

Consolidated Financial Statements 2018/2019

of Energie AG Oberösterreich

CONSOLIDATED STATEMENT OF INCOME

1 OCTOBER 2018 TO 30 SEPTEMBER 2019

		2018/2019 EUR 1,000	2017/2018 EUR 1,000
1. Sales revenues	(6)	1,813,448.3	1,625,848.7
Procurement costs for electricity and gas trading	(6)	-97,992.0	-93,177.6
Net sales revenues	(6)	1,715,456.3	1,532,671.1
2. Change in inventories of finished goods and work in progress		55.9	-214.3
3. Other capitalised corporate services		43,245.9	41,819.0
4. Share in result of companies consolidated at equity	(17)	30,543.9	64,200.2
5. Other operating revenue	(8)		
Impairment reversals	(16.2)	7,921.8	2,093.6
Remeasurement at fair value (IFRS 3)	(3.1)	48,247.9	–
Other	(8)	25,077.6	20,271.2
		81,247.3	22,364.8
6. Expenses for material and other purchased services	(9)	-1,067,136.7	-900,497.8
7. Personnel expenses	(10)	-300,166.5	-274,584.9
8. Depreciation, amortisation and impairments (thereof impairments ¹⁾ EUR 110,201.1 thousand (previous year: EUR 9,360.5 thousand))	(11; 16)	-256,178.9	-148,131.8
9. Other operating expenses	(12)	-174,095.6	-165,782.6
10. Operating result		72,971.6	171,843.7
11. Financing expenses	(13)	-21,187.4	-23,182.7
12. Other interest income	(13)	793.4	908.1
13. Other financial income	(14)	3,097.0	8,548.0
14. Financial results		-17,297.0	-13,726.6
15. Earnings before taxes		55,674.6	158,117.1
16. Income taxes	(15)	1,726.6	-33,493.4
17. Consolidated net earnings		57,401.2	124,623.7
Thereof attributable to non-controlling interests		953.4	990.5
Thereof attributable to investors in the parent company			
Consolidated net profit		56,447.8	123,633.2

1) The impairments in fiscal year 2018/19 of EUR 193,325.7 thousand are reported as the balance after deduction of reversals of construction cost subsidies of EUR 83,123.6 thousand.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 OCTOBER 2018 TO 30 SEPTEMBER 2019

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
1. Consolidated net earnings	57,401.2	124,623.7
2. Other comprehensive income		
Items that will not be subsequently reclassified to the income statement:		
Revaluation of the defined benefit obligation	-23,701.1	-6,794.9
Changes in value of at-equity companies recognised in equity	-29.5	-258.5
Changes in the value of investments and securities FVOCI	1,398.6	–
Deferred taxes	5,600.4	1,698.7
Items that may be subsequently reclassified to the income statement:		
Changes in value of investments and available-for-sale securities	–	-6,405.1
Changes in value of at-equity companies recognised in equity	-307.7	–
Hedge accounting	-45,671.2	55,484.5
Translation differences	435.8	980.6
Deferred taxes	11,417.9	-12,269.6
Total expenses and revenues recognised in other comprehensive income	-50,856.8	32,435.7
3. Total comprehensive income after taxes	6,544.4	157,059.4
4. Thereof attributable to non-controlling interests	1,271.8	1,402.0
5. Thereof attributable to parent company	5,272.6	155,657.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2019

ASSETS		30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
A. Non-current assets			
I. Intangible assets and goodwill	(16)	245,102.5	187,150.0
II. Property, plant and equipment	(16)	1,881,853.8	2,009,145.7
III. Investments (thereof at-equity companies: EUR 204,780.3 thousand (previous year: EUR 313,604.3 thousand))	(17)	228,088.3	325,163.0
IV. Other financial assets	(18)	56,639.6	65,318.8
		2,411,684.2	2,586,777.5
V. Other non-current assets	(19)	10,155.0	15,950.7
VI. Deferred tax assets	(15)	7,864.3	10,589.2
		2,429,703.5	2,613,317.4
B. Current assets			
I. Inventories	(20)	57,755.1	50,508.0
II. Receivables and other assets	(21)	348,190.2	276,370.3
III. Fixed term deposits and short-term investments	(5.9)	109,997.7	181,070.1
IV. Cash and cash equivalents	(22)	29,772.0	101,436.6
		545,715.0	609,385.0
		2,975,418.5	3,222,702.4
LIABILITIES		30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
A. Equity			
I. Share capital	(23)	88,729.2	88,779.7
II. Capital reserves	(23)	216,455.1	214,809.5
III. Retained earnings	(23)	1,027,039.6	1,050,716.6
IV. Other reserves	(23)	-36,672.7	12,651.0
V. Non-controlling interests	(23)	14,787.4	14,483.2
		1,310,338.6	1,381,440.0
B. Non-current liabilities			
I. Financial liabilities	(24)	428,429.6	428,882.8
II. Non-current provisions	(25)	308,093.1	278,920.4
III. Deferred tax liabilities	(15)	31,882.3	75,297.8
IV. Construction cost subsidies	(26)	293,166.8	370,656.1
V. Advances received	(27)	16,886.7	27,457.0
VI. Other non-current liabilities	(28)	77,423.8	76,030.3
		1,155,882.3	1,257,244.4
C. Current liabilities			
I. Financial liabilities	(24)	27,313.1	26,229.8
II. Current provisions	(29)	22,244.5	17,994.4
III. Tax provisions	(30)	328.0	165.0
IV. Trade payables	(24)	180,763.8	157,632.7
V. Other current liabilities	(31)	278,548.2	381,996.1
		509,197.6	584,018.0
		2,975,418.5	3,222,702.4

STATEMENT OF CHANGES IN EQUITY

AS OF 30 SEPTEMBER 2019

	Share capital EUR 1,000	Capital reserves EUR 1,000	Retained earnings EUR 1,000	Reserves under IAS 19 EUR 1,000	Reserves IFRS 9 (prev. year: IAS 39) EUR 1,000
Balance as of 30.09.2018	88,779.7	214,809.5	1,050,716.6	-67,946.2	44,360.6
Initial application IFRS 9					
Initial application IFRS 9	–	–	118.6	–	3,931.3
Deferred taxes	–	–	-531.5	–	-484.5
Balance as of 30.09.2018 after adjustments	88,779.7	214,809.5	1,050,303.7	-67,946.2	47,807.4
Items that will not be subsequently reclassified to the income statement:					
Revaluation of the defined benefit obligation	–	–	–	-24,038.0	–
Changes in value of associated companies measured at equity	–	–	–	-29.5	–
Changes in the value of investments and securities FVOCI	–	–	–	–	1,398.6
Deferred taxes	–	–	–	6,008.5	-323.3
Items that may be subsequently reclassified to the income statement:					
Hedge accounting	–	–	–	–	-45,768.5
Hedge accounting equity	–	–	–	–	-307.7
Translation differences	–	–	–	–	–
Deferred taxes	–	–	–	–	11,442.3
Other comprehensive income	–	–	–	-18,059.0	-33,558.7
Consolidated net earnings	–	–	56,447.8	–	–
Total income for the period	–	–	56,447.8	-18,059.0	-33,558.7
Dividend distribution	–	–	-78,081.7	–	–
Treasury stocks	-50.5	1,645.6	-1,595.1	–	–
Other	–	–	-35.1	–	–
Transactions with shareholders	-50.5	1,645.6	-79,711.8	–	–
Balance 30.09.2019	88,729.2	216,455.1	1,027,039.6	-86,005.2	14,248.7

Other reserves								
	Revaluation reserves	Treasury stocks	Exchange differences	Total	Equity of investors in parent company	Non- controlling in- terests	Total	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	
	37,541.1	-7,644.9	6,340.4	12,651.0	1,366,956.8	14,483.2	1,381,440.0	
	–	–	–	3,931.3	4,049.9	-0.5	4,049.4	
	–	–	–	-484.5	-1,016.0	0.1	-1,015.9	
	37,541.1	-7,644.9	6,340.4	16,097.8	1,369,990.7	14,482.8	1,384,473.4	
	–	–	–	-24,038.0	-24,038.0	336.9	-23,701.1	
	–	–	–	-29.5	-29.5	–	-29.5	
	–	–	–	1,398.6	1,398.6	–	1,398.6	(23)
	–	–	–	5,685.2	5,685.2	-84.8	5,600.4	
	–	–	–	-45,768.5	-45,768.5	97.3	-45,671.2	(23)
	–	–	–	-307.7	-307.7	–	-307.7	
	–	–	442.4	442.4	442.4	-6.6	435.8	(4)
				11,442.3	11,442.3	-24.3	11,417.9	
	–	–	442.4	-51,175.2	-51,175.2	318.4	-50,856.8	
	–	–	–	–	56,447.8	953.4	57,401.2	
	–	–	442.4	-51,175.2	5,272.6	1,271.8	6,544.4	
	–	–	–	–	-78,081.7	-800.3	-78,882.0	
	–	-1,595.3	–	-1,595.3	-1,595.3	–	-1,595.3	(23)
	–	–	–	–	-35.1	-167.0	-202.1	
	–	-1,595.3	–	-1,595.3	-79,712.0	-967.3	-80,679.3	
	37,541.1	-9,240.2	6,782.8	-36,672.7	1,295,551.3	14,787.4	1,310,338.6	

STATEMENT OF CHANGES IN EQUITY

AS OF 30 SEPTEMBER 2018

	Share capital EUR 1,000	Capital reserves EUR 1,000	Retained earnings EUR 1,000	Reserves under IAS 19 EUR 1,000	Reserves IFRS 9 (prev. year: IAS 39) EUR 1,000
Balance as of 30.09.2017	89,087.5	214,809.5	980,105.8	-62,391.4	7,648.7
Items that will not be subsequently reclassified to the income statement:					
Revaluation of the defined benefit obligation	–	–	–	-7,061.7	–
Changes in value of at-equity companies recognised in equity	–	–	–	-258.5	–
Deferred taxes	–	–	–	1,765.4	–
Items that may be subsequently reclassified to the income statement:					
Changes in value of investments and available-for-sale securities	–	–	–	–	-6,401.3
Changes in value of at-equity companies recognised in equity	–	–	–	–	–
Hedge accounting	–	–	–	–	55,350.2
Translation differences	–	–	–	–	–
Deferred taxes	–	–	–	–	-12,237.0
Other comprehensive income	–	–	–	-5,554.8	36,711.9
Consolidated net earnings	–	–	123,633.2	–	–
Total comprehensive income for the period	–	–	123,633.2	-5,554.8	36,711.9
Dividend distribution	–	–	-53,267.8	–	–
Treasury stocks	-307.8	–	307.8	–	–
Other	–	–	-62.4	–	–
Transactions with shareholders	-307.8	–	-53,022.4	–	–
Balance as of 30.09.2018	88,779.7	214,809.5	1,050,716.6	-67,946.2	44,360.6

Other reserves							Total EUR 1,000	
Revaluation reserves EUR 1,000	Treasury stocks EUR 1,000	Exchange differences EUR 1,000	Total EUR 1,000	Equity of investors in parent company EUR 1,000	Non- controlling in- terests EUR 1,000			
37,541.1	-6,540.8	5,473.3	-18,269.1	1,265,733.7	13,691.7		1,279,425.4	
–	–	–	-7,061.7	-7,061.7	266.8		-6,794.9	
–	–	–	-258.5	-258.5	–		-258.5	
–	–	–	1,765.4	1,765.4	-66.7		1,698.7	
–	–	–	-6,401.3	-6,401.3	-3.8		-6,405.1	(23)
–	–	–	–	–	–		–	
–	–	–	55,350.2	55,350.2	134.3		55,484.5	(23)
–	–	867.1	867.1	867.1	113.5		980.6	(4)
–	–	–	-12,237.0	-12,237.0	-32.6		-12,269.6	
–	–	867.1	32,024.2	32,024.2	411.5		32,435.7	
–	–	–	–	123,633.2	990.5		124,623.7	
–	–	867.1	32,024.2	155,657.4	1,402.0		157,059.4	
–	–	–	–	-53,267.8	-578.6		-53,846.4	
–	-1,104.1	–	-1,104.1	-1,104.1	–		-1,104.1	(23)
–	–	–	–	-62.4	-31.9		-94.3	
–	-1,104.1	–	-1,104.1	-54,434.3	-610.5		-55,044.8	
37,541.1	-7,644.9	6,340.4	12,651.0	1,366,956.8	14,483.2		1,381,440.0	

CASH FLOW STATEMENT

	2018/2019 EUR 1,000	2017/2018 EUR 1,000	
Earnings before income taxes	55,674.6	158,117.1	
Tax payments	-35,550.9	-34,905.8	
Earnings after taxes	20,123.7	123,211.3	
Depreciation/reversals of non-current assets	247,219.3	146,174.8	
Remeasurement at the fair value (IFRS 3)	-48,247.9	–	(3.1)
Change in non-current provisions	-6,831.4	-8,736.1	
Change in other non-current assets	-8.8	1,942.6	
Change in other non-current liabilities and advances received	-16,472.7	-8,558.0	
Retained earnings of equity companies	26,609.2	-16,426.9	
Construction cost subsidies received	32,281.6	34,386.5	(26)
Revenues from the reversal of construction cost subsidies	-26,647.3	-25,805.9	(26)
Losses from the disposal of assets	3,388.9	3,418.4	
Gains from the disposal of assets	-7,892.9	-7,935.2	
Other non-cash expenses and income	-4,999.0	-7,023.7	
	218,522.7	234,647.8	
Change in current assets	57,606.7	-55,842.4	
Payments from hedging transactions	-49,585.7	68,306.4	
Change in current liabilities	-31,621.4	7,866.9	
Change in current provisions	3,677.7	3,019.1	
CASH FLOW FROM OPERATING ACTIVITIES	198,600.0	257,997.8	
Inflow from the disposal of property, plant and equipment, and intangible assets	16,732.7	3,764.6	
Outflow for additions to property, plant, equipment and intangible assets	-202,483.7	-201,766.9	
Inflow from the disposal of financial assets	8,997.8	18,463.3	
Change in scope of consolidation less acquired cash	-2,903.8	66.7	(3)
Outflow for additions to financial assets and other financial investments	-3,717.3	-5,905.2	
CASH FLOW FROM INVESTMENTS	-183,374.3	-185,377.5	
Dividend distribution	-78,882.0	-53,846.4	(34)
Acquisition of own shares and non-controlling interests	-1,726.4	-1,198.4	
Principal repayment of loan for CCGT power plant Timelkam	-5,250.0	-5,250.0	(24.7)
Other changes in financial liabilities	-1,021.9	-4,014.1	(24.7)
CASH FLOW FROM FINANCING ACTIVITIES	-86,880.3	-64,308.9	
TOTAL CASH FLOW	-71,654.6	8,311.4	
Cash funds at beginning of period	101,436.6	93,030.3	(22)
Cash flow	-71,654.6	8,311.4	
Exchange rate effects	-10.0	94.9	
Cash funds at end of period	29,772.0	101,436.6	(22)
The cash flow from operating activities includes:			
Interest received	1,162.1	1,014.9	
Interest paid	16,826.0	17,542.4	
Dividends received	58,207.6	49,374.2	(17)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2018/2019 OF ENERGIE AG OBERÖSTERREICH

I GENERAL NOTES

1. General disclosures

Energie AG Oberösterreich is a modern and competitive energy and service provider in the Energy, Grid, Waste Management, Czech Republic and Holding & Services segments.

The parent company of the Group is Energie AG Oberösterreich with registered office at Böhmerwaldstraße 3 in Linz, Austria.

The Consolidated Financial Statements of Energie AG Oberösterreich for the 2018/2019 fiscal year were drawn up in accordance with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), as they were required to be applied as of the reporting date, as well as in accordance with the interpretations of the International Financial Reporting Committee (IFRIC) as adopted by the European Union.

The present Consolidated Financial Statements according to the IFRS release the company from its obligation under § 245 a of the Austrian Commercial Code to prepare a consolidated annual financial statement in keeping with the Austrian Commercial Code. Whenever the Austrian Commercial Code so requires, additional information is provided in the respective notes.

The figures in the Consolidated Financial Statements are reported thousands of euros (EUR 1,000). The use of automated calculation systems may give rise to rounding differences when adding up rounded figures and percentages.

2. Change in accounting methods

2.1. Standards and interpretations applied or amended and adopted by the EU for the first time

IFRS 9 (Financial Instruments)

IFRS 9, issued in July 2014, replaces the existing guidelines in IAS 39 (Financial Instruments: Recognition and Measurement). IFRS 9 contains revised guidelines for the classification and measurement of financial instruments, including a new Expected Credit Losses Model to calculate the impairment of financial assets, as well as the new general reporting requirements for hedge accounting. It also applies the principles for the recognition and derecognition of financial instruments required under IAS 39.

IFRS 9 is applied for the first time in fiscal year 2018/2019. The option to provisionally maintain the guidelines of IAS 39 for the accounting of hedging transactions is not exercised. IFRS 9 is applied prospectively, where applicable.

In accordance with IAS 39, unlisted equity instruments classified as available for sale did not have to be measured at their fair value if the value cannot be reliably ascertained. IFRS 9 does however strictly require their measurement at fair value. This results in a write-up to an investment recognised under other investments (previously AfS (at cost), carrying amount as of 30 September 2018: EUR 8,534.4 thousand, now FVOCI) by EUR 4,702.0 thousand. The other effects are immaterial.

IFRS 9 no longer permits the reclassification of accumulated profits or losses from equity instruments recognised in the other comprehensive income to profit or loss.

Securities that were classified as AFS under IAS 39 (carrying amount as of 30 September 2018: EUR 17,972.8 thousand) will now be allocated to the FVOCI category (equity instruments) in the amount of EUR 14,892.1 thousand and to the FVPL category (debt instruments) in the amount of EUR 3,080.7 thousand.

The financial assets in the LaR category were classified as measured at "amortised costs" (AC) in accordance with IFRS 9. A loss allowance is recognised for expected credit losses. If the credit risk has not increased significantly since the initial recognition, an allowance in the amount of the credit losses expected over a period of 12 months will be recognised. An allowance for trade receivables is, differently to what was explained above, recognised in the amount of the credit losses expected over the full term. If the credit risk has increased significantly since the initial recognition, the allowance amount will correspond to the amount of credit losses expected over the full term. The expected credit risk is determined on the basis of historical information about payment defaults, or on the basis of credit loss probabilities determined internally or procured from external financial service providers.

Recognition of impairments for these financial assets on 1 October 2018 has resulted in a reduction of the carrying amounts for lendings to companies in which a participating interest is held (EUR -120.5 thousand), other lendings (EUR -23.2 thousand), trade receivables (EUR -266.7 thousand) and fixed term deposits (EUR -242.2 thousand).

Derivatives with a cash flow-hedge relationship and derivatives with a fair value-hedge relationship are also classified effective hedging transactions under IFRS 9.

