice.

The contract analyses also identified the following issues for the EVN Group:

The costs to acquire a contract with a customer represent additional costs. When the company assumes it will be able to reclaim these costs, the related amounts must generally be capitalised and amortised over the period in which the goods or services are transferred to the customer. If the expected amortisation period does not exceed one year, the practical expedient permits the expensing of these costs. In 2017/18, this would have led to the capitalisation of EUR 0.4m for contract acquisition costs.

Payments to customers for sales purposes, e. g. free months, are generally recognised as revenue deductions. A payment made when the contract is concluded leads to the recognition of an asset which must be released over the minimum contract term. In 2017/18, this would have led to the capitalisation of an asset amounting to EUR 0.2m.

The arbitration decision issued in November 2016 led to a contract modification as defined in IFRS 15.21b for the project company STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH ("SEK") in connection with granted network subsidies. These subsidies must be treated as if they were always part of the existing contract, which means revenues must be adjusted on a cumulative basis starting with the initial recognition of a network subsidy. This led to an increase of EUR 0.7m and will subsequently result in an annual increase of EUR 0.1m in the revenue recognised until the end of the contract term.

The initial application of IFRS 15 will be made retrospectively, whereby the cumulative adjustment amounts from the initial application will be recorded under retained earnings as of 1 October 2018.

Significant changes based on the initial application of IFRS 9 and IFRS 15

EVN initially applied IFRS 9 and IFRS 15 as of 1 October 2018. As explained in the preceding sections, the comparative information for prior accounting periods was not adjusted. The effects on profit or loss from the application of the new standards were recorded under retained earnings as of 1 October 2018.

The following section shows the effects on EVN's consolidated financial statements from the initial application of IFRS 9 and IFRS 15, in particular on the consolidated statement of financial position and on equity.

Adjustments to the consolidated statement of financial position

EURm	01.10.2018	Adjustment IFRS 9	Adjustment IFRS 15	30.09.2018
Assets				
Non-current assets				
Intangible assets	182.1			182.1
Property, plant and equipment	3,438.7			3,438.7
Investments in equity accounted investees	996.9	0.9	0.3	995.7
Other investments	1,944.2			1,944.2
Deferred tax assets	69.0		0.2	68.8
Contract assets	0.2		0.2	–
Other non-current assets	252.8		0.4	252.4
	6,884.0	0.9	1.1	6,881.9
Current assets				
Inventories	94.6			94.6
Trade and other receivables	499.3	–1.0		500.3
Securities	139.8			139.8
Cash and cash equivalents	214.5			214.5
	948.2	–1.0	–	949.1
Total assets	7,832.1	–	1.1	7,831.1
Equity and liabilities				
Equity				
Share capital	330.0			330.0
Share premium and capital reserves	253.4			253.4
Retained earnings	2,295.5	–1.7	0.2	2,297.0
Valuation reserve	994.0	1.1		992.9
Currency translation reserve	–20.0			–20.0
Treasury shares	–20.5			–20.5
Issued capital and reserves attributable to shareholders of EVN AG	3,832.3	–0.6	0.2	3,832.8
Non-controlling interests	259.4	–0.5		259.9
	4,091.8	–1.1	0.2	4,092.6
Non-current liabilities				
Non-current loans and borrowings	1,040.5			1,040.5
Deferred tax liabilities	472.2	1.0	0.2	471.0
Non-current provisions	480.8			480.8
Deferred income from network subsidies	603.3		0.7	602.6
Other non-current liabilities	75.4			75.4
	2,672.2	1.0	0.9	2,670.3
Current liabilities				
Current loans and borrowings	89.1			89.1
Taxes payable and levies	85.6			85.6
Trade payables	337.1			337.1
Current provisions	91.4			91.4
Other current liabilities	464.9			464.9
	1,068.1	–	–	1,068.1
Total equity and liabilities	7,832.1	–	1.1	7,831.1

Adjustments to equity

EURm	Retained earnings	Valuation reserves (only AFS)	Valuation reserves (only FVOCI)	Non-controlling interests	Equity total
Balance on 30.09.2018	2,297.0	1,108.5	–	259.9	4,092.6
Classification IFRS 9					
Reclassification of current securities from AFS to FVTPL	–1.1	1.1	–	–	–
Reclassification of equity instruments from AFS to FVOCI	–	–1,109.5	1,109.5	–	–
	–1.1	–1,108.5	1,109.5	–	–
Impairment IFRS 9					
Impairments trade receivables (Group)	–0.5	–	–	–0.5	–1.0
Deferred taxes on initial application effects (Group)	–0.8	–	–	–	–0.8
Reversal of impairment trade receivables (at equity)	0.9	–	–	–	0.9
Deferred taxes on initial application effects (at equity)	–0.2	–	–	–	–0.2
	–0.6	–	–	–0.5	–1.1
Adjustments IFRS 15					
Incremental costs for obtaining a contract (Group)	0.4	–	–	–	0.4
Incremental costs for obtaining a contract (at equity)	0.3	–	–	–	0.3
Contract assets	0.2	–	–	–	0.2
Contract modification Walsum 10	–0.7	–	–	–	–0.7
Deferred taxes on initial application effects	–0.1	–	–	–	–0.1
	0.2	–	–	–	0.2
Balance on 01.10.2018	2,295.5	–	1,109.5	259.4	4,091.8