The following table shows the previous measurement category and carrying amount determined in accordance with IAS 39, as well as the new measurement category and carrying amount determined in accordance with IFRS 9 at the time of the initial application of IFRS 9:

	Categories acc. to IFRS 9	Carrying amount IFRS 9 01.10.2018 EUR 1,000	Categories acc. to IAS 39	Carrying amount IAS 39 30.09.2018 EUR 1,000
Investments		16,260.7		11,558.7
Shares in affiliated companies	FVOCI	2,097.1	AfS (at cost)	2,097.1
Available for sale investments	FVOCI	–	AfS	927.1
Other investments	FVOCI	14,163.6	AfS (at cost)	8,534.5
Other financial assets		65,174.1		65,318.8
Loans to affiliated companies	AC	37.0	LaR	37.0
Loans to companies in which an interest is held	AC	12,497.9	LaR	12,618.4
Other lendings	AC	6,284.4	LaR	6,307.6
Securities	AC	–	HtM	1.0
Securities	FVOCI	14,892.1	AfS	17,972.8
Securities	FVPL	31,462.7	AtFVP&L (FV Option)	28,382.0
Receivables and other financial assets (non-current and current) acc. to the Statement of Financial Position		292,055.3		292,321.0
Thereof non-financial assets		31,140.5		31,140.5
Thereof financial assets		260,914.8		261,180.5
Trade receivables	AC	171,628.8	LaR	171,895.5
Receivables from affiliated companies	AC	295.7	LaR	295.7
Receivables from joint arrangements and associated companies	AC	23,517.8	LaR	23,517.8
Derivatives designated as hedging instruments (cash flow hedges)	n/a	2,268.1	n/a	2,268.1
Derivatives not designated as hedging instruments	FVPL	33,806.4	AtFVP&L (Trading)	33,806.4
Other financial assets	AC	29,398.0	LaR	29,397.0
Fixed term deposits and short-term investments	AC	140,910.3	LaR	141,152.5
Fixed term deposits and short-term investments	FVPL	39,917.6	AtFVP&L (FV Option)	39,917.6
Cash and cash equivalents	AC	101,436.6	LaR	101,436.6
Total financial assets		624,614.1		620,564.7
Financial liabilities (non-current and current)		455,112.6		455,112.6
Bonds	FLAC	302,125.1	FLAC	302,125.1
Liabilities to banks	FLAC	29,266.0	FLAC	29,266.0
Liabilities from finance leases	IAS 17	48,972.8	IAS 17	48,972.8
Other financial liabilities	FLAC	74,748.7	FLAC	74,748.7
Trade payables (current)	FLAC	157,632.7	FLAC	157,632.7
Other liabilities (non-current and current) acc. to the Statement of Financial Position		458,026.4		458,026.4
Thereof non-financial liabilities		241,629.5		241,629.5
Thereof financial liabilities		216,396.9		216,396.9
Liabilities to affiliated companies	FLAC	18,219.1	FLAC	18,219.1
Liabilities to joint arrangements and associated companies	FLAC	92,821.3	FLAC	92,821.3
Derivatives designated as hedging instruments (cash flow hedges)	n/a	14,287.1	n/a	14,287.1
Derivatives not designated as hedging instruments	FVPL	33,361.9	AtFVP&L (Trading)	33,361.9
Other financial liabilities (non-current and current)	FLAC	57,707.5	FLAC	57,707.5
Total financial liabilities		829,142.2		829,142.2

Carrying amounts by measurement categories	Acc. to IFRS 9		Acc. to IAS 39
Financial Assets at Amortised Cost (AC)	486,006.5	Loans and Receivables (LaR)	486,658.1
		Held to Maturity Investments (HtM)	1.0
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	31,152.8	Available for Sale Financial Assets (AFS)	29,531.5
Financial Assets at Fair Value through Profit or Loss (FVPL)	33,806.4	Financial Assets at Fair Value through Profit or Loss (AtFVP&L (Trading))	33,806.4
Financial Assets at Fair Value through Profit or Loss (FVPL)	71,380.3	Financial Assets at Fair Value through Profit or Loss (AtFVP&L (FV Option))	68,299.6
Financial Liabilities at Amortised Cost (FLAC)	732,520.4	Financial Liabilities Measured at Amortised Cost (FLAC)	732,520.4
Financial Liabilities at Fair Value through Profit or Loss (FVPL)	33,361.9	Financial Liabilities at Fair Value through Profit or Loss (AtFVP&L (Trading))	33,361.9

In accordance with IFRS 9, financial instruments that were classified as AtFVP&L (FV option) on 30 September 2018 will have to be classified as FVPL.

The effects of the initial application of IFRS 9 on equity are as follows:

	IAS 39 Available for Sale (AfS) reserve EUR 1,000	IFRS 9 Other Comprehensive Income (OCI) reserve EUR 1,000	Retained earnings EUR 1,000	Total EUR 1,000
Reclassification of investments (AfS) to category (FVOCI)	-805.6	5,065.3	442.3	4,702.0
Deferral	201.4	-1,266.3	-110.6	-1,175.5
Reclassification of securities (AfS) to category (FVPL)	-264.2	–	264.2	–
Deferral	66.1	–	-66.1	–
Reclassification of securities (AfS) (FVOCI)	-11,204.1	11,204.1	–	–
Deferral	2,801.0	-2,801.0	–	–
Recognition of expected losses	–	–	-652.6	-652.6
Deferral	–	–	159.6	159.6
Total transfers/remeasurement	-12,273.9	16,269.4	53.9	4,049.4
Total deferral	3,068.5	-4,067.3	-17.1	-1,015.9

IFRS 15 (Revenue from Contracts with Customers)

IFRS 15, which was published in May 2014, replaces the previous rules in IAS 18, IAS 11, IFRIC 13, IFRIC 15 and IFRIC 18. IFRS 15 was for the first time applied in fiscal year 2018/2019.

Using a five-step model, companies must determine at what time (or period) and what amount sales revenues are recognised. The model specifies that sales revenues must be reported at the time (or over the period) of the transfer of control over goods or services from the company to the customer with the amount which the company is expected to be entitled to. Depending on the fulfilment of various criteria, revenues are recognised as follows:

- Over a period such that the service provision of the company is reflected; or
- At a time at which the control over the goods or services is transferred to the customer.

The most important components of the sales revenues are:

- Sales revenues from the delivery of electricity
- Sales revenues from the sale of natural gas
- Sales revenues from the electricity and gas grid
- Sales revenues from waste management (collection, recycling, processing)
- Sales revenues from the delivery of water and intake of waste water

Contracts exist within the Group that provide for contractual obligations consisting of discrete and distinct goods or services. The initial application of IFRS 15 did not result in any changes because the different components are already being factored in, recorded and billed separately.

IFRS 15 requires qualitative and quantitative information that allows the target audience of the financial statements to understand the type, amount, time and uncertainty of sales revenues and cash flows from contracts with customers.

In accordance with IFRIC 18, revenues from construction cost subsidies in the amount of EUR 26.6 million were previously recognised as sales revenues over the respective useful life of the asset. In the future, construction cost subsidies will be recognised in accordance with IFRS 15. This will not result in any changes to the recognition and measurement of construction cost subsidies under IFRIC 18.

Its first-time application had retrospective effect, with any accumulated adjustment amounts from the initial application being recognised at the time of the initial application (modified retrospective application). The initial application of IFRS 15 did not result in any adjustment amounts.

Other applicable new standards

Newly applicable amended standards and interpretations adopted by the EU that take effect on 1 January 2018 or later:

- IFRS 2 (Amendments: Classification and Measurement of Share-based Payment Transactions)
- IAS 40 (Amendments: Transfer of Investment Property)
- IFRS 4 (Amendments: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts)
- Annual Improvements to IFRS Standards 2014-2016 Cycle (Amendments to IFRS 1 and IAS 28)
- IFRIC 22 (Foreign Currency Transactions and Advance Consideration)

The initial application does not result in any material changes.

2.2. Standards and interpretations that have not been applied early

In the 2018/2019 Consolidated Financial Statements, the following amendments adopted by the EU were not applied early:

Entry into force in the EU on 1 January 2019:

- IFRS 16 (Leases)
- IFRS 9 (Amendments: Prepayment Features with Negative Compensation)
- IFRIC 23 (Uncertainty over Income Tax Treatments)
- IAS 28 (Amendments: Long-term Interests in Associates and Joint Ventures)
- IAS 19 (Amendments: Plan Amendment, Curtailment or Settlement)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

The following standards and interpretations, amendments and improvements of standards enter into force on 1 January 2020 or a later date, although they have not yet been adopted by the European Union at this time:

- Amendments to References to the Conceptual Framework in IFRS Standards
- IFRS 3 (Amendments: Definition of a Business)
- IAS 1, IAS 8 (Amendments: Definition of Material)
- IFRS 9, IAS 39 and IFRS 7 (Amendments: Interest Rate Benchmark Reform)
- IFRS 17 (Insurance Contracts)

These standards are expected to be applied on the effective date promulgated by the EU.

The following standard came into force on 1 January 2016, but was not adopted by the EU:

- IFRS 14 (Regulatory Deferral Accounts)

Application of the following standard was postponed indefinitely:

- IFRS 10 and IAS 28 (Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

With the exception of IFRS 16 (Leases), initial application is not expected to have any material effects on the Consolidated Financial Statements.

IFRS 16 (Leases)

IFRS 16 was published in January 2016 and replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. The new standard provides that in future all leases and the contractual rights and obligations associated with them must be reported on the balance sheet of the lessee. The previously different treatment of operating and finance leases by the lessee as prescribed under IAS 17 is abolished. The lessee will recognise a right-of-use asset representing its right to use an underlying asset and a lease liability in the amount of the lease's present value. The right of use asset must then be amortised and the lease liability carried forward using the effective interest method. There are exemptions possible for short-term leases and leased properties of low value.

The most material change concerns the Group's head office in Linz. The use of the Group's head office is currently arranged on the basis of an operating lease. Under the current conditions, it is expected that a right-of-use asset and a lease liability in the amount of EUR 40.2 million (estimated lease liability as per 1 October 2019) will have to be recognised. In addition, portfolio contracts regarding property were localised in the Waste Management segment resulting, based on the currently available information, in the recognition of a right of use asset and a corresponding liability in the amount of EUR 25.6 million.

The Group applies IFRS 16 to all contracts that were concluded prior to 1 October 2019 and identified as leases under IAS 17 and IFRIC 4. Current finance leases will be continued; the assets will merely be reclassified as right-of-use assets. This predominantly relates to assets in the Waste Management segment, which were sold in the 2007/2008 fiscal year and leased back for a term of 15 years ("sale and leaseback"). The carrying amount of these assets was EUR 19.3 million as of 30 September 2019.

From today's perspective, the remaining leases are of subordinate importance, both individually as well as in their entirety.

IFRS 16 is not applied to short-term leases and leases concerning an underlying asset of minor value. In accordance with IFRS 16.4, the company has opted out of voluntary application of IFRS 16 for intangible assets. Application takes place with retrospective effect by recognising the accumulated effect at the time of initial application. The initial application will take place in the fiscal year 2019/2020.

3. Scope of consolidation

3.1. Principles

Subsidiaries

All material entities that are directly or indirectly controlled by Energie AG Oberösterreich (subsidiaries) are fully consolidated according to IFRS 10 and included in the Consolidated Financial Statements. Control exists when the investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to influence the amount of the investor's returns. In all cases, the control results from the equity instruments that are held (participating interests in the company and shares).

Joint arrangements

IFRS 11 outlines accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control. If the controlling parties have rights to the net assets of the arrangement (joint venture), the equity method is used for financial reporting. If the controlling parties have rights to the assets, and obligations for the liabilities, relating to the agreement (joint operations), the assets and liabilities, as well as the revenues and expenses, are recognised using proportionate consolidation.

Joint operations

Ennskraftwerke Aktiengesellschaft produces electricity with hydropower plants. Gas- und Dampfkraftwerk Timelkam GmbH supplies electricity from the operation of a combined cycle gas-turbine power plant.

The Group holds a strategic interest of 50% in both Ennskraftwerke Aktiengesellschaft and Gas- und Dampfkraftwerk Timelkam GmbH. The entities are not controlled by any party.

Under the existing electricity supply contracts, the investors purchase the electric energy produced by the Group companies, where the internal price is calculated on a pro-rata basis of the production costs, plus a corresponding profit margin. Due to the electricity supply contracts, the parties have rights to the assets attributable to the arrangements. As the arrangements' liabilities can only be settled with these cash flows, the parties have obligations for the liabilities relating to the joint arrangement. Ennskraftwerke Aktiengesellschaft and Gas- und Dampfkraftwerk Timelkam GmbH are therefore classified as joint operations according to IFRS 11.

The share of the assets and liabilities, as well as the revenues and expenses are reported in the Consolidated Financial Statements. The average share of the electricity supply (38%) is used to determine the share for the pro rata recognition of Ennskraftwerke Aktiengesellschaft. The share of the electricity procured from Gas- und Dampfkraftwerk Timelkam GmbH, amounting to 70%, is used for the consolidation of the company.

Joint ventures

Due to special agreements under company law, no control exists for “Papyrus” Altpapierservice Handelsgesellschaft m.b.H. (Salzburg), Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) or for Fernwärme Steyr GmbH, despite holding a majority of the voting rights. These companies are controlled jointly with other investors and are therefore accounted for using the equity method.

Due to special agreements under company law, no control over ENAMO GmbH, ENAMO Ökostrom GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG existed prior to 31 March 2019. ENAMO GmbH delivers electric energy to key account customers, Energie AG Oberösterreich Vertrieb GmbH & Co KG delivers electricity to private and business customers.

Energie AG Oberösterreich was the sole limited partner of Energie AG Oberösterreich Vertrieb GmbH & Co KG. ENAMO GmbH, a joint venture between Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH and LINZ STROM GmbH, was general partner.

In line with IFRS 11, ENAMO GmbH, with the subsidiaries Energie AG Oberösterreich Vertrieb GmbH & Co KG and LINZ STROM Vertrieb GmbH & Co KG controlled by it, represented a joint arrangement or joint venture, as these companies were controlled jointly by Energie AG Oberösterreich and LINZ AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste. In accordance with IFRS 11 i.c.w. IAS 28, these companies had to be recognised at equity in the Consolidated Financial Statements prior to 31 March 2019. Due to the contractually agreed shares of the revenues, this amounted to 80% for ENAMO GmbH, 100% for Energie AG Oberösterreich Vertrieb GmbH & Co KG, and 0% for LINZ STROM Vertrieb GmbH & Co KG.

Associated companies

Companies in which Energie AG Oberösterreich exercises a significant influence (associated companies) are consolidated using the equity method. Significant influence exists due to holdings of the entity's share capital. Salzburg AG für Energie, Verkehr und Telekommunikation is an infrastructure provider for energy, transport and telecommunication. Wels Strom GmbH is an energy utility and service company.

Structured entities

The Group has been leasing the property at Böhmerwaldstraße 3, Linz, where Group headquarters is located, from Power Tower GmbH since the year 2008. The Group holds a 1% share in the company.

The company is not financed by the Group. The leasing contract is for an indefinite period, cancellation by the lessee is only possible 20 years after the start of the contract at the earliest, under certain circumstances only after 23 years. The Group has the unilateral right, but no obligation, to acquire Power Tower GmbH 15 or 20 years after the commencement of the lease. Leasing payments are linked to interest rate developments. The Group is required to perform the ongoing maintenance of the property and fulfill all legal requirements that could also apply to the owner. There are no other additional risks. The leasing contract has been classified as an operating lease contract in line with IAS 17. Power Tower GmbH is to be considered a structured entity pursuant to IFRS 12, but the lack of control means that it is not to be included as a subsidiary in the Consolidated Financial Statements. The rental and leasing expenses include contingent leasing payments in the amount of EUR -1,957.8 thousand (previous year: EUR -1,965.7 thousand) calculated on the basis of variable interest rates.

Other disclosures

The changes in the scope of consolidation are as follows:

	Full consolidation	Proportionate consolidation	Equity consolidation
30.09.2018	51	2	14
Control gained due to successive acquisition	3	–	-3
New company formation	1	–	–
Disposal	-1	–	–
Merged in the reporting year	-5	–	–
30.09.2019	49	2	11

With effect on 1 April 2019 (acquisition date), the Group purchased the remaining 35% interest in ENAMO GmbH (Energy segment) in addition to the 65% equity interest held previously. This acquisition was necessary because the legal and market conditions had changed considerably and the organisational structure of ENAMO GmbH only offered limited potential to meet these challenges.

The acquisition resulted in the Group now holding 100% of interests in ENAMO GmbH and, via ENAMO GmbH, 100% of interests in ENAMO Ökostrom GmbH. ENAMO GmbH supplies electricity to key account customers, while ENAMO Ökostrom GmbH supplies electricity to commercial and private customers as well as municipalities. As their sole owner, the Group controls ENAMO GmbH and ENAMO Ökostrom GmbH with effect from 1 April 2019.

The Group was also the sole limited partner of Energie AG Oberösterreich Vertrieb GmbH & Co KG until 31 March 2019, but did not exercise control over that company due to ENAMO GmbH being its sole general partner (previously consolidated at equity). Acquisition of the remaining interests in ENAMO GmbH on 1 April 2019 resulted in the Group also gaining control over Energie AG Oberösterreich Vertrieb GmbH & Co KG. The company supplies electricity to private and commercial customers as well as business customers.

Gaining control over the above-mentioned companies constitutes a corporate merger pursuant to IFRS 3. The equity interests previously held in the acquired companies were remeasured at their fair values as of the acquisition date (successive corporate merger). The fair values for ENAMO GmbH and ENAMO Ökostrom GmbH were derived from the purchase price paid for the acquired interests after deduction of synergy effects included in the purchase price. The fair value for Energie AG Oberösterreich Vertrieb GmbH & Co KG was determined using the expected cash flow method (see section 5.1). The result from the remeasurement of the previously held equity interests' fair value amounts to EUR 48.2 million and was recognised in the other operating income.

The purchase price allocation entailed recognition of a customer base with a fair value of EUR 41.7 million. With respect to trade receivables and receivables from affiliated companies, the short maturities meant that their carrying amounts represent a realistic estimate of their fair values and correspond to the receivables' gross values.

The goodwill is essentially based on synergy effects and future opportunities for income generation. The goodwill is allocated to the cash generating unit "Sales", amounts to EUR 20.7 million as of the acquisition date and as of 30 September 2019 and is not tax-deductible.

	Energie AG Oberösterreich Vertrieb GmbH & Co KG EUR mill.	ENAMO GmbH ENAMO Ökostrom GmbH EUR mill.	Total EUR mill.
Fair value of the previously held equity interest	111.9	17.7	129.6
Consideration transferred (cash)	–	6.9	6.9
	111.9	24.6	136.5
Non-current assets			
Customer base	31.3	10.4	41.7
Financial assets	1.1	–	1.1
Current assets			
Trade receivables	51.7	32.0	83.7
Receivables from affiliated companies	50.2	0.6	50.8
Other current items	1.5	1.4	2.9
Cash and cash equivalents	0.1	4.0	4.1
Non-current liabilities	-20.4	-2.7	-23.1
Current liabilities	-16.5	-28.9	-45.4
Balance of acquired identifiable assets and assumed identifiable liabilities	99.0	16.8	115.8
Goodwill	12.9	7.8	20.7

If the acquisition had hypothetically taken place at the beginning of the current fiscal year, the consolidated net result would have come in at EUR 56.2 million and revenues at EUR 1,921.3 million respectively.

Energie AG Oberösterreich Vertrieb GmbH (formerly: EAG WSGT GmbH) was established on 7 December 2018 as a sales company for electricity, gas, heat and telecommunication services. This company is fully consolidated in the Consolidated Financial Statements (Energy segment). The reporting year also saw the disposal of Komunala ODTOK d.o.o. (Slovenia, Waste Management segment). The effects of this disposal are immaterial.

Joint ventures

The Statement of Financial Position and the Statement of Income of the joint ventures (100%) are as follows:

	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	30.09.2019 EUR mill.	30.09.2018 EUR mill.	30.09.2019 EUR mill.	30.09.2018 EUR mill.	30.09.2019 EUR mill.	30.09.2018 EUR mill.
Non-current assets	–	2.6	–	0.1	86.4	68.3
Current assets	–	140.1	–	36.7	27.7	12.1
	–	142.7	–	36.8	114.1	80.4
Equity	–	101.5	–	12.6	25.8	20.3
Non-current liabilities	–	13.1	–	0.1	79.1	51.6
Current liabilities	–	28.1	–	24.1	9.2	8.5
	–	142.7	–	36.8	114.1	80.4
Cash and cash equivalents	–	0.4	–	4.7	5.7	5.5
Non-current financial liabilities	–	–	–	–	60.7	40.7

	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	01.10.2018- 31.03.2019 EUR mill.	2017/2018 EUR mill.	01.10.2018- 31.03.2019 EUR mill.	2017/2018 EUR mill.	2018/2019 EUR mill.	2017/2018 EUR mill.
Sales revenues	131.4	224.2	113.2	203.4	66.5	57.3
Depreciation, amortisation and impairments	–	–	–	–	-5.6	-5.7
Interest income	–	0.1	–	–	0.1	–
Interest expense	-0.1	-0.2	–	–	-1.4	-1.2
Taxes	1.4	0.1	-0.1	-0.9	-1.6	-0.9
Earnings after taxes	17.6	43.9	0.8	4.5	2.5	2.8
Share in net assets as of 01.10.	101.5	96.3	11.4	7.9	6.3	4.7
Profit for the period	17.6	45.2	0.5	3.5	1.4	1.6
Dividends	-43.0	-40.0	-6.1	–	-0.4	–
Disposals	-76.1	–	-5.8	–	–	–
Share in net assets as of 30.09.	–	101.5	–	11.4	7.3	6.3
Goodwill	–	–	–	–	4.2	4.2
Carrying amount 30.09.	–	101.5	–	11.4	11.5	10.5

Associated companies

The Statement of Financial Position and the Statement of Income of the associated companies (100%) are as follows:

	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH		Other associated companies	
	30.09.2019 EUR mill.	30.09.2018 EUR mill.	30.09.2019 EUR mill.	30.09.2018 EUR mill.	30.09.2019 EUR mill.	30.09.2018 EUR mill.
Non-current assets	1,342.4	1,326.2	79.5	68.4	7.1	28.0
Current assets	139.9	133.2	16.6	11.9	2.2	10.8
	1,482.3	1,459.4	96.1	80.3	9.3	38.8
Equity	544.2	532.0	23.8	23.6	5.4	9.6
Non-current liabilities	670.2	655.2	26.4	25.7	2.6	9.4
Current liabilities	267.9	272.2	45.9	31.0	1.3	19.8
	1,482.3	1,459.4	96.1	80.3	9.3	38.8

	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH		Other associated companies	
	2018/2019 EUR mill.	2017/2018 EUR mill.	2018/2019 EUR mill.	2017/2018 EUR mill.	2018/2019 EUR mill.	2017/2018 EUR mill.
Sales revenues	1,553.7	1,411.8	95.0	75.3	3.6	5.8
Earnings after taxes	46.6	41.2	0.6	2.3	0.2	-0.1
Dividends	-7.2	-6.4	-0.4	-1.3	-0.3	–
Share in net assets as of 01.10.	140.0	134.8	11.6	11.8	2.2	–
Inclusion for the first time	–	–	–	–	–	1.4
Profit for the period	10.4	11.7	0.3	1.1	0.3	0.8
Impairment	–	–	–	–	–	–
Dividends	-7.2	-6.5	-0.4	-1.3	-0.3	–
Share in net assets as of 30.09.	143.2	140.0	11.5	11.6	2.2	2.2
Goodwill	18.7	18.7	17.7	17.7	–	–
Impairment	–	–	–	–	–	–
Carrying amount 30.09.	161.9	158.7	29.2	29.3	2.2	2.2

Restructuring measures took place in the second half year of the 2018/2019 fiscal year. The restructuring measures aim at consolidating the sales activities (electricity, gas, heat, telecommunications services) in Energie AG Oberösterreich Vertrieb GmbH. The electricity and heat generation segments were consolidated in Energie AG Oberösterreich Erzeugung GmbH (previously: Energie AG Oberösterreich Kraftwerke GmbH). The heating companies in the Czech Republic were merged with the Water segment companies in the Czech Republic, forming the Czech Republic segment now. Energie AG Teplo Bohemia s.r.o. was merged with ENERGIE AG BOHEMIA s.r.o.

The 65% participating interest stake in ENAMO GmbH held by Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH was transferred to Energie AG Oberösterreich, which fully owns

ENAMO GmbH. The general partner's interest in Energie AG Oberösterreich Vertrieb GmbH & Co KG held by ENAMO GmbH was transferred to Energie AG Oberösterreich Vertrieb GmbH. The subsequent contribution of Energie AG's limited partner stake in Energie AG Oberösterreich Vertrieb GmbH & Co KG to Energie AG Oberösterreich Vertrieb GmbH will terminate Energie AG Oberösterreich Vertrieb GmbH & Co KG and the company's assets will transfer to Energie AG Oberösterreich Vertrieb GmbH. The Sales business unit of Energie AG Oberösterreich Telekom GmbH was spun off to Energie AG Oberösterreich Vertrieb GmbH with retrospective effect on 1 October 2018. The participating interests in Energie AG Oberösterreich Renewable Power GmbH, Windpower EP GmbH, ECOFE S.R.L. and Salvatonica Energia S.R.L. held by Energie AG Oberösterreich Power Solutions GmbH were spun off to Energie AG Oberösterreich Kraftwerke GmbH. This was followed by merging Energie AG Oberösterreich Power Solutions GmbH with Energie AG Oberösterreich Vertrieb GmbH. The participating interest in Energie AG Teplo Bohemia s.r.o. (Energy segment, Czech Republic) held by Energie AG Oberösterreich Wärme GmbH (Energy segment) was spun off to Energie AG Oberösterreich Wasser GmbH (Czech Republic segment). As the Water segment now also includes heat generation in the Czech Republic, it was renamed Czech Republic segment. The participating interests in Energie-Contracting-Steyr GmbH, Fernwärme Steyr GmbH, Bioenergie Steyr GmbH, Geothermie-Wärmegesellschaft Braunau-Simbach mbH, Geothermie-Fördergesellschaft Simbach-Braunau mbH and Energie Ried Wärme GmbH held by Energie AG Oberösterreich Wärme GmbH were spun off to Energie AG Oberösterreich Kraftwerke GmbH (now: Energie AG Oberösterreich Erzeugung GmbH). Following the spin-off of the heat generation and heating grids business unit to Energie AG Oberösterreich, Energie AG Oberösterreich Wärme GmbH was merged with Energie AG Oberösterreich Vertrieb GmbH. This was followed by spinning off the heat generation and heating grid business unit to Energie AG Oberösterreich Kraftwerke GmbH. The non-current assets are retained. Energie AG Oberösterreich Kraftwerk Labenbach GmbH was merged with Energie AG Oberösterreich.

3.2. Group companies

	Domicile	Interest held in % (prev. year)	Consolidation (prev. year)
Austria			
Energie AG Oberösterreich	Linz	Parent company	
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Business Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Customer Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Erzeugung GmbH (previously: Energie AG Oberösterreich Kraftwerke GmbH)	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Vertrieb GmbH (previously: EAG WSGT GmbH)	Linz	100.00 (–)	FC (–)
Energie AG Oberösterreich Kraftwerk Labenbach GmbH	Linz	– (100.00)	– (FC)
Energie AG Oberösterreich Personalmanagement GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Personal Power GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Trading GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Telekom GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Tech Services GmbH	Linz	100.00 (100.00)	FC (FC)
Netz Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
Energie-Contracting Steyr GmbH	Steyr	100.00 (100.00)	FC (FC)

	Domicile	Interest held in % (prev. year)	Consolidation (prev. year)
Energie AG Oberösterreich Wärme GmbH	Linz	– (100.00)	– (FC)
Energie AG Oberösterreich Renewable Power GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Group Treasury GmbH	Linz	100.00 (100.00)	FC (FC)
Cogeneration-Kraftwerke Management Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Power Solutions GmbH	Linz	– (100.00)	– (FC)
IfEA Institut für Energieausweis GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Umwelt Holding GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Umwelt Service GmbH	Hörsching	100.00 (100.00)	FC (FC)
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kommunalservice GmbH	Hörsching	100.00 (100.00)	FC (FC)
Abfall-Aufbereitungs-GmbH	Hörsching	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Bohemia GmbH (previously: Energie AG Oberösterreich Wasser GmbH)	Linz	100.00 (100.00)	FC (FC)
MA Restabfallverwertung GmbH	Hörsching	99.00 (99.00)	FC (FC)
WDL-WasserdienstleistungsGmbH	Linz	90.00 (90.00)	FC (FC)
Market Calling Marketing GesmbH	Linz	60.00 (60.00)	FC (FC)
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50.00 (50.00)	JO (JO)
Ennskraftwerke Aktiengesellschaft	Steyr	50.00 (50.00)	JO (JO)
Energie AG Oberösterreich Vertrieb GmbH & Co KG	Linz	– (100.00)	– (JV)
ENAMO GmbH	Linz	100.00 (80.00)	FC (JV)
ENAMO Ökostrom GmbH	Linz	100.00 (80.00)	FC (JV)
“Papyrus” Altpapierservice Handelsgesellschaft m.b.H.	Salzburg	63.33 (63.33)	JV (JV)
Fernwärme Steyr GmbH	Steyr	51.00 (51.00)	JV (JV)
AMR Austrian Metal Recovery GmbH	Linz	50.00 (50.00)	JV (JV)
Windpower EP GmbH	Parndorf	50.00 (50.00)	JV (JV)
Bioenergie Steyr GmbH	Behamberg	49.00 (49.00)	JV (JV)
Wels Strom GmbH	Wels	49.00 (49.00)	EC (EC)
Energie Ried Wärme GmbH	Ried im Innkreis	40.00 (40.00)	JV (JV)
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg	26.13 (26.13)	EC (EC)
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40.00 (40.00)	EC (EC)
Wertstatt 8 GmbH (previously: baulounge GmbH)	Linz	100.00 (100.00)	OC (OC)
Oberösterreichische Gemeinnützige Bau- und Wohnungsgesellschaft mit beschränkter Haftung	Linz	100.00 (100.00)	OC (OC)
mieX GmbH	Peilstein	100.00 (100.00)	OC (OC)
Energy IT Service GmbH	Linz	66.67 (66.67)	OC (OC)
BBi Breitbandinfrastruktur GmbH	Linz	55.00 (55.00)	OC (OC)
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50.00 (50.00)	OC (OC)
WDL Infrastruktur GmbH	Linz	49.00 (49.00)	OC (OC)
OÖ Science-Center Wels Errichtungs-GmbH	Wels	47.67 (47.67)	OC (OC)
GRB Geothermie Ried Bohrung GmbH	Ried im Innkreis	40.00 (40.00)	OC (OC)
Recycling Innsbruck GmbH	Innsbruck	25.00 (25.00)	OC (OC)
ELG Liegenschaftsverwertung GmbH	Wallern	20.00 (20.00)	OC (OC)

	Domicile	Interest held in % (prev. year)	Consolidation (prev. year)
Czech Republic			
ENERGIE AG BOHEMIA s.r.o.	Praha	100.00 (100.00)	FC (FC)
CEVAK a.s.	České Budějovice	100.00 (100.00)	FC (FC)
Vodárenská společnost Beroun s.r.o.	Beroun	100.00 (100.00)	FC (FC)
VODOS s.r.o.	Kolín	100.00 (100.00)	FC (FC)
Energie AG Teplo Bohemia s.r.o.	České Budějovice	– (100.00)	– (FC)
Energie AG Teplo Vimperk s.r.o.	České Budějovice	100.00 (100.00)	FC (FC)
Energie AG Teplo Rokycany s.r.o.	Rokycany	100.00 (100.00)	FC (FC)
Tepelne zasobování Rakovník spol. s r.o.	Rakovník	100.00 (100.00)	FC (FC)
Městské tepelné hospodářství Kolín, spol. s r.o.	Kolín	95.00 (95.00)	FC (FC)
Vodárenská společnost Chrudim a.s.	Chrudim	95.00 (95.00)	FC (FC)
VHOS a.s.	Moravská Třebová	100.00 (94.58)	FC (FC)
SATEZA a.s.	Šumperk	91.67 (91.67)	FC (FC)
Aqua Servis a.s.	Rychnov nad Kněžnou	66.00 (66.00)	FC (FC)
Vodovody a kanalizace Beroun a.s.	Beroun	59.20 (59.20)	FC (FC)
VODOS Velkoobchod s.r.o.	České Budějovice	100.00 (100.00)	FC (FC)
VODOSPOL s.r.o.	Klatovy	100.00 (100.00)	FC (FC)
1. Jihočeská vodohospodářská spol. s r.o.	České Budějovice	100.00 (100.00)	OC (OC)
DÉMOS, spol. s r.o.	Ústí nad Orlicí	100.00 (100.00)	OC (OC)
DÉMOS – správa, s.r.o.	Ústí nad Orlicí	100.00 (100.00)	OC (OC)
Italy			
ECOFE S.R.L.	Meran	100.00 (100.00)	FC (FC)
Salvatonica Energia S.R.L.	Meran	100.00 (100.00)	FC (FC)
Energie AG Südtirol Umwelt Service GmbH	Neumarkt	100.00 (100.00)	FC (FC)
Germany			
Erdgas Oberösterreich Vertriebs GmbH	Tittling	100.00 (100.00)	FC (FC)
Papyrus Wertstoff Service GmbH	Bad Reichenhall	63.33 (63.33)	JV (JV)
Geothermie-Fördergesellschaft Simbach-Braunau mbH	Simbach	40.00 (40.00)	EC (EC)
Poland			
Finadvice Fair Energy Wind Development sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
Finadvice Fair Energy Wind Development 5 sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
Hungary			
Energie AG Heves Régió Környezetvédelmi és Hulladékgazdálkodási Korlátolt Felelősségű Társaság	Hejőpapi	100.00 (100.00)	FC (FC)
Slovenia			
Komunala ODTOK d.o.o.	Maribor	– (100.00)	– (FC)

FC fully consolidated companies

JV Joint ventures consolidated at equity

JO joint operation, proportional consolidation of the assets, liabilities, expenses and income

AC associated company consolidated at equity

UC companies unconsolidated due to immateriality

4. Consolidation methods

Capital consolidation uses the purchase method of accounting, under which the fair value of the consideration paid for the acquired company is offset from the proportionate revaluated equity of the subsidiaries at the acquisition date. The non-controlling interests are measured at the fair value of the attributable assets and liabilities of the acquiree (partial goodwill method).

Goodwill from business combinations is measured according to IFRS 3. The acquired goodwill is essentially based on expected future revenues and synergy effects. The impairment of goodwill is tested at least once each year in accordance with IAS 36. Negative differences are recognised immediately in accordance with IFRS 3.

The financial statements of the entities fully or proportionally consolidated in the Consolidated Financial Statements are reported according to uniform accounting and measurement principles. The separate financial statements of the fully consolidated entities, joint operations and joint ventures, as well as the entities accounted for using the equity method, are reported at the date of the Consolidated Financial Statements, or interim reports are prepared.

Intragroup receivables and liabilities, expenses and revenues, as well as interim results are eliminated.

5. Accounting and measurement principles

5.1. Estimates

Compiling the Consolidated Financial Statements required estimates to be made that influence the assets, liabilities and equity, revenues, and expenses, as well as the figures disclosed in the notes.

In particular, estimates and assumptions are made in calculating provisions and in testing asset impairment.

Estimates and assumptions in the area of personnel provisions primarily involve interest rates, wage and salary trends and fluctuation.

The salary trend used to determine the provisions for pensions consists of the expected future increase of salaries and wages under collective agreements (ECB long-term inflation target plus a surcharge) and the average increases of salaries and wages.

The interest rate for discounting the provisions for pensions is determined by an external service provider on the basis of "high quality corporate bonds" and adjusted for the company's internal duration.

The interest rate for discounting the other non-current provisions is based on a no-risk interest rate determined on the basis of AAA-rated treasury bills.

In the course of testing the impairment of assets and goodwill, estimates are made concerning future cash flows and interest rates (see section 5.4 › page 113 and following items).

To determine the useful lives of non-current assets, an estimate is made of the probable duration of the useful life of the assets for the company.

The initial recognition (successive acquisition) of Energie AG Oberösterreich Vertrieb GmbH & Co KG required determination of the fair value of the previously held equity interest on the basis of the discounted cash flow method (see section 3.1.). The most significant discretionary decision concerns the assumptions made with respect to electricity procurement costs. The assumptions for the future electricity and gas procurement costs are based, where available, on market data; where market data was unavailable, estimates were based on market surveys. The measurement is also particularly affected by the assumed switching rate for electricity customers, the measurement period and the discount rate (4.9%).

The estimates made may differ from the figures that actually result in the future and influence subsequent Consolidated Financial Statements. In respect to the possible effects of changes in estimates, please refer to the sensitivity analyses concerning impairment testing and actuarial parameters.

Estimates affect the following items in the Statement of Financial Position:

Carrying Amounts	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Goodwill	86,185.7	66,063.4
Property, plant and equipment	1,881,853.8	2,009,145.7
Investments	228,088.3	325,163.0
Non-current provisions	308,093.1	278,920.4
Current provisions	22,244.5	17,994.4

5.2. Intangible Assets

The goodwill resulting from the acquisition of subsidiaries is reported under intangible assets. Goodwill is recognised at cost less accumulated impairment losses.

Other assets acquired by the Group that have limited useful lives are recognised at cost less accumulated depreciation, and accumulated impairment losses.

Under certain circumstances according to IAS 38 (Intangible Assets), development costs are to be capitalised as self-created intangible assets and subsequently amortised over their useful lives.

With the exception of goodwill, intangible assets are amortised over the period of the following estimated useful lives:

	Useful life in years
Intangible assets	
Procurement rights	15–99
Other rights	4–50
Customer base	8–26
Dumping rights and landfills	depending on utilization

Costs for research activities with the prospect of providing new scientific or technical insights are recognised as expenses.

5.3. Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The costs include expenses that are directly attributable to the acquisition of the asset. The costs for self-constructed assets include:

- Material costs and production wages, including material and production overheads. General administrative expenses are not capitalised
- All other costs directly attributable to bringing the assets into working condition for their intended use
- The estimated costs of dismantling and removing the objects and restoring the site
- Capitalised borrowing costs

Subsequent expenses are only capitalised when it is probable that the future economic benefit associated with these expenses will flow to the Group. Ongoing repairs and maintenance are immediately recognised as expenses.

Property, plant and equipment are depreciated from the date on which they are available for use, or in the case of self-constructed assets, from the date the asset is completed and ready for use.

As far as different useful lives are to be applied for material non-current assets, these are recognised according to the component approach (IAS 16.43).

The depreciation of significant property, plant and equipment is recognised according to the following, Group-wide uniform useful lives:

	Useful life in years
Constructions	
Buildings	50
Other structures	10–50
Water engineering structures	50–75
Technical equipment and machinery	
Power plants	10–50
Electricity grid	15–40
Waste management systems	6–20
Telecommunications facilities	7–20
Manufacturing plant and equipment	3–10

The attributable useful life assumptions remained essentially unchanged in fiscal year 2018/2019.