Changes in presentation of the consolidated financial statements and adjustment of prior year data

The presentation of income from the release of network subsidiaries was adjusted in 2018/19. These subsidiaries were previously reported in total under other operating income. However, the income from the release of network subsidiaries from the unregulated markets is now reported under revenue. Income from the release of network subsidiaries from the regulated markets is still reported under other operating income (see the following table).

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

EURm	2018/19 Q. 1–3 (New presentation)	2017/18 Q. 1–3 (New presentation)	Adjustment	2017/18 Q. 1–3 (Previous presentation)
Revenue	1,712.6	1,654.8	4.5	1,650.3
Other operating income	93.3	69.0	–4.5	73.5

half. Accordingly, business in the Environment Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

Auditor's review

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

Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 29 domestic and 32 foreign subsidiaries (30 September 2018: 31 domestic and 32 foreign subsidiaries) were fully consolidated as of 30 June 2019. As of 30 June 2019, a total of 21 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 2018: 21).

Changes in the scope of consolidation	Fully	Line-by-line (Joint Operation)	Equity	Total
30.09.2017	63	1	17	81
First consolidation	–	–	1	1
Deconsolidation	–	–	–2	–2
30.09.2018	63	1	16	80
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
Reorganisation ¹⁾	–1	–	–	–1
30.06.2019	61	1	16	78
thereof foreign companies	32	1	5	38

1) Internal reorganisation

The following companies were previously included through full consolidation, but were deconsolidated during the first quarter of 2018/19 because they are immaterial: EVN Umwelt Finanz- und Service GmbH, Maria Enzersdorf, and WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany.

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

Selected notes to the consolidated statement of operations

Revenue by product	2018/19	2017/18
EURm	Q. 1–3	Q. 1–3
Electricity	1,213.7	1,160.7
Natural gas	159.8	157.3
Heat	126.2	116.8
Environmental services	64.5	112.1
Others	148.3	107.7
Total	1,712.6	1,654.8

Revenue by country	2018/19	2017/18
EURm	Q. 1–3	Q. 1–3
Austria	991.9	904.9
Germany	22.1	31.2
Bulgaria	384.4	420.5
North Macedonia	293.6	285.5
Others	20.6	12.7
Total	1,712.6	1,654.8

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

Share of results from equity accounted investees with operational nature	2018/19	2017/18
EURm	Q. 1–3	Q. 1–3
EVN KG	–41.8	100.1
RAG	24.4	32.5
Energie Burgenland	14.5	10.3
ZOV; ZOV UIP	11.0	7.1
Verbund Innkraftwerke	2.7	2.9
Other companies	6.4	7.7
Total	17.3	160.7

The share of results from equity accounted investees with operational nature fell to EUR 17.3m in the first three quarters of 2018/19 (previous year: EUR 160.7m). The decline is attributable to a lower earnings contribution from RAG and, above all, to the development of business at EVN KG. This company's selling activities were negatively affected by the higher procurement costs which

followed an increase in wholesale prices during the reporting period and by negative effects from the valuation of hedges as of 30 June 2019.

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. 177,994,578 as of 30 June 2019 (30 June 2018: 177,927,548 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 168.2m (previous year: EUR 273.2m), earnings per share at the balance sheet date 30 June 2019 totalled EUR 0.95 (previous year: EUR 1.54 per share).

Selected notes to the consolidated statement of financial position

In the first three quarters of 2018/19, EVN activated intangible assets and property, plant and equipment to the sum of EUR 220.6m (previous year: EUR 205.1m). Property, plant and equipment with a net carrying amount (book value) of EUR 2.1m were disposed of (previous year EUR 5.6m), with a capital gain of EUR 2.8m (previous year: capital gain of EUR 0.9m).

The item investments in equity accounted investees decreased by EUR 115.5m, or 11.6%, to EUR 880.1m. This decline resulted primarily from the distributions made by at equity consolidated companies, which totalled EUR 125.7m and valuation changes not recognised in profit and loss that amounted to EUR 9.5m. This reduction was contrasted by current earnings contributions of EUR 17.8m.