5.4. Impairment of goodwill

In the fourth quarter of each fiscal year, or during the course of the year when an impairment indicator arises, any potentially incurred impairment losses are determined by subjecting the goodwill to an impairment test. For this, goodwill is allocated to units that are expected to benefit from the synergies of the combination. The goodwill from the acquisition of ENAMO GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG are allocated to the

cash generating unit "Sales" in accordance with Group controlling and reporting. In the Waste Management segment, the Group companies are combined by country due to the existing management and reporting structures in Austria. The cash generating unit in the Water segment is CEVAK a.s.

An impairment loss is recognised when the carrying amount of a cash generating unit exceeds its recoverable amount. The recoverable amount corresponds to the larger amount resulting from the fair value less the costs of disposal or the value in use. The value in use is determined by discounting future cash flows that are expected to be derived from a cash-generating unit. The fair value less cost of disposal is assessed from an external perspective, the value in use is assessed from the internal perspective of the company.

The cash flows used to determine the value in use are based on the five-year mid-term planning approved by the management board. The planning figures are based both on past experience and on external sources of information. The assumptions concerning cash flows beyond the period of detailed planning are based on analyses of the past as well as on forecasts for the future. Future restructuring and expansion investments are not included. A growth rate of 1.0% (previous year: 1.0%) is assumed for the time after the detailed planning period. The growth rate is based on electricity prices and forecasts for future GDP growth, as well as expected increases in expenses. The assumptions concerning future GDP growth are based on European Commission publications. The testing of goodwill impairment is based on the goodwill's value in use.

The discount interest rate is an interest rate after taxes that reflects the current market estimates and the specific risks of the cash-generating unit.

5.4.1. Planning assumption for Sales unit

The planning of the cash generating Sales unit is broken down into electricity (key account customers; business, commercial and private customers), gas, heat and telecom sales, as well as customer projects and services.

The revenues in the individual sectors and companies were broken down by customers with monthly metering. For customers without monthly metering they were planned as a lump sum. The sales revenues from customer projects and services were assessed separately.

The assumptions for the future electricity and gas procurement costs are based, where available, on market data; where market data was unavailable, estimates were based on market surveys and assumptions.

To reflect implementation of the Energy Efficiency Act in the accounts, a volume reduction of 0.6% was applied to all affected utilities.

The Group's internal inflation rate was used to extrapolate the future external costs.

5.4.2. Planning assumptions in the Waste Management segment

Planning in the Waste Management segment is based on the Group-wide central planning assumptions concerning economic growth, inflation and the development of interest rates and exchange rates during the planning period.

Sales planning is based on detailed planning for the individual products and services of each location. In the area of incineration plants and major customers, single-customer planning based on contractual parameters was also used. For waste and recyclables, a price development was used for the planning period that was realistic to assume at the time of planning. For the other products and services, an expected course of business development

was projected and the sales revenues from electricity and district heating were determined on the basis of contracts or prospective forecasting.

The recycling and throughput volumes were planned for the major waste disposal systems based on expected market developments, based on an expected throughput of 318,000 tonnes for the Wels waste incineration plant and 312,000 tonnes for the Lenzing waste recycling plant.

The material expense items such as personnel expenses, vehicle fleet costs, maintenance and taxes were planned in line with the sales and plant planning.

5.4.3. Planning assumptions for the Czech Republic segment

Planning for the Czech Republic segment is based on centrally defined, country-specific planning parameters like the development of the inflation rate and economic growth, as well as interest rates and exchange rates.

Sales planning in the area of drinking water, waste water and for the Czech Republic heating sector, which has been recognised in the Czech Republic segment since fiscal year 2018/2019, is based on a quantity and price structure that is in turn is based on a trend for sales planning extrapolated from historical consumption data and the planning parameters. The planned drinking water, waste water prices and heating prices have been determined by each planning unit, taking into consideration the existing contract data and estimates of the future development of expenses, and in compliance with any applicable general regulatory conditions.

For the planning of material expense items in the Czech Republic segment, country-specific planning parameters were determined using the estimates of external analysts. In particular, this includes price developments for untreated water, chemicals, and fuels, as well as prices for electricity and gas.

A major planning assumption is that existing contracts for drinking water and waste water with the municipal bodies and water authorities are maintained.

5.5. Impairment of other intangible assets and property, plant and equipment

According to IAS 36 (Impairment of Assets), intangible assets and property, plant and equipment are to be subjected to an impairment test when there is evidence that an asset or cash-generating unit might be impaired or a previously recognised impairment needs to be reversed. An impairment is recognised when the carrying amount exceeds the recoverable amount of the asset or cash generating unit. The recoverable amount is the larger amount resulting from the fair value less the costs of disposal or the value in use.

The value in use is determined by discounting future cash flows that are expected to be derived from a cash-generating unit. The cash flows used to determine the value in use are based on the five-year mid-term planning approved by the management board. For the subsequent period, a perpetual annuity or a calculation up to the expected end of the useful life of the object is recognised. The planning figures are based both on past experience and on external sources of information. Future restructuring and expansion investments are not included. The discount interest rate is an interest rate after taxes that reflects the current market estimates and the specific risks of the cash-generating unit.

The fair value less cost of disposal is assessed from an external perspective, the value in use is assessed from the internal perspective of the company.

5.6. Investments

The measurement of investments in companies accounted for according to the equity method is increased or decreased according to the changes in equity and impairments/reversal of impairments in proportion to the capital share held.

5.7. Inventories

Inventories are measured at average historical cost (moving average cost method) or at the lower net realisable value. Costs include direct costs as well as proportionate material and production overhead.

Impairments due to reduced realisable value are recognised using write-downs.

5.8. Emission allowances

The CO₂ emissions allowances issued free of charge according to the Austrian Gas Emissions Allowances Act are measured at fair value at the date of allocation and recognised both under current receivables and under current liabilities. Fluctuations in fair value are recognised in the income statement. In the course of using the emission allowances, corresponding provisions are built up and the reduction of the liability from their allocation is recognised in the income statement. Upon delivery of the emission allowances to the registration office, the provision is netted against the asset.

Allowances purchased on the market are recognised under current receivables. Fluctuations in fair value are recognised in the income statement. In the course of using the emission allowances, corresponding provisions are built up. Upon delivery of the emission allowances to the registration office, the provision is netted against the asset.

5.9. Fixed term deposits and current investments

The line item "Fixed term deposits" includes highly liquid fixed term deposits with an original maturity of more than three months up to one year, provided that they are not subject to limitations on availability. They are measured at amortised costs under the category "Financial Assets at Amortised Cost (AC)" (previous year: "Loans and Receivables (LaR)"). This item also recognises investments in money market funds that are allocated to category "Financial Assets at Fair Value through Profit or Loss (FVPL)" (previous year: AtFVP&L (FV option)).

5.10. Cash and cash equivalents

The item "Cash and cash equivalents" includes cash in hand and cheques received, as well as deposits at banks with an original maturity of up to three months, provided that they are not subject to limitations on availability. They are measured at amortised costs under the category "Financial Assets at Amortised Cost (AC)" (previous year: "Loans and Receivables (LaR)").

5.11. Financial instruments

Purchases and sales of primary financial instruments are recognised at the settlement date. Purchases and sales of derivative financial instruments are recognised at the trade date. Recognition of the financial instruments is done at the time of acquisition, always at fair value under consideration of the transaction costs. Financial instruments are derecognised when the rights to payments from the investment have lapsed or been assigned and once the Group has relinquished all substantial risks and rewards of ownership.

5.11.1. Primary financial instruments

IFRS 9 financial instruments

Commencing on 1 October 2018, original financial instruments are measured and recognised in accordance with IFRS 9.

Energy AG Group uses the categories "Financial Assets at Amortised Cost (AC)", "Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)", "Financial Assets at Fair Value through Profit or Loss (FVPL)", "Financial Liabilities at Amortised Cost (FLAC)", "Financial Liabilities at Fair Value through Profit or Loss (FVPL)".

Financial assets held as part of a business model that pursues the objective of holding financial assets for the purpose of collecting the contractual payment streams with contractual terms that result in payment streams on fixed dates and exclusively representing repayments and interest payments are classified as "Financial Assets at Amortised Cost (AC)".

An impairment in the amount of the credit losses expected over the full term is recognised for trade receivables and financial assets measured at amortised costs (AC) with a credit risk that has significantly increased since their initial recognition. If the credit risk has not increased significantly since the initial recognition, an allowance in the amount of the credit losses expected over a period of 12 months will be recognised. If the term is less than 12 months, the impairment is determined on the basis of the shorter term.

The category "Financial Assets at Amortised Cost (AC)" essentially comprises lendings, trade receivables, receivables from joint arrangements and associated companies, fixed term deposits as well as cash and cash equivalents.

For certain financial investments in equity instruments that would otherwise be measured at "fair value through profit or loss", the irrevocable decision was made to recognise any changes in their fair value in the other comprehensive income at the time of their remeasurement ("Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)"). This category is essentially comprised of other investments and securities (shares). Their fair value is, where available, determined on the basis of stock exchange prices, or otherwise by measurement of internally or externally available measurement parameters.

Derivatives not designated as hedging instruments are recognised in the categories "Financial Assets at Fair Value through Profit or Loss (FVPL)" or "Financial Liabilities at Fair Value through Profit or Loss (FVPL)".

Certain securities (units in investment funds) and money market funds recognised in the item "Fixed term deposits and short-term investments" are allocated to the category "Financial Assets at Fair Value through Profit or Loss (FVPL)". Their fair values are derived from current market prices.

Financial liabilities that are not attributable to finance leases, trade payables, liabilities to affiliated companies and joint arrangements and other financial liabilities are allocated to the category "Financial Liabilities at Cost (FLAC)".

IAS 39 financial instruments: recognition and measurement

Prior to 30 September 2018, original financial instruments were recognised and measured in accordance with IAS 39.

Non-consolidated investments and securities are recognised in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

Energie AG Oberösterreich utilises instruments in the categories "At Fair Value through Profit or Loss", "Held to Maturity", "Loans and Receivables", "Available for Sale" and "Financial Liabilities measured at Amortised Cost".

The category "At Fair Value through Profit or Loss" is used for derivatives "Held for Trading", as well as for financial assets that are managed in accordance with a documented risk management or investment strategy and whose performance is assessed on the basis of fair value.

Securities are classified in the category "Held to Maturity". Financial assets in this category are primary financial assets with fixed or determinable payments for which the company has the positive intention and ability to hold to maturity. They are recognised at amortised costs in the course of subsequent measurements.

The category "Loans and Receivables" includes borrowings at market rates and trade receivables, as well as other financial receivables and assets. "Loans and Receivables" are primary financial assets with fixed or determinable payments that are not quoted in an active market. The financial instruments of the "Loans and Receivables" category are subsequently measured at amortised costs.

For the categories "Held to Maturity" and "Loans and Receivables", allowances have been recognised for identifiable risks at the time an impairment is indicated. The following are considered criteria for the need for a write-down: financial difficulties of the issuer or debtor, late payment, increased probability of insolvency, a measurable reduction in expected future cash flows, and a material decline in the fair value of the financial instrument. Financial assets are only derecognised in their full carrying amount once the contractual rights to payments from the financial assets have expired (in particular in the event of insolvency). If the reasons for impairment cease to apply, the impairment is reversed up to amortised cost.

Interests in non-consolidated affiliated companies, other investments and securities are classified in the "Available for Sale" category. These are continuously reported at fair value as far as this can be measured with reliability. After deduction of deferred taxes, the resulting changes in value are recognised outside profit or loss until disposal, as far as no material or lasting impairment exists. If there is objective evidence for impairment, losses previously reported in other comprehensive income are recognised in the financial result. When estimating a possible impairment loss, all available information is taken into consideration, including credit rating, market conditions, and length and extent of the impairment. Reversals of impairments are recognised directly in equity for equity instruments, and recognised in profit or loss for debt instruments.

Non-consolidated investments and other investments are recognised as "Available for Sale at Cost". For these investments, there is no price listed on an active market and the fair value cannot be reliably measured. They are reported at cost under consideration of amortised cost and impairments. Recognising reversals of impairment losses is not permitted.

Financial liabilities, trade payables and other financial liabilities are classified as "Financial Liabilities Measured at Amortised Cost" and are recognised at amortised costs using the effective interest method. The initial recognition is measured at fair value plus transaction costs. Premiums, discounts or other costs of issue are distributed across the financing term and disclosed in the financial result.

5.11.2. Derivative financial instruments and hedging transactions

In the Group, derivative financial instruments are used above all to hedge the risks of fluctuations in interest rates and electricity and gas prices.

The requirements for hedge accounting according to IAS 39/IFRS 9 specifically include documentation of the hedging relationship, the hedging strategy and the ongoing assessment of effectiveness. According to IAS 39, hedge accounting is considered to be effective when the fair value change of the hedging instrument is within a range of 80% to 125% of the corresponding fair value change of the hedged item. According to IFRS 9, the hedging relationship is effective if there is a commercial relationship between the hedged item and the hedging transaction, the effects of the credit risk have no dominant impact on the change in value resulting from the commercial relationship and the hedging quota from the volume of the actually hedged item corresponds to the volume of the hedging transaction that is actually used for hedging purposes. All components of changes in fair value of derivatives are included in effectiveness assessment.

If a derivative financial instrument pursuant to IAS 39/IFRS 9 is used for hedge accounting in a cash flow hedge, the effective portion of the gain or loss on the hedging instrument's fair value is recognised in equity in other comprehensive income. This is reclassified in the income statement in the same period in which the cash flows of the hedged item are recognised in profit or loss. If the transaction results in the recognition of non-financial assets or liabilities, the amounts recognised in the other comprehensive income are offset against the initially recognised value of the asset or liability, which leaves the result unaffected at the time of recognition. If the hedged item ceases to exist, the hedging result is recognised in the income statement. The ineffective portion of the change in fair value of a hedging instrument for which a cash flow hedge has been created is recognised in the income statement to the extent required.

In fair value hedge accounting, both the fair value change of the derivative, and the corresponding fair value change of the hedged item, as far as it is attributable to the hedged risk, are recognised through profit or loss.

Changes in fair value of derivatives not designated as hedging instruments are recognised in the operating result or financial result. Gains and losses from interest-rate derivatives are balanced for each contract and recognised in the interest income. The balanced net results of derivative proprietary trading instruments are recognised under sales revenues.

Contracts that were entered into and that continue to be held for the receipt or delivery of non-financial items in accordance with expected purchase, sale or usage requirements are not recognised as derivative financial instruments at fair value according to IAS 39/IFRS 9, but rather as executory contracts according to the regulations of IAS 37.

5.12. Provisions under IAS 19

Provisions for pensions, severance, stepped pension/early retirement benefits and anniversary bonuses are calculated according to the projected unit credit method in accordance with IAS 19 (Employee Benefits). Expected increases in wages, salaries and pensions are taken into account. Actuarial gains and losses for pension and severance provisions are recognised in other comprehensive income, and they are recognised as income for jubilee, stepped pension and early retirement provisions. Interest costs are recognised in the financial result.

5.13. Other provisions

Other provisions include all recognisable obligations as at the reporting date that are based on past events and for which the amount or maturity is uncertain. Provisions are recognised at the amount that is most likely to be incurred. Discounted costs for obligations resulting from dismantling and removing property, plant and equipment assets and restoring the site are estimated, capitalised at the date the plant is added, and recognised as a provision.

5.14. Deferred taxes

Deferred tax liabilities are recognised for all temporary differences between the amounts recognised in the consolidated balance sheet and the amounts recognised in the tax balance sheets of the individual Group companies. Future tax benefits resulting from tax losses that are carried forward are also taken into account. Values are adjusted if it is no longer probable that they can be offset.

5.15. Construction cost subsidies

This item primarily includes financing contributions received from electricity, gas and district heating customers. Construction cost subsidies carried as liabilities are reversed as income in accordance with the depreciation procedure for the corresponding asset.

5.16. Investment subsidies

Government grants for asset acquisition are recognised as investment subsidies liabilities and reversed in other operating income in accordance with the asset's useful life.

5.17. Contingent liabilities

Potential or existing obligations (resulting from past events) for which an outflow of resources is not probable are recognised under contingent liabilities.

5.18. Foreign currency translations

Foreign currency translation is carried out according to the functional currency principle. The functional currency for all consolidated companies is the respective national currency. Accordingly, balance sheet items are translated at the mean exchange rate on the balance sheet date, and income statement items are translated at the mean exchange rate for the statement period. Differences from translating the pro-rata equity are recognised in other comprehensive income. Differences from currency translation of minority interests are recognised under the line item "non-controlling interest in equity". The exchange rate applied on 30 September 2019 for the Czech koruna was 25.7810 (previous year: 25.76425), for the Hungarian forint 334.6705 (previous year: 323.368), for the US dollar 1.09091 (previous year: 1.16042). Currency translation differences from long-term intra-Group corporate loans for which repayment is neither planned nor likely are recognised outside profit or loss in currency translation differences.

5.19. Revenues from customer contracts

Revenues are recognised at the time a customer gains the authority to dispose over the goods or services. The sales revenues correspond to the revenues presented in the segment reporting. There are no significant obligations to accept returns or grant refunds, guarantees and/or discretionary decisions.

Sales revenues in the Energy segment and the Grid segment

Written contracts are in place with electricity and gas customers and/or electricity grid and gas grid customers.

These result in performance obligations for the delivery of electricity and natural gas, as well as obligations from the operation of the electricity and gas grid for the Group.

These performance obligations are satisfied within the relevant periods. Electricity and gas customers as well as electricity grid and gas grid customers with monthly volume metering

are invoiced on a monthly basis. Payment is usually received within one month from the invoice date. Where no volume metering takes place, the customers usually pay monthly instalments. Payment terms in the Waste Management segment are usually one month from the invoice date.

The transaction price is determined on the basis of the concluded electricity and gas supply contracts, or the grid utilisation fees for the grid utilisation period. In the case of multi-component contracts, the consideration payable is allocated to the performance obligations on the basis of the contractually agreed prices for the individual performance obligations. This essentially concerns energy supplies, balancing energy and other services.

Sales revenues are recognised within the period in which electricity or natural gas deliveries take place or the grid is utilised.

Sales revenues include revenues from proprietary trading of electricity and gas. Net sales revenues (after deducting procurement costs for proprietary electricity and gas trading) include the realised margin. Procurement costs for proprietary energy and gas trading pertain to quantities of electricity and gas that have been purchased solely for the purpose of reselling at the wholesale level while achieving an appropriate margin.

Sales revenues in the Waste Management segment

The revenues from the collection of waste concern the collection and intake of refuse. These performance obligations are, to the largest extent, satisfied within the relevant periods. The transaction price is determined on the basis of the contracts concluded. Multi-component contracts usually provide for the consideration payable to be allocated to the performance obligations.

Waste recycling includes the thermal management of waste. Written contracts are in place with customers purchasing the generated heat and/or electricity. The performance obligation – the supply of heat and electricity – are satisfied within the relevant period. The transaction price is provided for in the contracts.

Additional revenues are generated from the sale of recycling materials (plastics, metals, timber). The performance obligation is satisfied within the relevant period.

Sales revenues are recognised within the period in which the collection and/or intake of the waste takes place, in which the generated heat or electricity is delivered, or in which the recycled materials are delivered.

Sales revenues in the Czech Republic segment

Sales revenues in the Czech Republic segment predominantly result from water deliveries, intake of waste water and services related to water/waste water and heat supplies in the Czech Republic. These performance obligations are, to the largest extent, satisfied within the relevant periods. The transaction price is provided for in the contracts.

Sales revenues are recognised in the period in which the delivery of water or intake of waste water takes place, the customer obtains the benefit from the services, or the heat is delivered.

| NOTES TO THE STATEMENT OF INCOME

6. Sales revenues

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Energy segment		
Revenues from electricity sales	759,424.3	568,210.7
Revenues from natural gas sales	228,371.4	266,347.4
Revenues from district heat sales	39,127.0	47,928.1
Others	26,350.2	10,680.4
	1,053,272.9	893,166.6
Grid segment		
Revenues from the electricity and gas grids	311,262.8	297,100.8
Revenues from the reversal of construction cost subsidies	25,709.5	24,830.4
Others	4,060.1	5,718.5
	341,032.4	327,649.7
Waste Management segment		
Revenues from the collection of waste	92,667.7	86,708.7
Revenues from the recycling of waste	79,117.4	75,801.9
Revenues from the processing of waste	44,893.6	49,399.6
Others	10,380.4	10,680.6
	227,059.1	222,590.8
Czech Republic segment (previously: Water segment)		
Revenues from water deliveries	65,978.7	61,407.6
Revenues from waste water intake	59,159.6	58,058.5
Revenues from district heat sales	13,211.7	–
Others	21,646.0	17,949.9
	159,996.0	137,416.0
Holding & Services segment	32,087.9	45,025.6
Sales revenues	1,813,448.3	1,625,848.7
Procurement costs for electricity and gas trading	-97,992.0	-93,177.6
Net sales revenues	1,715,456.3	1,532,671.1

7. Segment reporting

Segment reporting by business units

Energie AG Group identifies the reportable segments according to IFRS 8 on the basis of internal reporting and internal control (Management Approach).

The segment reporting includes the Energy, Grid, Waste Management, and Czech Republic and Holding & Services segments.

The accounting policies applied to the reported segments are the same as those applied throughout the Group. The operating result is the profit or loss for the period that is monitored regularly by the chief decision-makers and used as the primary basis for assessing success and allocating resources.

The sales transactions carried out between the Grid segment and the other segments primarily involve grid services for which the prices are based on regulatory stipulations. Intra-Group sales transactions in the Holding & Services segment primarily involve delivery of goods and services that are charged at prices corresponding to market conditions, as well as sales in the area of grid services (metering) which are charged at prices based on regulatory stipulations. Capital employed is the key figure relating to assets and liabilities in the Group that are reported to the chief operating decision makers on a regular basis. Capital employed includes above all equity and interest-bearing liabilities, less cash and cash equivalents, fixed term deposits, and certain financial assets.

Energy

The Energy segment figures include the production, trade and sales of electrical energy. Electricity is primarily generated using hydraulic and thermal power generation plants. In addition, electricity is also obtained from third-party power plants via procurement rights, as well as on the electricity market. The Energy segment includes Energie AG Oberösterreich Trading GmbH as a central electricity and gas trading company, as well as the 7-Fields gas reservoir. The trade with and distribution of natural gas, the heating business unit, as well as Energie AG Oberösterreich Vertrieb GmbH & Co KG (until 31 March 2019, fully consolidated from 1 April 2019), ENAMO GmbH (until 31 March 2019, fully consolidated from 1 April 2019), ENAMO Ökostrom GmbH (until 31 March 2019, fully consolidated from 1 April 2019), Bioenergie Steyr GmbH, Fernwärme Steyr GmbH, Windpower EP GmbH, Geothermie-Wärmegesellschaft Braunau-Simbach mbH, Geothermie-Fördergesellschaft Simbach-Braunau mbH and Energie Wärme Ried GmbH are allocated to the Energy segment.

Grid

The Grid segment includes the construction and operation of the electricity and gas grids.

Waste Management

The Waste Management segment primarily includes the acceptance, sorting, incineration and landfilling of domestic and industrial waste. "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. (measured at equity), Papyrus Wertstoff Service GmbH and Austrian Metal Recovery GmbH are allocated to the Waste Management segment.

Czech Republic (previously: Water)

The Czech Republic segment primarily includes supplying drinking water, as well as disposing of wastewater. Due to internal restructuring measures within the Group, the heat-related activities in the Czech Republic have been allocated to the Czech Republic segment since 1 October 2018 (previously: Energy segment).

Holding & Services

The Holding & Services segment comprises the management and control functions of the segment, commercial and technical services, Energie AG Oberösterreich Telekom GmbH (telecom operations, metering), as well as the investments in Salzburg AG für Energie, Verkehr und Telekommunikation and Wels Strom GmbH, both recognised at equity.

Segment reporting by business units is as follows:

2018/2019	Energy EUR mill.	Grid EUR mill.	Waste man- agement EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Reconcil- iation/ elimination EUR mill.	Group EUR mill.
Sales to third parties	1,053.3	341.0	227.1	160.0	32.0	–	1,813.4
Intersegment sales	4.2	21.6	6.4	–	217.4	-249.6	–
Total sales	1,057.5	362.6	233.5	160.0	249.4	-249.6	1,813.4
Results from investments in equity companies	19.5	–	0.4	–	10.6	–	30.5
Depreciation, amortisation and impairments	-24.8	-179.6	-16.5	-6.9	-28.4	–	-256.2
Thereof impairments	–	-109.3	–	–	-0.9	–	-110.2
Operating result	117.3	-77.4	13.4	10.9	8.8	–	73.0
Carrying amount of investments in equity companies	9.7	–	4.0	–	191.1	–	204.8
Goodwill	21.1	–	45.3	19.7	0.1	–	86.2
Investments in intangible assets and property, plant and equipment	19.1	96.0	14.6	11.3	72.1	–	213.1
Capital employed	563.4	730.6	185.3	83.9	95.5	–	1,658.7

	EUR mill.
Capital employed	1,658.7
Assets not used in the service production and sales process	410.9
Non-interest bearing liabilities, provisions	905.8
Total	2,975.4

The Group's heat-related activities were transferred from the Energy segment to the Czech Republic segment (previously: Water segment) with effect on 1 October 2018. The heat-related activities in the Czech Republic generated sales revenues of EUR 15.1 million and an operating result of EUR 1.3 million in the 2018/2019 fiscal year.

2018/2019	Energy EUR mill.	Grid EUR mill.	Waste man- agement EUR mill.	Water EUR mill.	Holding & Services EUR mill.	Reconcil- iation/ elimination EUR mill.	Group EUR mill.
Sales to third parties	1,068.4	341.0	227.1	144.9	32.0	–	1,813.4
Intersegment sales	4.1	21.6	6.4	0.4	217.4	-249.9	–
Total sales	1,072.5	362.6	233.5	145.3	249.4	-249.9	1,813.4
Result from investments in equity companies	19.5	–	0.4	–	10.6	–	30.5
Depreciation, amortisation and impairments	-25.8	-179.6	-16.5	-5.9	-28.4	–	-256.2
Thereof impairments	–	-109.3	–	–	-0.9	–	-110.2
Operating result	118.7	-77.4	13.4	9.5	8.8	–	73.0
Carrying amount of investments in equity companies	9.7	–	4.0	–	191.1	–	204.8
Goodwill	21.8	–	45.3	19.0	0.1	–	86.2
Investments in intangible assets and property, plant and equipment	21.9	96.0	14.6	8.5	72.1	–	213.1
Capital employed	574.8	730.6	185.3	72.5	95.5	–	1,658.7

	EUR mill.
Capital employed	1,658.7
Assets not used in the service production and sales process	410.9
Non-interest bearing liabilities, provisions	905.8
Total	2,975.4

2017/2018	Energy EUR mill.	Grid EUR mill.	Waste man- agement EUR mill.	Water EUR mill.	Holding & Services EUR mill.	Reconcil- iation/ elimination EUR mill.	Group EUR mill.
Sales to third parties	893.2	327.6	222.6	137.4	45.0	–	1,625.8
Intersegment sales	2.8	42.6	7.0	0.4	197.1	-249.9	–
Total sales	896.0	370.2	229.6	137.8	242.1	-249.9	1,625.8
Results from investments in equity companies	50.8	–	0.5	–	12.9	–	64.2
Depreciation, amortisation and impairments	-34.7	-68.1	-16.5	-5.7	-23.1	–	-148.1
Thereof impairments	-9.4	–	–	–	–	–	-9.4
Operating result	81.7	57.7	17.4	9.3	5.7	–	171.8
Carrying amount of investments in equity companies	121.9	–	3.6	–	188.1	–	313.6
Goodwill	1.1	–	45.9	18.9	0.2	–	66.1
Investments in intangible assets and property, plant and equipment	27.5	92.4	12.6	5.9	66.7	–	205.1
Capital employed	610.7	693.9	186.3	74.8	97.8	–	1,663.5

	EUR mill.
Capital employed	1,663.5
Assets not used in the service production and sales process	547.4
Non-interest bearing liabilities, provisions	1,011.8
Total	3,222.7

Reversals of impairments amounting to EUR 7.9 million (previous year: EUR 2.1 million) were recognised for the Energy segment. The income from the reversal of construction cost subsidies attributable to the Grid segment amounted to EUR 25.7 million (previous year: EUR 24.8 million). Non-cash line items in connection with derivatives in the amount of EUR -2.5 million (previous year: EUR -5.0 million) pertain to the Energy segment.

Segment reporting broken down by geographic segments

Energie AG Oberösterreich Group operates primarily in the regions "Austria" and "Czech Republic". Business operations in other countries (Italy, Germany, Slovenia, Hungary, Poland) are combined in the geographical segment "Other Countries".

2018/2019	Austria EUR mill.	Czech Republic EUR mill.	Other countries EUR mill.	Group EUR mill.
Sales to third parties	1,641.9	160.2	11.3	1,813.4
Capital employed	1,558.6	84.2	15.9	1,658.7

2017/2018	Austria EUR mill.	Czech Republic EUR mill.	Other countries EUR mill.	Group EUR mill.
Sales to third parties	1,462.3	152.8	10.7	1,625.8
Capital employed	1,563.0	84.1	16.4	1,663.5

8. Other operating income

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Result from remeasurement at fair value (successive acquisition)	48,247.9	–
Income from the disposal of intangible assets and property, plant and equipment	7,703.4	1,201.4
Impairment reversals	7,921.8	2,093.6
Capitalised production costs	616.4	600.0
Rental and lease income	3,859.2	3,549.0
Income from the reversal of investment subsidies	2,746.8	3,202.5
Income from CO ₂ emissions allowances	3,430.9	1,784.2
Other income	6,720.9	9,934.1
	81,247.3	22,364.8

9. Expenses for material and other purchased services

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Electricity purchased from third parties	535,659.2	407,476.6
Grid purchases	94,717.8	92,639.5
Fuel purchase	41,451.2	28,787.7
Other purchased goods	355,021.4	334,929.4
Expenses for purchased services	138,279.1	129,842.2
	1,165,128.7	993,675.4
Procurement costs for proprietary electricity and gas trading	-97,992.0	-93,177.6
	1,067,136.7	900,497.8

10. Personnel expenses

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Wages and salaries	225,076.6	209,055.9
Severance payments and contributions to company pension funds	5,459.9	5,798.5
Pension payments	10,048.8	5,799.7
Expenses for statutory social security contributions and payroll-related levies and statutory contributions	56,483.6	53,104.8
Other benefit expenses	3,097.6	826.0
	300,166.5	274,584.9

The expenses for defined contribution plans amounted to EUR 6,881.7 thousand (previous year: EUR 6,593.6 thousand). Expenses for severance payments of EUR 13.2 thousand (previous year: EUR 18.2 thousand), as well as expenses for pension payments of EUR 310.6 thousand (previous year: EUR 302.0 thousand), pertain to members of the Board of Management.

The remunerations of the Management Board and of the Supervisory Board of Energie AG Oberösterreich are as follows:

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Management Board	808.5	790.7
Former Management Board and their survivors	747.2	750.4
Supervisory Board	90.1	103.0
	1,645.8	1,644.1

The average number of employees in this fiscal year amounts to 4,506 (previous year: 4,389). Part-time employees are included on a proportional basis.

11. Depreciation, amortisation and impairments

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Depreciation and amortisation	145,976.8	138,771.3
Impairments	193,325.7	9,360.5
Reversal of construction cost subsidies	-83,123.6	–
	110,202.1	9,360.5
	256,178.9	148,131.8

12. Other operating expenses

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Taxes	8,084.9	8,376.8
External services	54,193.6	52,460.3
Travel expenses	8,977.5	8,803.5
Insurance premiums	5,570.4	5,059.6
Postage and telecommunication	5,843.0	5,549.6
Rental and leasing expenses	8,035.6	7,864.8
Impairment of receivables	495.1	1,402.6
Allocation of allowances and expected losses to receivables	840.4	486.2
Vehicle expense	18,997.5	18,890.0
Losses from the disposal of intangible assets and property, plant and equipment	4,183.2	3,418.4
Repairs	25,354.3	23,947.7
Other expenses	33,520.1	29,523.1
	174,095.6	165,782.6

Taxes mainly include property tax, dumpsite levy and electricity levy, as well as the Austrian landfill tax. The expenses incurred for the Group auditor, KPMG Austria GmbH, for auditing services and other accounting services provided to the companies of the Energie AG Oberösterreich Group amount to EUR 657.9 thousand (previous year: EUR 693.0 thousand). In addition, the Group auditor provided other consulting services for the Energie AG Oberösterreich Group totalling EUR 153.5 thousand (previous year: EUR 107.0 thousand).

13. Interest income

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Financing expenses		
Interest and similar expenses	-16,099.0	-18,341.3
Interest on provisions for pensions	-4,341.7	-4,492.9
Foreign exchange losses	-746.7	-348.5
	-21,187.4	-23,182.7
Other interest income		
Interest and similar revenues	776.9	1,033.2
Foreign exchange gains	5.9	2.8
Measurement of interest rate derivatives	10.6	-127.9
	793.4	908.1
	-20,394.0	-22,274.6

14. Other financial income

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Result from investments		
Non-consolidated affiliated companies	124.3	124.3
Revenues from other investments	930.2	1,476.6
Other investment expenses	–	-110.8
	1,054.5	1,490.1
Result from financial investments		
Losses from the measurement of lendings	-73.9	–
Gains from the measurement of lendings	164.8	13.5
Income from securities	749.0	742.7
Impairment of securities	–	-147.6
Gains from the measurement of securities	1,297.0	10.0
Losses from the disposal of securities	-31.5	–
Gains from the disposal of securities	–	6,720.3
Losses from the measurement of fixed term deposits	-21.2	–
Gains from the measurement of fixed term deposits	147.2	–
Losses from the measurement of investment funds	-294.2	-337.6
Income from the measurement of investment funds	105.3	56.6
	2,042.5	7,057.9
	3,097.0	8,548.0

15. Income taxes

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Current income taxes	32,494.6	31,317.1
Adjustment for deferred taxes	-34,221.2	2,176.3
	-1,726.6	33,493.4

Expenses for taxes on income are EUR 15,012.7 thousand lower (previous year: EUR 5,364.2 thousand lower) than the calculated expenses for taxes on income that result from applying the respective tax rates to the earnings before taxes on income. The reasons for the difference between the calculated and reported income tax expenses are as follows:

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Earnings before taxes	55,674.6	158,117.1
Imputed tax expenses	13,286.1	38,857.6
Tax effects from		
Tax-free earnings from companies measured at equity and tax-free investment income	-3,586.9	-5,442.2
Remeasurement at the fair value (see item 3.2)	-12,062.0	–
Other items	636.2	78.0
Effective tax income/expenses	-1,726.6	33,493.4

Temporary differences between the amounts recognised in the Consolidated Financial Statements and the respective taxable amounts have the following effects on the reported deferred taxes:

	Assets		Liabilities		Net	
	2019 EUR 1,000	2018 EUR 1,000	2019 EUR 1,000	2018 EUR 1,000	2019 EUR 1,000	2018 EUR 1,000
Intangible assets	–	–	-23,389.3	-13,994.4	-23,389.3	-13,994.4
Property, plant and equipment	10,258.9	15,227.4	-35,732.9	-86,656.6	-25,474.0	-71,429.2
Financial assets	3,357.5	3,981.7	-3,936.0	-6,853.7	-578.5	-2,872.0
Other non-current assets	–	–	-1,099.6	-568.1	-1,099.6	-568.1
Provisions	37,726.2	33,607.6	-2,090.5	-6,496.0	35,635.7	27,111.6
Untaxed reserves	–	–	-15,259.6	-15,973.2	-15,259.6	-15,973.2
Construction cost subsidies	2,050.3	21,259.4	-2,584.8	-2,861.7	-534.5	18,397.7
Other non-current liabilities	4,515.1	1,699.9	–	–	4,515.1	1,699.9
Hedge accounting	-427.7	–	–	-11,845.0	-427.7	-11,845.0
Outstanding write-downs to fair value	1,631.4	4,105.4	–	–	1,631.4	4,105.4
Other	4,230.1	974.0	-3,267.1	-315.3	963.0	658.7
Deferred tax assets/liabilities before offsetting	63,341.8	80,855.4	-87,359.8	-145,564.0	-24,018.0	-64,708.6

	Balance 30.09.2019 EUR 1,000	Change in the scope of consolidation EUR 1,000	Exchange differences EUR 1,000	Recognised in equity EUR 1,000	Recognised in profit or loss EUR 1,000	Balance 01.10.2018 EUR 1,000
Intangible assets	-23,389.3	-10,263.5	0.8	–	867.8	-13,994.4
Property, plant and equipment	-25,474.0	–	2.7	–	45,952.5	-71,429.2
Financial assets	-578.5	8.4	–	-1,348.7	3,633.8	-2,872.0
Other non-current assets	-1,099.6	–	–	–	-531.5	-568.1
Provisions	35,635.7	889.6	-0.4	5,925.3	1,709.6	27,111.6
Untaxed reserves	-15,259.6	–	–	–	713.6	-15,973.2
Construction cost subsidies	-534.5	–	–	–	-18,932.2	18,397.7
Other non-current liabilities	4,515.1	–	–	–	2,815.2	1,699.9
Hedge accounting	-427.7	–	–	11,417.9	-0.6	-11,845.0
Outstanding write-downs to fair value	1,631.4	-8.4	–	–	-2,465.6	4,105.4
Other	963.0	-106.8	-55.4	7.9	458.6	658.7
	-24,018.0	-9,480.7	-52.3	16,002.4	34,221.2	-64,708.6

	Balance 30.09.2018 EUR 1,000	Change in the scope of consolidation EUR 1,000	Exchange differences EUR 1,000	Recognised in equity EUR 1,000	Recognised in profit or loss EUR 1,000	Balance 01.10.2017 EUR 1,000
Intangible assets	-13,994.4	–	-12.8	–	372.6	-14,354.2
Property, plant and equipment	-71,429.2	-72.9	-34.0	–	-1,184.7	-70,137.6
Financial assets	-2,872.0	–	–	1,601.5	-32.4	-4,441.1
Other non-current assets	-568.1	–	–	–	122.8	-690.9
Provisions	27,111.6	–	7.1	1,698.7	-126.1	25,531.9
Untaxed reserves	-15,973.2	–	–	–	877.4	-16,850.6
Construction cost subsidies	18,397.7	–	-0.1	–	-165.4	18,563.2
Other non-current liabilities	1,699.9	–	–	–	-159.6	1,859.5
Hedge accounting	-11,845.0	–	–	-13,871.1	–	2,026.1
Outstanding write-downs to fair value	4,105.4	–	–	–	-2,066.3	6,171.7
Other	658.7	–	8.1	–	185.4	465.2
	-64,708.6	-72.9	-31.7	-10,570.9	-2,176.3	-24,568.6

No deferred tax liabilities were recognised for temporary differences associated with fully consolidated subsidiaries, joint arrangements, or associated companies in the amount of EUR 486,741.8 thousand (previous year: EUR 442,239.4 thousand).