The other investments of EUR 2,101.3m, mainly classified as FVOCI, include shares in listed companies with a market value of EUR 2,018.6m, which increased by EUR 157.1m since the last balance sheet date. In accordance with IFRS 9, the adjustments to the changed market values were offset with the valuation reserve after the deduction of deferred taxes.

The number of EVN shares in circulation developed as follows:

Development of the number of shares in circulation		2018/19
Number		Q. 1-3
Balance 30.09.2018		177,994,578
Purchase of treasury shares		–
Total 30.06.2019		177,994,578

As of 30 June 2019, the number of treasury shares amounted to 1,883,824 (or 1.05% of the share capital) with an acquisition value of EUR 20.5m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 90th Annual General Meeting of EVN AG on 17 January 2019 approved the recommendation by the Executive Board and Supervisory Board to distribute a dividend of EUR 0.44 per share plus a one-off bonus dividend of EUR 0.03 for the 2017/18 financial year, which comprises a total dividend payout of EUR 83.7m. Ex-dividend date was 23 January 2019, and the dividend payment to shareholders of EVN took place on 25 January 2019.

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

Breakdown of non-current loans and borrowings		
EURm	30.06.2019	30.09.2018
Bonds	513.9	504.5
Bank loans	474.8	536.0
Total	988.7	1,040.5

The increase of EUR 9.4m in the bonds resulted primarily from a change in the value of hedged foreign exchange risk. This was contrasted by an opposite movement in the market value of the hedges.

The issue of the EUR 121.5m promissory note loans in October 2012 is also reflected in the bank loans.

Segment reporting

EURm	Energy		Generation		Networks		South East Europe	
	2018/19 Q. 1-3	2017/18 Q. 1-3						
External revenue	464.2	379.7	107.5	50.7	382.3	394.4	679.5	706.7
Internal revenue (between segments)	3.7	6.5	157.3	163.0	38.0	40.2	0.6	0.6
Total revenue	467.9	386.2	264.9	213.7	420.3	434.6	680.1	707.4
Operating expenses	-452.9	-379.2	-131.7	-92.4	-233.3	-211.5	-597.1	-638.1
Share of results from equity accounted investees operational	-38.7	104.4	3.9	3.6	-	-	-	-
EBITDA	-23.7	111.4	137.0	124.9	187.0	223.1	83.0	69.3
Depreciation and amortisation	-14.2	-14.7	-47.2	-39.6	-92.1	-87.8	-45.6	-46.8
Results from operating activities (EBIT)	-37.9	96.7	89.8	85.3	94.9	135.2	37.5	22.5
Financial results	-1.6	-2.6	-11.5	-10.3	-12.8	-12.7	-15.3	-15.2
Result before income tax	-39.5	94.1	78.3	75.0	82.1	122.5	22.2	7.3
Total assets	768.9	750.4	1,025.0	932.6	1,955.7	1,910.5	1,175.3	1,174.8
Investments ¹⁾	6.2	8.1	42.7	42.6	107.0	91.1	57.1	57.7

	Environment		All Other Segments		Consolidation		Total	
	2018/19 Q. 1-3	2017/18 Q. 1-3	2018/19 Q. 1-3	2017/18 Q. 1-3	2018/19 Q. 1-3	2017/18 Q. 1-3	2018/19 Q. 1-3	2017/18 Q. 1-3
External revenue	64.5	112.7	14.7	10.5	-	-	1,712.6	1,654.8
Internal revenue (between segments)	0.3	12.8	48.0	44.7	-248.0	-267.7	-	-
Total revenue	64.9	125.5	62.7	55.2	-248.0	-267.7	1,712.6	1,654.8
Operating expenses	-56.0	-115.4	-69.9	-60.0	246.6	266.2	-1,294.2	-1,230.4
Share of results from equity accounted investees operational	13.3	9.8	38.9	42.9	-	-	17.3	160.7
EBITDA	22.2	19.8	31.7	38.0	-1.5	-1.4	435.7	585.0
Depreciation and amortisation	-8.6	-17.1	-1.3	-1.2	9.8	9.3	-199.3	-197.8
Results from operating activities (EBIT)	13.5	2.7	30.3	36.9	8.3	7.9	236.4	387.2
Financial results	-4.4	-0.2	46.4	42.0	-15.2	-15.7	-14.4	-14.7
Result before income tax	9.1	2.5	76.7	78.9	-6.9	-7.8	222.0	372.6
Total assets	666.0	782.7	4,324.4	3,532.0	-2,218.9	-2,128.1	7,696.4	6,955.1
Investments ¹⁾	12.1	8.1	2.1	1.6	-6.7	-4.1	220.6	205.1