Deferred taxes in the amount of EUR -1,340.8 thousand (previous year: EUR 1,601.5 thousand) pertain to changes in value of investments and securities FVOCI (previous year: available for sale); deferred taxes in the amount of EUR 11,417.9 thousand (previous year: EUR -13,871.1 thousand) pertain to changes in value from hedge accounting recognised outside of profit or loss.

| NOTES TO THE STATEMENT OF FINANCIAL POSITION

16. Intangible assets and property, plant and equipment

Changes in intangible assets and goodwill

2018/2019	Electricity procurement rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construction EUR 1,000	Total EUR 1,000
Costs						
01.10.2018	248,356.9	115,598.2	77,086.3	43,251.4	82.9	484,375.7
Change in scope of consolidation	–	–	20,135.1	41,725.0	–	61,860.1
Translation differences	–	-2.8	-12.8	-17.4	–	-33.0
Additions	1,459.0	4,219.8	–	–	83.7	5,762.5
Disposals	-134.0	-2,996.7	–	–	-0.5	-3,131.2
Transfers	–	371.8	–	–	-108.0	263.8
30.09.2019	249,681.9	117,190.3	97,208.6	84,959.0	58.1	549,097.9
Accumulated amortisation and impairment						
01.10.2018	167,603.6	88,831.0	11,022.9	29,768.2	–	297,225.7
Translation differences	–	-2.5	–	-12.3	–	-14.8
Amortisation	1,181.5	3,676.0	–	3,348.0	–	8,205.5
Impairment	–	1,318.7	–	–	–	1,318.7
Disposals	-6.5	-2,733.2	–	–	–	-2,739.7
Transfers	–	–	–	–	–	–
30.09.2019	168,778.6	91,090.0	11,022.9	33,103.9	–	303,995.4
Carrying amount 01.10.2018	80,753.3	26,767.2	66,063.4	13,483.2	82.9	187,150.0
Carrying amount						
30.09.2019	80,903.3	26,100.3	86,185.7	51,855.1	58.1	245,102.5

2017/2018	Electricity procurement rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construction EUR 1,000	Total EUR 1,000
Costs						
01.10.2017	247,856.9	112,561.0	76,910.2	43,047.4	87.2	480,462.7
Change in scope of consolidation	–	1.6	–	–	–	1.6
Translation differences	–	35.5	176.1	204.0	0.8	416.4
Additions	500.0	3,046.6	–	–	212.1	3,758.7
Disposals	–	-101.9	–	–	–	-101.9
Transfers	–	55.4	–	–	-217.2	-161.8
30.09.2018	248,356.9	115,598.2	77,086.3	43,251.4	82.9	484,375.7
Accumulated amortisation and impairment						
01.10.2017	166,434.0	82,415.9	11,022.9	27,277.7	–	287,150.5
Translation differences	–	32.3	–	108.6	–	140.9
Amortisation	1,169.6	3,256.6	–	2,381.9	–	6,808.1
Impairment	–	3,387.3	–	–	–	3,387.3
Disposals	–	-91.5	–	–	–	-91.5
Transfers	–	-169.6	–	–	–	-169.6
30.09.2018	167,603.6	88,831.0	11,022.9	29,768.2	–	297,225.7
Carrying amount 01.10.2017	81,422.9	30,145.1	65,887.3	15,769.7	87.2	193,312.2
Carrying amount 30.09.2018	80,753.3	26,767.2	66,063.4	13,483.2	82.9	187,150.0

Changes in property, plant and equipment

	Land and buildings EUR 1,000	Technical equipment and machinery EUR 1,000	Operating and business equipment EUR 1,000	Assets under construction EUR 1,000	Total EUR 1,000
2018/2019					
Costs					
01.10.2018	1,073,866.4	3,821,708.3	209,918.4	78,145.2	5,183,638.3
Change in scope of consolidation	–	-1,301.2	0.2	–	-1,301.0
Translation differences	-57.1	-29.9	-10.3	-4.2	-101.5
Additions	9,319.4	136,054.3	10,204.6	51,724.4	207,302.7
Disposals	-14,445.5	-12,363.8	-6,079.5	-166.1	-33,054.9
Transfers	4,463.8	38,534.8	2,320.5	-45,582.9	-263.8
30.09.2019	1,073,147.0	3,982,602.5	216,353.9	84,116.4	5,356,219.8
Accumulated depreciation and impairment					
01.10.2018	611,971.5	2,386,233.1	172,419.0	3,869.0	3,174,492.6
Change in scope of consolidation	–	-823.4	-29.7	–	-853.1
Translation differences	-26.5	-19.2	-7.5	–	-53.2
Depreciation	17,166.8	108,722.0	11,882.5	–	137,771.3
Impairment reversals	–	-7,921.8	–	–	-7,921.8
Impairment	7,986.0	183,441.6	171.3	408.1	192,007.0
Disposals	-5,858.0	-9,227.6	-5,991.2	–	-21,076.8
Transfers	-0.5	0.5	–	–	–
30.09.2019	631,239.3	2,660,405.2	178,444.4	4,277.1	3,474,366.0
Carrying amount 01.10.2018	461,894.9	1,435,475.2	37,499.4	74,276.2	2,009,145.7
Carrying amount 30.09.2019	441,907.7	1,322,197.3	37,909.5	79,839.3	1,881,853.8

2017/2018	Land and buildings EUR 1,000	Technical equipment and machinery EUR 1,000	Operating and business equipment EUR 1,000	Assets under construction EUR 1,000	Total EUR 1,000
Costs					
01.10.2017	1,065,345.8	3,680,397.5	200,453.3	57,289.9	5,003,486.5
Change in scope of consolidation	662.0	319.9	3.3	34.9	1,020.1
Translation differences	682.0	331.8	103.9	19.2	1,136.9
Additions	5,038.6	118,773.8	11,587.5	65,902.5	201,302.4
Disposals	-3,094.8	-15,313.1	-4,592.4	-469.1	-23,469.4
Transfers	5,232.8	37,198.4	2,362.8	-44,632.2	161.8
30.09.2018	1,073,866.4	3,821,708.3	209,918.4	78,145.2	5,183,638.3
Accumulated depreciation and impairment					
01.10.2017	594,028.6	2,292,548.0	164,729.6	4,064.2	3,055,370.4
Translation differences	307.8	226.5	75.6	-1.5	608.4
Depreciation	17,496.0	102,752.6	11,681.5	33.1	131,963.2
Impairment reversals	–	-2,093.6	–	–	-2,093.6
Impairment	472.5	5,500.7	–	–	5,973.2
Disposals	-332.8	-12,832.5	-4,333.3	–	-17,498.6
Transfers	-0.6	131.4	265.6	-226.8	169.6
30.09.2018	611,971.5	2,386,233.1	172,419.0	3,869.0	3,174,492.6
Carrying amount 01.10.2017	471,317.2	1,387,849.5	35,723.7	53,225.7	1,948,116.1
Carrying amount 30.09.2018	461,894.9	1,435,475.2	37,499.4	74,276.2	2,009,145.7

16.1. Impairment of cash generating units with own goodwill

For the purposes of impairment testing, goodwill is allocated to the following cash-generating units and the cash flows of these cash-generating units are discounted at the following discount rates:

	Goodwill		Discount rate	
	30.09.2019 EUR mill.	30.09.2018 EUR mill.	30.09.2019 %	30.09.2018 %
Energy segment				
Sales	20.7	–	4.8	–
Other	0.4	1.1	4.8	4.9–5.4
	21.1	1.1	–	–
Waste Management segment				
Waste Management Austria	43.1	43.1	4.9	5.2
Other	2.2	2.8	5.9	4.0–6.4
	45.3	45.9	–	–
Czech Republic segment (previously: Water segment)				
CEVAK a.s.	15.1	15.1	3.9	4.4
Other	4.6	3.8	3.9–5.2	4.4
	19.7	18.9	–	–
Other	0.1	0.2	–	–
	86.2	66.1	–	–

The recoverable amount attributable to the cash generating unit “Sales” exceeds the carrying amount by EUR 259.1 million. In the event of a decrease in future cash flows by 68.5%, or an increase in the interest rate by 7.8%, the carrying amount corresponds to the present value of the future cash flows.

The recoverable amount of the “Waste Management segment/Austria” cash-generating unit exceeds the carrying amount by EUR 70.0 million (previous year: EUR 20.3 million), while the recoverable amount of CEVAK a.s. exceeds the carrying amount by EUR 143.7 million (previous year: EUR 114.8 million). In the event of a decrease in future cash flows by 27.1%, or an increase in the interest rate by 1.7%, the carrying amount of the “Waste Management segment/Austria” cash-generating unit corresponds to the present value of the future cash flows. A decrease in CEVAK a.s.' future cash flows by 10% would not result in an impairment.

16.2. Impairment of cash generating units without own goodwill

Timelkam CCGT (combined cycle gas-turbine) power plant

Due to the current situation on the market, impairment testing was performed for the Timelkam combined cycle gas-turbine power plant (Energy segment). The maximum output of the power plants amounts to 422 MW, maximum district heating supply is 100 MW. Efficiency was estimated at 55.7%. Annual electricity generation was recognised at up to 1,729 GWh per year (previous year: 1,442 GWh). The assumptions for the future electricity and gas prices are based, where available, on market data; if no market data were available, estimates were made based on market studies. The estimated electricity price is EUR 49.13 to EUR 78.22/MWh (previous year: EUR 36.82 to EUR 77.45/MWh). Expenses for maintenance and repair were recognised according to maintenance plans and contracts. Other material

expense items such as personnel costs, insurance and infrastructure costs are annually increased by an estimated increase rate. The discount rate is 4.8% (previous year: 4.9%). The planning horizon ends in the 2037/2038 fiscal year. In particular due to the increased electricity prices and the resultant increased use, a reversal of impairment in the amount of EUR 7.9 million (previous year: impairment of EUR 2.5 million) was recognised. The recoverable amount determined using the DCF method corresponds to the value in use in the amount of EUR 51.5 million (previous year: EUR 47.3 million). Fluctuations in cash flows of 20% resulted in a change of EUR 25.9 million in the recoverable amount. An increase in the interest rate by 0.5% results in a reduction of the recoverable amount by EUR 1.9 million.

Electricity grid

The impairment of the cash generating unit "Electricity grid" depends, inter alia, on the grid utilisation fees. In Austria, the electricity grid utilisation fees are determined by the legislator. The billable grid utilisation fees include, inter alia, interest on the employed capital (regulatory asset base, short "RAB"), with the determination of the employed capital essentially based on the carrying amounts pursuant to the Austrian Commercial Code (UGB) and the Electricity Industry Organisation Act (EIWOG). The applicable interest rate is prescribed by the regulatory authority. Due to the different useful lives and capitalised interest on borrowed capital in particular, the carrying amount under IFRS exceeds the calculation basis for the interest on the employed capital (RAB).

In order to validate the potential impairment, IAS 36 requires determination of the recoverable amount, with the recoverable amount to be based on the higher of the two fair value amounts less the costs of disposal and value in use. The value in use was, in particular due to the statutory regulation system, lower than the carrying amount under IFRS. In the past, the recoverable amount was determined via the fair value amounts less the cost of disposal on the basis of a market-based approach (multiplier method). ¹¹⁾ This was based on sales transactions of companies (grid operators) in countries with comparable regulatory models. As of 30 September 2018, the fair value amounts less costs of disposal exceeded the carrying amount under IFRS.

The suitability of this method presupposes the existence of transactions involving identical, comparable or similar assets. In cases where recently completed market transactions conducted by sufficiently comparable companies are lacking, the previous measurement method can no longer be applied as of 30 September 2019. The combination of lacking comparable transactions and the difference resulting from the carrying amount under IFRS and the regulatory asset base (RAB) indicate a potential impairment, which resulted in the assets of the cash generating unit "Electricity grid" to be assessed on a potential impairment as of 30 September 2019.

For this reason, the recoverable amount is now determined on the basis of the value in use. This is done by calculating a present value of future cash flow surpluses on the basis of a five-year mid-term planning. The mid-term planning is based on the grid utilisation fees prescribed by the legislator. A perpetual annuity was assumed at the end of the detail planning phase, with the assumption of the perpetual annuity experiencing no additional growth. A discount rate of 3.7% was used. The recoverable amount (value in use) is EUR 413.8 million. In the Grid segment, an impairment in the amount of EUR 109.3 million was recognised through profit or loss (in the item for depreciation, amortisation and impairment). The impairment in the amount of EUR -192.4 million was recognised in the item property, plant and equipment, and in the amount of EUR 83.1 million in the item

11) The measurement methods under IFRS 13 are the cost-based method, the market-based method, and the income-based method. The market-based method and the income-based method appear to be suitable for the purposes of validating the potential impairment of the electricity grid. The market-based method is a measurement method that uses prices and other relevant information generated in market transactions involving identical or comparable/similar assets.

construction cost subsidies. A decrease (increase) of future cash flows by 5% would result in an impairment (reversal of impairment) after reversal of construction cost subsidies in the amount of EUR 20.7 million.

Impairments in the previous year

The impairment of the "Price Authority Heat Sales" cash-generating unit (Energy segment) was tested in the past fiscal year. This unit includes the thermal plants in Timelkam/Vöcklabruck, Riedersbach and Kirchdorf, for which the sales prices are jointly set by a price authority. Future revenues were based on an annual output of 236.4 GWh and were planned under the assumption that cost components can be compensated by a higher price for heat over the medium term. Past price approvals by the price authority supported this assumption. Using a discount rate of 4.9%, the recoverable amount (value in use) was assessed at EUR 8.1 million. The impairment amounted to EUR 3.0 million.

Additionally, an impairment in the amount of EUR 3.2 million was recognised for the cash generating unit "7-Fields gas reservoir". The impairment was based on a new appraisal of future gas prices on the trading market during the summer and winter months ("summer-winter spread"). Using a discount rate of 5.5%, the recoverable amount (value in use) was EUR 8.8 million.

16.3. Other disclosures

Research costs in the amount of EUR 4.5 million (previous year: EUR 3.7 million) were recognised as expenses.

In the 2018/2019 fiscal year, interest on borrowed capital in the amount of EUR 2,593.3 thousand (previous year: EUR 1,537.5 thousand) was capitalised. The applied interest rate was 4.3%.

Additions to assets under construction led to outflows of payment instruments in the amount of EUR 40,337.8 thousand (previous year: EUR 59,370.5 thousand). Obligations for the acquisition of property, plant and equipment amount to EUR 47,002.1 thousand (previous year: EUR 32,318.3 thousand).

In the 2007/2008 fiscal year, property, plant and equipment assets in the Waste Management segment were sold and leased back for a period of 15 years "Sale and Lease back"). The assets of this financing lease relationship continue to be capitalised in the balance sheet. The present value of the minimum lease payments is recognised in the same amount on the liabilities side. During and at the end of the contract term, there are options to terminate at certain points against repayment of the outstanding loan amount. At the end of the lease term, the lessor has the right to sell the asset to the lessee at the outstanding loan amount. During the leasing term, subleasing to third parties is not permitted. The carrying amount as of 30 September 2019 is EUR 19,281.9 thousand (previous year: EUR 22,287.5 thousand). The future minimum lease payments for the following year are EUR 2,610.4 thousand (previous year: EUR 2,618.3 thousand), for terms between one and five years EUR 42,870.9 thousand (previous year: EUR 45,929.6 thousand). Leasing payments calculated on the basis of a variable interest rate were recognised as expenses in the amount of EUR -2,388.6 thousand (previous year: -2,387.8).

The present value of the minimum lease payments is as follows:

	Minimum lease-payments EUR 1,000	Discounting EUR 1,000	Present value of minimum lease payments EUR 1,000
Due within one year	2,610.4	-1.5	2,611.9
With a term of one to five years	42,870.9	-177.8	43,048.7
	45,481.3	-179.3	45,660.6

17. Investments

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Shares in affiliated companies	2,094.5	2,097.1
Shares in companies consolidated at equity	204,780.3	313,604.3
Available for sale investments	–	927.1
Other investments	21,213.5	8,534.5
	228,088.3	325,163.0

A 20.0% decrease in future cash flows would result in impairments for companies valued using the equity method in the amount of EUR 30.9 million. The recoverable amount for the respective shares exceeds the carrying amount by EUR 30.5 million.

The Cash Flow Statement includes dividends from companies consolidated at-equity in the amount of EUR 57,153.1 thousand (previous year: EUR 47,773.3 thousand).

18. Other financial assets

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Lendings to affiliated companies and companies in which an interest is held	10,817.3	12,655.4
Other lendings	5,559.7	6,307.6
Securities available for sale	–	17,972.8
Securities at Fair Value through Profit or Loss	31,019.6	28,382.0
Securities at Fair Value through Other Comprehensive Income	9,243.0	–
Other securities	–	1.0
	56,639.6	65,318.8

19. Other non-current assets

Other non-current assets result from the positive fair value of derivative financial instruments and from other receivables.

20. Inventories

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Primary energy	33,637.6	29,633.0
Raw materials and supplies	15,323.6	16,008.5
Contract assets	7,524.0	3,400.2
Finished goods	1,269.9	1,466.3
	57,755.1	50,508.0

21. Receivables and other assets

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Trade receivables	254,056.4	171,624.6
Receivables from non-consolidated affiliated companies	181.8	295.7
Receivables from joint arrangements and associated companies	8,583.6	23,517.8
Accruals and deferrals of interest	2,055.0	2,091.4
Fair value of derivatives	12,284.0	26,441.0
Other	71,029.4	52,399.8
	348,190.2	276,370.3

Receivables from electricity and water deliveries that have not been invoiced as of the reporting date are accrued and recognised in the line item "Trade receivables".

22. Cash and cash equivalents

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Cash in hand	149.7	237.8
Cash in bank	29,622.3	101,198.8
	29,772.0	101,436.6

23. Equity

The share capital of Energie AG Oberösterreich consists of 88,729,206 individual share certificates (previous year: 88,779,655), of which 88,600,000 are ordinary shares (previous year: 88,600,000), and 129,206 are preferred shares without voting rights (previous year: 179,655). The share capital has been fully paid in.

The capital reserves result from the share premium of the capital increase, minus the directly attributable costs of obtaining equity in the amount of EUR 1,771.9 thousand, as well as from the contribution of own shares in the 2006/2007 fiscal year, and from shares issued to staff in the 2012/2013 fiscal year.

In the 2007/2008 fiscal year, 390,000 preferred shares without voting rights were contributed to Energie AG Oberösterreich. These shares were offered to Group staff members at favourable conditions during the 2007/2008 fiscal year. The benefit per staff member amounted to the maximum tax-exempt sum pursuant to § 3 para 1 subpara 15 letter b of the Austrian Income Tax Act.

In the 2012/2013 fiscal year, 87,750 shares were issued to employees of the Group at discounted prices. The capital increase took effect with entry in the Register of Companies on 29 October 2013.

Fiscal year 2018/2019 saw a reduction of the share capital due to the redemption of 50,449 (previous year: 308,095) treasury shares (preference shares without voting rights).

The retained earnings result from the profits that the Group generated but did not distribute.

Other reserves include IFRS 9/IAS 39 reserves, IAS 19 reserves, revaluation reserves, and reserves for treasury stock, as well as reserves from translation differences.

The reserves under IFRS 9/IAS 39 include changes in the fair value of investments and securities measured "At Fair Value through Other Comprehensive Income" (FVOCI) (previous year: Available for Sale (AFS)), and changes in the fair value of cash flow hedges, as well as changes in the equity of associated companies consolidated at-equity recognised outside profit or loss.

As of 30 September 2019, the cash flow hedge reserve amounts to EUR 1,708.9 thousand (previous year: EUR 47,380.1 thousand). The effective share of the fair value changes concerning cash-flow hedges is recognised in the other comprehensive income in the cash-flow hedge reserve. The ineffective portion of the fair-value changes from cash flow hedges in the amount of EUR -4.4 thousand (previous year: EUR -244.6 thousand) was recognised as income through profit or loss. Fair value changes in the amount of EUR -38,230.8 thousand (previous year: EUR 54,354.8 thousand) are recognised as other comprehensive income. During the fiscal year, EUR -7,440.4 thousand (previous year: EUR 1,129.7 thousand) were withdrawn from the cash-flow hedge reserve and recognised as an expense through profit or loss. Of this amount, EUR 1,556.7 thousand (previous year: EUR 1,775.8 thousand) were recognised in the financial result while EUR -9,007.1 thousand (previous year: EUR -646.1 thousand) were recognised in the operating result.

The OCI reserve, which is part of the IFRS 9 reserves, includes changes in value of investments and securities classified as "At Fair Value through Other Comprehensive Income" (FVOCI), which are recognised in other comprehensive income. The OCI reserve amounted to EUR 16,269.4 thousand at the time of initial application of IFRS 9 and EUR 17,668.0 as of 30 September 2019. In the year under review, changes in fair value in the amount of EUR 1,398.6 were recognised outside of profit or loss in the other comprehensive income.

The AFS reserve, which is contained in the IAS 39 reserves, includes changes in value of investments and securities classified as available for sale, which are recognised in other comprehensive income. As of 30 September 2018, the AFS reserve amounted to EUR 12,273.9 thousand. In the 2017/2018 fiscal year, changes in fair value in the amount of EUR -543.8 thousand were recognised in equity outside of profit or loss, and EUR -5,861.3 thousand were withdrawn from the AFS reserve and recognised as income through profit or loss.

The IAS 19 reserves result from the actuarial valuation of pension and severance provisions recognised in other comprehensive income.

The revaluation reserve results from first-time consolidations in previous years.

As of 30 September 2019, the company held 73,682 treasury shares (previous year: 50,449).

Capital management

It is the objective of the Group's capital management to preserve a strong capital base so that the company can continue to generate adequate returns for the shareholders corresponding with the risk situation of the company, promote the future development of the company, and also provide benefits for other interest groups. Value based management is firmly entrenched in the management systems and in management processes. The equity in the books according to IFRS is what the management considers to be capital. As of the balance sheet date, the equity ratio amounted to 44.0% (previous year: 42.9%). For purposes of internal reporting and management, the return on capital employed (ROCE) is also used. The capital employed includes the assets attributable to a unit, with the exception of the assets not used in the process of creating and utilising goods and services, less non-interest bearing liabilities and certain reserves.

24. Financial instruments and financial risk management

24.1. Derivative financial instruments and hedging

The use of derivative financial instruments in the Group is subject to corresponding authorisation and control procedures. It is mandatory for use to be connected with a hedged item. Proprietary trading is only carried out within very tightly defined limits.

Interest rate swaps are used for hedging future variable interest payments on funding and leasing contracts. Energie AG Group hedges these by purchasing interest rate swaps that correspond to the hedged item in terms of the base interest rate, payment dates, interest rate fixing date, nominal amounts and maturities. The commercial relationship between the hedged item and the hedging transaction is established on the basis of identical parameters of the hedged items and the hedging transaction. Hedges may be ineffective in the case of changes in the counterparty's and Energie AG's credit risk, as well as in cases where the measurement-relevant parameters differ from the hedged item and hedging transaction. The qualitative and quantitative effectiveness of a hedge is determined on the basis of the hypothetical derivatives method.

Futures and forwards are used to hedge price-related risks from electricity procurement and electricity sales. The objective of Energie AG Group is to hedge the entire price risk using derivative and non-derivative financial instruments and thereby reduce the cash flow risk from electricity purchasing and sales and/or the fair value risk from firm commitments. This means that only a portion of the total volume is hedged using derivative financial instruments. Hedging is carried out on a rolling basis. Either the entire price risk is hedged, or only a component of the risk. Components are hedged if the hedging instrument has a different market price zone than the hedged item. The difference between prices in different market price zones is observable on the market and amounted to an average of EUR 3.39 in the 2018/2019 fiscal year. The commercial relationship results either from almost identical parameters of hedging items or transactions (in particular base price, performance, term and price base), or the high correlation of prices in different market price zones in cases where only a component is hedged. A hedging ineffectiveness may result from temporal differences, price differences, different market price zones or the counterparty's credit risk. The qualitative and quantitative effectiveness of a hedge is determined on the basis of the hypothetical derivatives method.

Futures, forwards and swaps are used to hedge price risks from gas purchases and gas sales. The hedging aims at reducing the cash flow risk or fair value risk from firm commitments. The hedging volume is determined on the basis of the hedging strategy. Only a portion of the purchases and sales are hedged using derivative instruments. The commercial relationship either results from almost identical hedging items or transactions (in particular base price, performance, term and price base), or from the high correlation of prices in different market price zones if only a component is hedged. A hedging ineffectiveness may result from temporal differences, price differences, different market price zones or the counterparty's credit risk. The qualitative and quantitative effectiveness of a hedge is determined on the basis of the hypothetical derivatives method.

To a small extent, futures are used to hedge procurement and sales of CO₂ emissions allowances. The hedging aims at reducing the cash flow risk. Only a portion of the total volume is hedged on the basis of the hedging strategy. The commercial relationship results from almost identical hedging items or transactions (in particular base price, performance, term and price base). Ineffective hedges may result from temporal differences or the counterparties' credit risk. The qualitative and quantitative effectiveness of a hedge is determined on the basis of the hypothetical derivatives method.

Beyond that, gas-oil futures in US dollars and the corresponding foreign exchange contracts as well as gas-oil swaps are also concluded to hedge the price risks of purchasing fuel. The objective is to reduce the cash flow risk from fuel purchases. The hedging volume results from the hedging strategy and concerns only a portion of the fuel purchases. The commercial relationship is established on the basis of the parameters quantity, term and the evidence for the correlation of the prices of the hedging item and the hedging transaction. Ineffective hedges may result from temporal differences, price differences and the counterparties' credit risk. The qualitative and quantitative effectiveness of a hedge is determined on the basis of the hypothetical derivatives method.

The Group holds fair value hedges for firm commitments relating to transactions for procuring and supplying electricity.

Cash flow hedges are used to protect future cash flows. The Group also uses electricity, gas, CO₂, and gas-oil futures, as well as gas and gas-oil swaps, to hedge price risks; interest rate swaps are used to hedge the cash flow risks of variable-interest liabilities and foreign exchange contracts for US dollar hedging.

For cash flow hedges, the carrying amounts, nominal amounts and changes in fair values used for recognising an ineffective hedge are as follows:

	Positive fair values	Negative fair values		Nominal amount	Change in the fair value for ineffectiveness measurement
30.09.2019	EUR 1,000	EUR 1,000	Unit		EUR 1,000
Electricity futures, forwards – sales	22,609.1	-5,712.7	GWh	1,242.2	16,434.3
Gas futures, forwards and swaps – procurement	299.7	-2,649.4	GWh	2,399.5	-2,349.7
Gas-oil futures and swaps – procurement	9.1	-161.5	Tonnes	6,300.0	-152.4
Foreign exchange contracts	132.3	-21.1	USD mill.	1.9	111.2
CO ₂ futures – sales	168.0	-1,826.5	Tonnes	387,000.0	-1,658.5
CO ₂ futures – procurement	314.7	-1,503.6	Tonnes	719,000.0	-1,188.9
Interest rate swaps	–	-16,948.2	EUR mill.	83.3	-16,948.2
Total	23,532.9	-28,823.0			-5,752.2

The positive fair values of the derivatives are presented in the other non-current assets, in the receivables and other assets; negative fair values are presented in the other non-current and current liabilities.

The nominal and average hedging prices for cash flow hedges are as follows:

30.09.2019	Unit	2019	2020	2021	2022	> 2022
Electricity futures, forwards – sales						
Nominal amount	GWh	-134.0	1,059.2	141.3	175.7	–
Average price hedged	EUR	48.64	44.64	44.65	49.56	–
Gas futures, forwards and swaps – procurement						
Nominal amount	GWh	114.0	2,164.8	94.5	26.2	–
Average price hedged	EUR	19.09	18.12	19.30	19.54	–
Gas-oil futures and swaps – procurement						
Nominal amount	Tonnes	600.0	2,700.0	2,100.0	900.0	–
Average price hedged	EUR	575.63	538.00	570.07	549.25	–
Foreign exchange contracts						
Nominal amount	USD mill.	0.35	0.15	1.05	0.35	–
Average price hedged	USD/EUR	1.1642	1.1686	1.2021	1.2250	–
CO ₂ futures – Sales CO ₂ emissions allowances						
Nominal amount	Tonnes	387,000.0	–	–	–	–
Average price hedged	EUR	20.43	–	–	–	–
CO ₂ futures – procurement CO ₂ emissions allowances						
Nominal amount	Tonnes	719,000.0	–	–	–	–
Average price hedged	EUR	26.37	–	–	–	–
Interest rate swaps						
Nominal amount	EUR mill.	81.6	76.1	70.5	67.3	31.6
Average fixed interest rate	%	3.14	3.15	3.17	3.22	4.62

For fair value hedges, the carrying amounts, nominal amounts and changes in fair values used for recognising an ineffective hedge are as follows:

30.09.2019	Positive fair values EUR 1,000	Negative fair values EUR 1,000	Unit	Nominal amount	Change in the fair value for ineffectiveness measurement EUR 1,000
Electricity futures – sales	29.4	-120.5	GWh	59.8	-91.1
Gas futures – sales	5.0	-203.0	GWh	131.4	-198.0
Total	34.4	-323.5		191.2	-289.1

The nominal and average hedging prices for fair value hedges are as follows:

30.09.2019	Unit	2019	2020	2021	2022	> 2022
Electricity futures – sales						
Nominal amount	GWh	–	59.8	–	–	–
Average price hedged	EUR	–	56.13	–	–	–
Gas futures – sales						
Nominal amount	GWh	–	–	43.8	87.6	–
Average price hedged	EUR	–	–	19.95	19.18	–

The carrying amounts of the hedged items related to fair value hedges, the reserve for cash flow hedges and the change in the fair value for the determination of ineffective cash flow hedges and fair value hedges present are as follows:

	Change in the fair value for ineffectiveness measurement (cash flow hedges)	Amount in the reserves for measurements of cash flow hedges closed derivatives	Amount in the reserves for measurements of cash flow hedges open derivatives	Change in the fair value for ineffectiveness measurement (fair value hedges)	Carrying amount of the hedged item in fair value hedges closed derivatives	Carrying amount of the hedged item in fair value hedges open derivatives
30.09.2019	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Future electricity sales	16,781.0	-6,071.4	-16,896.4	227.8	0.6	227.8
Future gas sales	–	–	–	136.7	-838.9	136.7
Future gas purchases	-2,349.7	-1,014.4	2,349.8	–	–	–
Future diesel purchases	-31.4	-29.2	31.4	–	–	–
Future purchases of CO ₂ emissions allowances	-2,847.4	–	2,847.4	–	–	–
Financial liabilities bearing variable interest	-16,948.2	125.8	16,948.2	–	–	–

The development of the reserves for cash flow hedges is as follows:

2018/2019	Hedging gains/ losses recognised in the other comprehensive income EUR 1,000	Ineffective hedges recognised through profit or loss EUR 1,000	Consolidated Statement of Comprehensive Income item in which ineffective hedge was recognised EUR 1,000	Transfers from reserves to profit or loss EUR 1,000	Consolidated Statement of Comprehensive Income item in which transfer was recognised EUR 1,000
Electricity futures, forwards – sales	-22,219.5	–	–	-14,353.0	Expenses for material and other purchased services
Gas futures, forwards and swaps – procurement	-4,820.6	–	–	1,262.1	Expenses for material and other purchased services
Gas-oil futures and swaps – procurement	-3.8	-15.0	Other operating expenses	-196.5	Other operating expenses
CO ₂ futures – sales	-4,713.1	–	–	3,054.6	Sales revenues
CO ₂ futures – procurement	-954.5	–	–	-234.4	Expenses for material and other purchased services
Foreign exchange contracts	107.9	–	–	–	–
Interest rate swaps	-5,627.2	10.6	Other interest income	3,026.8	Financing expenses
Total	-38,230.8	-4.4		-7,440.4	

The Energie AG group holds the following derivatives not dedicated to any hedging relationship.

30.09.2019	Nominal value		Positive fair values EUR 1,000	Negative fair values EUR 1,000
	Purchase	Sale		
Derivatives not designated as hedging instruments				
Electricity forwards	EUR 89.6 mill.	EUR 92.3 mill.	6,629.1	-6,570.0
Electricity futures	EUR 2.7 mill.	EUR 0.0 mill.	12.3	-46.1

Disclosures on the derivatives pursuant to IFRS 7 in connection with IAS 39:

The derivative financial instruments in the area of financing are composed as follows:

30.09.2018	Nominal value	Positive fair values EUR 1,000	Negative fair values EUR 1,000
Derivatives designated as cash flow hedging instruments			
Interest rate swaps	EUR 89.7 mill.	–	-14,246.0
Foreign exchange contracts	USD 0.2 mill.	6.4	-2.5
Derivatives not designated as hedging instruments			
Interest rate swaps bond 2005-2025 ¹⁾	EUR 75.0 mill.	2,272.5	–

1) Fixed interest payments have been converted to variable interest payments for the 2005-2025 bond. The variable interest rate payments were subsequently swapped back in fixed interest rate payments using derivative instruments. No risks for future cash flows result from this item.

The derivative financial instruments in the area of energy are composed as follows:

	Nominal value		Positive fair values	Negative fair values
30.09.2018	Purchase	Sale	EUR 1,000	EUR 1,000
Derivatives designated as cash flow hedging instruments				
Electricity futures	EUR 117.3 mill.	EUR 2.4 mill.	49,551.8	-2,754.2
Gas futures	EUR 3.0 mill.	EUR 0.0 mill.	1,032.1	–
CO ₂ futures	EUR 0.0 mill.	EUR 2.9 mill.	9.0	-3,501.9
Gas oil futures	USD 0.2 mill.	USD 0.0 mill.	58.7	–
Gas swaps	EUR 6.6 mill.	EUR 0.0 mill.	2,261.7	-38.5
Aluminium/copper swaps	EUR 0.0 mill.	EUR 0.0 mill.	–	–
Derivatives designated as fair value hedging instruments				
Electricity futures	EUR 0.7 mill.	EUR 0.1 mill.	18.4	-37.5
Gas futures	EUR 3.6 mill.	EUR 0.0 mill.	538.4	-20.0
Derivatives not designated as hedging instruments				
Electricity forwards	EUR 68.7 mill.	EUR 68.7 mill.	31,533.9	-31,522.0
Gas forwards	EUR 0.0 mill.	EUR 3.6 mill.	–	-1,840.0
Gas futures	EUR 5.6 mill.	EUR 0.0 mill.	–	-203.4

Positive fair values are reported under other non-current and current assets, and negative fair values are reported under other non-current and current liabilities.

The electricity and gas hedging instruments are designated as fair value hedging instruments as illustrated above. In the 2017/2018 fiscal year, carrying amount adjustments for hedged items resulted in losses in the amount of EUR 148.8 thousand that are recognised in the operating result. Profits of EUR 148.8 thousand resulting from changes in the fair value of the hedging instruments are recognised in the operating result.

The following table shows the contractual maturities of payments (nominal values) from the hedged items to the cash flow hedges:

	Nominal value		
30.09.2018	Purchase	Sale	Maturity
Hedge accounting			
Interest rate swaps	EUR 89.7 mill.	EUR 0.0 mill.	2018–2028
Foreign exchange contracts	USD 0.2 mill.	USD 0.0 mill.	2018
Electricity futures	EUR 117.3 mill.	EUR 2.4 mill.	2018–2022
Gas futures	EUR 3.0 mill.	EUR 0.0 mill.	2018–2020
CO ₂ futures	EUR 0.0 mill.	EUR 2.9 mill.	2018–2019
Gas oil futures	USD 0.2 mill.	USD 0.0 mill.	2018
Gas swaps	EUR 6.6 mill.	EUR 0.0 mill.	2018–2021
Aluminium/copper swaps	EUR 0.0 mill.	EUR 0.0 mill.	–

24.2. Carrying amounts in accordance with IFRS 9

In accordance with IAS 9 or IAS 17, the carrying amounts of financial assets and liabilities are grouped into classes or measurement categories as follows:

	Categories acc. to IFRS 9	Carrying amount 30.09.2019 EUR 1,000
Investments		23,308.0
Shares in affiliated companies	FVOCI	2,094.5
Other investments	FVOCI	21,213.5
Other financial assets		56,639.6
Loans to companies in which an interest is held	AC	10,817.3
Other lendings	AC	5,559.7
Securities FVOCI	FVOCI	9,243.0
Securities FVPL	FVPL	31,019.6
Receivables and other financial assets (non-current and current) acc. to the Statement of Financial Position		358,345.2
Thereof non-financial assets		38,490.1
Thereof financial assets		319,855.1
Trade receivables	AC	254,399.0
Receivables from affiliated companies	AC	181.8
Receivables from joint arrangements and associated companies	AC	8,583.6
Derivatives designated as hedging instruments (cash flow hedge)	n/a	7,214.4
Derivatives not designated as hedging instruments	FVPL	6,629.1
Other financial assets	AC	42,847.2
Fixed term deposits and short-term investments	AC	89,903.3
Fixed term deposits and short-term investments	FVPL	20,094.4
Cash and cash equivalents	AC	29,772.0
Total financial assets		539,572.4

	Categories acc. to IFRS 9	Carrying amount 30.09.2019 EUR 1,000
Financial liabilities (non-current and current)		455,742.7
Bonds	FLAC	301,846.3
Liabilities to banks	FLAC	32,354.4
Liabilities from finance leases	IAS 17	46,249.4
Other financial liabilities	FLAC	75,292.6
Trade payables (current)	FLAC	180,763.8
Other liabilities (non-current and current) acc. to the Statement of Financial Position		355,972.0
Thereof non-financial liabilities		276,057.3
Thereof financial liabilities		79,914.7
Liabilities to affiliated companies	FLAC	15,053.4
Liabilities to joint arrangements and associated companies	FLAC	6,156.1
Derivatives designated as hedging instruments (cash flow hedge)	n/a	24,091.9
Derivatives not designated as hedging instruments	FVPL	6,570.0
Other financial liabilities (non-current and current)	FLAC	28,043.3
Total financial liabilities		716,421.2
Carrying amounts grouped to measurement categories according to IFRS 9		
Financial Assets at Amortised Costs (AC)		442,063.9
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		32,551.0
Financial Assets at Fair Value through Profit or Loss (FVPL)		57,743.1
Financial Liabilities at Amortised Cost (FLAC)		639,509.9
Financial Liabilities at Fair Value through Profit or Loss (FVPL)		6,570.0

Please refer to section 2.1 for the carrying amounts of financial assets and liabilities as of 30 September 2018, grouped into classes or measurement categories in accordance with IAS 39 or IAS 17.