1) In intangible assets and property, plant and equipment

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

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

Selected notes on financial instruments

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	30.06.2019		30.09.2018	
			Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets						
Other investments						
Investments	FVOCI	Level 3	78.1	78.1	78.1	78.1
Miscellaneous investments	FVOCI	Level 1	2,018.6	2,018.6	1,861.5	1,861.5
Other non-current assets						
Securities	FVTPL	Level 1	100.8	100.8	135.1	135.1
Loans receivable	AC	Level 2	33.6	40.6	38.3	44.7
Lease receivables	AC	Level 2	18.4	19.8	28.7	31.8
Receivables arising from derivative transactions	FVTPL	Level 2	6.4	6.4	35.1	35.1
Receivables arising from derivative transactions	Hedging	Level 2	2.8	2.8	0.6	0.6
Remaining other non-current assets	AC		1.1	1.6	0.2	0.2
Current assets						
Current receivables and other current assets						
Trade and other receivables	AC		356.4	356.4	419.5	419.5
Receivables arising from derivative transactions	FVTPL	Level 2	37.3	37.3	47.5	47.5
Securities	FVTPL	Level 1	89.7	89.7	139.8	139.8
Cash and cash equivalents						
Cash on hand and cash at banks	AC		211.8	211.8	214.5	214.5
Non-current liabilities						
Non-current loans and borrowings						
Bonds	AC	Level 2	513.9	607.4	504.5	591.9
Bank loans	AC	Level 2	474.8	552.1	536.0	593.7
Other non-current liabilities						
Leases	AC	Level 2	4.2	4.9	4.8	5.6
Accruals of financial transactions	AC		0.3	0.3	0.6	0.6
Other liabilities	AC		20.9	20.9	20.3	20.3
Liabilities arising from derivative transactions	FVTPL	Level 2	7.8	7.8	29.9	29.9
Liabilities arising from derivative transactions	Hedging	Level 2	14.2	14.2	19.9	19.9
Current liabilities						
Current loans and borrowings	AC		69.4	69.4	89.1	89.1
Trade payables	AC		240.9	240.9	337.1	337.1
Other current liabilities						
Other financial liabilities	AC		149.7	149.7	292.7	292.7
Liabilities arising from derivative transactions	FVTPL	Level 2	24.8	24.8	67.4	67.4
Liabilities arising from derivative transactions	Hedging	Level 2	4.8	4.8	5.1	5.1
thereof aggregated to measurement categories						
Designated at fair value through other comprehensive income	FVOCI		2,096.7		1,939.6	
Designated at fair value through profit or loss	FVTPL		288.5		480.3	
Financial assets and financial liabilities at amortised cost	AC		2,096.0		2,486.2	

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 2017/18.

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

Transactions with investments in equity accounted investees	2018/19	2017/18
EURm	Q. 1–3	Q. 1–3
Revenue	243.0	249.9
Cost of materials and services	76.3	62.5
Trade accounts receivable	18.9	31.9
Trade accounts payable	25.5	61.7

Other obligations and risks

Other obligations and risks increased by EUR 86.2m to EUR 411.1m compared to 30 September 2018. This change was mainly due to the increase in scheduled orders for investments in intangible assets and property, plant and equipment, the increase in guarantees in connection with energy transactions as well as the increase in guarantees for subsidiaries in connection with the construction and operation of projects in the Environment Segment.

Contingent liabilities related to guarantees for subsidiaries in connection with energy transactions are recognised on the basis of the guarantees issued by EAA at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. This risk assessment resulted in a contingent liability of EUR 16.7m as of 30 June 2019. The nominal volume of the guarantees underlying this assessment was EUR 259.5m.

Significant events after the balance sheet date

The following events occurred between the balance sheet date for the quarterly financial statements on 30 June 2019 and the editorial deadline for this consolidated interim financial report on 14 August 2019:

On 9 August 2019 a total of 73,528 treasury shares, representing 0.04% of the share capital of EVN AG, were transferred to employees. This concluded and ended the transfer of treasury shares to employees which was announced on 29 May 2019. EVN AG now holds 1,810,296 treasury shares which represent 1.01% of the company's share capital.

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Financial calendar¹⁾

Annual results 2018/19	12.12.2019
Record date Annual General Meeting	06.01.2020
91 st Annual General Meeting	16.01.2020
Ex-dividend day	22.01.2020
Record date	23.01.2020
Dividend payment	24.01.2020
Results Q. 1 2019/20	27.02.2020
Results HY. 2019/20	28.05.2020
Results Q. 1–3 2019/20	27.08.2020
Annual results 2019/20	16.12.2020

Basic information²⁾

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

1) Preliminary

2) As of 30 June 2019

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We would like to thank Ulrich Asimus (high voltage engineer) who provided his workplace for a photo shooting. The photo formed the basis for the design of our report cover.

Editorial deadline: 14 August 2019