As of 30 September 2019, the Energie AG group holds interests in affiliated companies and other investments in the amount of EUR 23,308.0 thousand, as well as securities (shares) in the amount of EUR 9,243.0 thousand classified as "Financial Assets Through Other Comprehensive Income (FVOCI)". These investments are held for long-term, strategic purposes. The dividends from securities amounted to EUR 399.4 thousand in the 2018/2019 fiscal year, EUR 1,054.5 was received from investments.

No strategic investments were disposed of in the 2018/2019 fiscal year. No accumulated profits or losses were reassigned within equity.

Interests in non-consolidated affiliated companies and other investments were recognised as "Available for Sale at Cost". No price is quoted on any active market for these investments and their fair value can therefore not be measured with reliability. In the 2017/2018 fiscal year, a

disposal of other investments (at cost) was recognised in the amount of EUR 163.1 thousand. The loss from the disposal of these assets amounted to EUR 108.0 thousand.

24.3. Offsetting of financial assets and liabilities

The following table shows the effect of netting agreements:

	30.09.2019			30.09.2018		
	Reported financial assets/ liabilities (net) EUR 1,000	Effects from offsetting framework agreements EUR 1,000	Net amounts EUR 1,000	Reported financial assets/ liabilities (net) EUR 1,000	Effects from offsetting framework agreements EUR 1,000	Net amounts EUR 1,000
Financial assets						
Trade receivables	254,399.0	-25,379.2	229,019.8	171,895.5	-18,207.8	153,687.7
Receivables from joint arrangements and associated companies	8,583.6	–	8,583.6	23,517.8	-333.8	23,184.0
Positive fair value of derivatives	13,843.5	-7,479.3	6,364.2	36,074.5	-20,337.8	15,736.7
Total	276,826.1	-32,858.5	243,967.6	231,487.8	-38,879.4	192,608.4
Financial liabilities						
Trade payables	180,763.8	-25,379.2	155,384.6	157,632.7	-18,207.8	139,424.9
Liabilities to joint arrangements and associated companies	6,156.1	–	6,156.1	92,821.3	-333.8	92,487.5
Negative fair value of derivatives	30,661.9	-7,479.3	23,182.6	47,649.0	-20,337.8	27,311.2
Total	217,581.8	-32,858.5	184,723.3	298,103.0	-38,879.4	259,223.6

At the Energie AG Oberösterreich Group, the derivative financial instruments and receivables/ payables presented above are concluded on the basis of standard agreements (e.g. ISDA, EFET, German Master Agreement for Financial Derivative Transactions), which, in the event of insolvency of a business partner, permit the offsetting of outstanding transactions. The criteria for netting in the balance sheet are not met, because either no net payments are being made or the legal enforceability of the netting agreements is uncertain.

24.4. Measurement at fair value

24.4.1. Fair value of financial assets and liabilities that are measured regularly at fair value

Pursuant to IFRS 13, financial instruments that are measured at fair value are classified within a fair value hierarchy. In view of possible uncertainties relating to possible estimates of the fair values, a distinction is made between three levels:

Level 1: Measurement on the basis of a published price quotation for identical assets or liabilities in an active market.

Level 2: Measurement on the basis of inputs that are observable either directly or indirectly in the market and measurements based on prices quoted in inactive markets.

Level 3: Measurement on the basis of inputs not observable in the market.

If the inputs used to determine the fair value of an asset or liability are attributable to different levels of the fair value hierarchy, the measurement at fair value is wholly assigned to the fair value hierarchy level that corresponds to the lowest input which, in the aggregate, is material for the measurement.

The financial instruments measured at fair value are assigned to levels 1 to 3 according to IFRS 9:

30.09.2019	Carrying amount acc. to IFRS 9 EUR 1,000	Measurement at market prices Level 1 EUR 1,000	Measurement on the basis of inputs observable on the market Level 2 EUR 1,000	Other measurement methods Level 3 EUR 1,000	Total fair value EUR 1,000
Assets					
Shares in affiliated companies (FVOCI)	2,094.5	–	–	2,094.5	2,094.5
Other investments (FVOCI)	21,213.5	1,097.1	–	20,116.4	21,213.5
Securities (FVOCI)	9,243.0	9,243.0	–	–	9,243.0
Securities (FVPL)	31,019.6	31,019.6	–	–	31,019.6
Derivatives designated as hedging instruments (cash flow hedge)	7,214.4	–	7,214.4	–	7,214.4
Derivatives not designated as hedging instruments (FVPL)	6,629.1	–	6,629.1	–	6,629.1
Fixed term deposits and short-term investments (FVPL)	20,094.4	20,094.4	–	–	20,094.4
Total	97,508.5	61,454.1	13,843.5	22,210.9	97,508.5
Liabilities					
Derivatives designated as hedging instruments (cash flow hedge)	24,091.9	–	24,091.9	–	24,091.9
Derivatives not designated as hedging instruments (FVPL)	6,570.0	–	6,570.0	–	6,570.0
Total	30,661.9	–	30,661.9	–	30,661.9

Level 3 financial instruments have developed as follows:

	2018/2019 EUR 1,000
Carrying amount as of 01.10.	10,631.6
Initial application IFRS 9	4,702.0
Gains (losses) – not recognised in profit or loss	6,877.6
Transfers	0.7
Exchange differences	-1.0
Carrying amount 30.09.	22,210.9

The upward revaluation resulting from the initial application of IFRS 9 in the amount of EUR 4,702.0 thousand and the appreciation in the amount of EUR 6,877.6 thousand refer to

the most important item of Other Investments (FVOCI). The fair value of this other investment is determined using a measurement method based on capitalisation of earnings. Essential input factors are the cash flow assumptions from mid-term planning and the discount rate. The appreciation was recognised as other comprehensive income in the item "Change in value of investments and securities FVOCI".

An increase (reduction) of the cash flow assumptions by 25% would have resulted in an increase (reduction) of the OCI in the amount of EUR 3,085.7 thousand (EUR -3,085.7 thousand). An increase (reduction) of the discount rate by 50 basis points would have resulted in a reduction (increase) of the OCI in the amount of EUR -786.2 thousand (EUR 900.9 thousand).

The financial instruments measured at fair value are assigned to levels 1 to 2 according to IAS 39:

	Carrying amount acc. to IAS 39 EUR 1,000	Measurement at market prices Level 1 EUR 1,000	Measurement on the basis of inputs observable on the market Level 2 EUR 1,000	Total fair value EUR 1,000
30.09.2018				
Assets				
Investments (available for sale)	927.1	927.1	–	927.1
Securities (available for sale)	17,972.8	15,656.9	2,315.9	17,972.8
Securities (fair value option)	28,382.0	28,382.0	–	28,382.0
Fixed term deposits and current investments	39,917.6	39,917.6	–	39,917.6
Derivatives designated as hedging instruments (cash flow hedges)	2,268.1	–	2,268.1	2,268.1
Derivatives not designated as hedging instruments	33,806.4	–	33,806.4	33,806.4
Total	123,274.0	84,883.6	38,390.4	123,274.0
Liabilities				
Derivatives designated as hedging instruments (cash flow hedges)	14,287.1	–	14,287.1	14,287.1
Derivatives not designated as hedging instruments	33,361.9	–	33,361.9	33,361.9
Total	47,649.0	–	47,649.0	47,649.0

24.4.2. Valuation techniques and input used in measuring fair values

In general, the fair values of the financial assets and liabilities correspond to their market prices on the reporting date. If active market prices are not directly available, then – if they are not of minor significance – they are calculated using recognised actuarial measurement models and current market parameters (in particular interest rates, exchange rates and the credit rating of contractual partners). This is done by discounting the cash flows from the financial instruments to the reporting date.

The following valuation parameters and inputs were used:

Financial instruments	Level	Valuation techniques	Inputs
Other investment	3	Capital value-oriented	Assumptions concerning cash flows, interest rates, mid-term planning
Listed securities, mutual funds	1	Market value-oriented	Nominal values, stock market price, net asset value
Foreign exchange contracts	2	Capital value-oriented	Exchange rates, interest rates, credit risk of the contractual partners
Listed energy futures	1	Market value-oriented	Settlement price determined at stock exchange
Non-listed energy forwards	2	Capital value-oriented	Forward price curve derived from stock exchange prices, interest rate curve, credit risk of contractual partners on a net basis
Interest rate swaps	2	Capital value-oriented	Cash flows already fixed or determined using forward rates, interest rate curve, credit risk of contractual partners
Gas and gas-oil swaps	2	Capital value-oriented	Cash flows already fixed or determined using forward rates, interest rate curve, credit risk of contractual partners

24.4.3. Fair values of financial assets and liabilities that are not measured regularly at fair value, however for which the fair value must be disclosed

The items trade receivables, receivables from affiliated companies, receivables from joint arrangements and associated companies, other financial assets, as well as fixed term deposits and current investments are characterised by predominantly short remaining terms. This means that their carrying amounts as of the reporting date roughly represent their fair value. If they are material and do not have a variable interest rate, then the fair value of non-current lendings corresponds to the present value of the payments associated with the assets, taking into consideration the current market parameters in each case (interest rates, credit spreads).

Trade payables, liabilities to affiliated companies, liabilities to joint arrangements and associated companies and other financial liabilities usually have short remaining terms. The values on the balance sheet are approximately the fair values. If they are material and do not bear interest at a variable rate, the fair value of financial liabilities is determined using the present value of the payments associated with the liabilities, taking into consideration the respectively applicable market parameters (interest rates, credit spreads).

The following financial assets and liabilities have a fair value different from the carrying amount:

	Categories acc. to IFRS 9	Carrying amount 30.09.2018 EUR 1,000	Fair value 30.09.2019 EUR 1,000	Level
Assets				
Other financial assets		16,377.0	19,044.9	
Loans to companies in which an interest is held	AC	10,817.3	13,293.9	Level 3
Other lendings	AC	5,559.7	5,751.0	Level 3
Liabilities				
Financial liabilities		409,493.3	496,521.6	
Bonds	FLAC	301,846.3	370,845.0	Level 1
Liabilities to banks	FLAC	32,354.4	33,441.9	Level 3
Other financial liabilities	FLAC	75,292.6	92,234.7	Level 3

	Categories acc. to IAS 39	Carrying amount 30.09.2018 EUR 1,000	Fair value 30.09.2018 EUR 1,000	Level
Assets				
Other financial assets		18,926.0	20,939.4	
Loans to companies in which an interest is held	LaR	12,618.4	14,516.1	Level 3
Other lendings	LaR	6,307.6	6,423.3	Level 3
Liabilities				
Financial liabilities		406,139.8	484,270.5	
Bonds	FLAC	302,125.1	366,000.0	Level 1
Liabilities to banks	FLAC	29,266.0	30,856.5	Level 3
Other financial liabilities	FLAC	74,748.7	87,414.0	Level 3

The fair value of the Level 3 financial assets given above were determined in agreement with generally accepted valuation techniques based on discounted cash flow analyses. Material input is the discount rate, which takes into account the default risk of the counterparty.

24.5. Net result

The net result from financial instruments is grouped in the different classes of financial instruments as follows:

Net result under IFRS 9

	2018/2019 EUR 1,000
Financial Assets at Amortised Cost	288.4
Financial Assets at Fair Value through Other Comprehensive Income	1,798.0
Financial Assets at Fair Value through Profit or Loss	1,428.2
Financial Assets/Liabilities at Fair Value through Profit or Loss	951.7
Financial liabilities measured at amortised cost	-16,492.3
Net result	-12,026.0
Interest income and expenses from financial instruments measured at amortised costs:	
Total interest income	770.7
Total interest expense	-16,492.3

Net result under IAS 39

	2017/2018 EUR 1,000
Loans and receivables	226.2
Available for sale financial assets	6,651.7
Financial Assets at Fair Value through Profit or Loss (FV Option)	-146.0
Financial assets/liabilities at fair value through profit or loss (trading)	-844.2
Financial liabilities measured at amortised cost	-16,167.9
Net result	-10,280.2
Interest income and expenses from financial instruments measured at amortised costs:	
Total interest income	1,000.6
Total interest expense	-16,167.9

The net result for the category Financial Assets at Amortised Cost (AC) (previous year: Loans and Receivables) mainly includes interest income from invested money and lendings and is recognised in the financial result. This item also includes revenues from the reversal of impairments and expected credit losses, income from the receipt of receivables that had previously been written off, as well as expenses from impairments, expected credit losses and write-offs for trade receivables recognised in the operating income.

The net result of the category Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) (previous year: Available for Sale Financial Assets) shows the measurement result for the investments and securities measured outside of profit or loss. Income from investments (previous year: income from investments and income from disposals and impairments) and dividends from securities are reported in the other financial income.

The net income of the category Financial Assets at Fair Value through Profit or Loss (FVPL) (previous year: Financial Assets at Fair Value through Profit or Loss (FV Option) and Available for Sale Financial Assets) mainly includes earnings from remeasurement and earnings from disposals, as well as dividends from securities and income from the remeasurement of money market funds and is shown in other financial income.

The net result of the category Financial Assets at Fair Value through Profit or Loss (FVPL) and Financial Liabilities at Fair Value through Profit or Loss (FVPL) (previous year: Financial Assets und Financial Liabilities at Fair Value through Profit or Loss (Held for Trading)) results mainly from the derivative instruments used by Energie AG. The measured value of derivative instruments in the Energy segment is recognised in the operating result (previous year: measured value of the interest rate derivative instruments recognised in the financial result).

The net result of the category Financial Liabilities at Amortised Cost (previous year: Financial Liabilities Measured at Amortised Cost) mainly includes interest expenses from financial liabilities and is part of the financial result.

24.6. Financial risk management

24.6.1. Principles of financial risk management

Due to its business activities and the financial transactions it conducts, the Energie AG Group is exposed to various risks. These risks primarily include currency and interest rate risks, liquidity risks, default risks, price risks from securities, and price risks in the commodity sector (energy sector price risks).

Energy sector risks are managed by Energie AG Oberösterreich Trading GmbH, and financial risks are managed centrally by Group Treasury, which is also responsible for any hedging measures for all Group companies. Hedging against energy sector risks is handled on the basis of an internal policy on conducting energy sector hedging transactions. A financial management guideline for the Group (Treasury Policy), in which the main goals, principles and distribution of duties in the Group are set out, serves as a basis for the management of financial risks.

Hedging against energy sector and financial risks is also handled using derivative financial instruments. Transactions of this type are on principle only carried out with counterparties with very good credit ratings in order to minimise the risk of default.

24.6.2. Currency risk

The foreign exchange risks Energie AG Group result from financing provided in foreign currencies and the translation risk from the conversion of foreign Group companies into the Group currency (Czech Republic and Hungary).

For the foreign exchange risk of financial instruments, sensitivity analyses were carried out which show the effects of hypothetical changes in exchange rates on result (after taxes) and equity. The affected holdings as of the reporting date were used as a basis (CZK 198.9 million, HUF 2.7 billion, USD 1.9 million), (previous year: CZK 439.0 million, HUF 2.7 billion, USD 0.6 million). Here it was assumed that the risk on the reporting date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular interest rates, remain constant. In the analysis, the currency risks for financial instruments that are denominated in a currency different from the functional currency and are of a monetary nature were included. Differences resulting from the exchange rate in translating financial statements into the Group currency were not taken into consideration.

Following the aforementioned assumptions, an upward revaluation of the Euro by 10% against all other currencies on the reporting date would result in lower earnings (after taxes) by EUR 612.1 thousand (previous year: EUR 668.7 thousand) and a reduction in equity by EUR 1,268.8 thousand (previous year: EUR 1,767.8 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the currency-related translation effects of net investments and hedge accounting in the amount of EUR 656.7 thousand (previous year: EUR 1,099.1 thousand).

Following the aforementioned assumptions, a downward revaluation of the Euro by 10% against all other currencies on the reporting date would result in increased earnings (after taxes) by EUR 748.2 thousand (previous year: EUR 817.3 thousand) and an increase in equity by EUR 1,644.6 thousand (previous year: EUR 2,160.7 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the currency-related translation effects of net investments and hedge accounting in the amount of EUR 896.4 thousand (previous year: EUR 1,343.3 thousand).

24.6.3. Interest rate risk

The Energie AG Group holds interest rate-sensitive financial instruments in order to meet the requirements of operational and strategic liquidity management. Interest rate change risks mainly result from financial instruments with variable interest rates (cash flow risk). Interest rate risks result in particular from:

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Cash in bank	29,772.0	101,436.6
Variable rate lendings	3,976.7	4,159.1
Variable rate loans	-90,251.9	-183,349.5
Net risk before hedge accounting	-56,503.2	-77,753.8
Hedge accounting and interest rate derivatives	51,709.3	58,078.2
Net risk after hedge accounting and interest derivatives	-4,793.9	-19,675.6

For the interest rate risks of these financial instruments, sensitivity analyses were carried out which show the effects of hypothetical changes in market interest rates on result (after taxes) and equity. The affected holdings as of the reporting date were used as a basis. Here it was assumed that the risk on the reporting date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular exchange rates, remain constant.

Following the aforementioned assumptions, an increase in the market interest rate by 50 basis points on the reporting date would result in lower earnings (after taxes) by EUR 18.0 thousand (previous year: EUR 73.8 thousand) and an increase in equity in the amount of EUR 1,896.5 thousand (previous year: EUR 2,059.1 thousand). The sensitivity of equity, as well as the sensitivity of earnings (after taxes), were in this case affected by the sensitivity of the interest rate-related cash flow hedge reserve in the amount of EUR 1,914.5 thousand (previous year: EUR 2,132.9 thousand).

Following the aforementioned assumptions, a decrease in the market interest rate by 50 basis points on the reporting date would result in increased earnings (after taxes) by EUR 18.0 thousand (previous year: decrease by EUR 73.8 thousand) and a reduction in equity in the amount of EUR 1,980.0 thousand (previous year: EUR 2,157.5 thousand). The sensitivity of equity, as well as the sensitivity of earnings (after taxes), were in this case affected by the

sensitivity of the interest rate-related cash flow hedge reserve in the amount of EUR 1,998.0 thousand (previous year: EUR 2,231.03 thousand).

24.6.4. Commodity price risk

Commodity price risks arise primarily through the procurement and sale of electricity and gas. Beyond that price risks arise for Energie AG Oberösterreich due to speculative positions taken in proprietary trading. Proprietary trading is only carried out within very tightly defined limits. and the risk can therefore be considered immaterial.

Hedging instruments are used for electrical energy and gas to hedge against energy industry risks.

For the commodity price risks, sensitivity analyses were carried out which show the effect of hypothetical changes in the fair value level on result (after taxes) and equity. The affected derivative holdings in the area of energy as of the reporting date were used as a basis. Here it was assumed that the risk on the reporting date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular exchange rates, remain constant. Not taken into consideration are contracts which are for the purpose of the receipt or delivery of non-financial items according to the expected purchase, sale and use requirements of the company (own use) and which therefore are not to be reported according to IAS 39/IFRS 9, with the exception of onerous contracts.

Sensitivity of derivative contracts regarding the electricity price:

Following the aforementioned assumptions, a 15% increase (decrease) in the fair value level as of the reporting date would result in a decrease (increase) in profit (after taxes) by EUR 0.0 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 6,699.9 thousand (previous year: EUR 18,189.6 thousand). The sensitivity of equity, as well as the sensitivity of earnings (after taxes), were in this case affected by the sensitivity of the electricity-price-related cash flow hedge reserve in the amount of EUR 6,699.9 thousand (previous year: EUR 18,189.6 thousand).

Sensitivity of derivative contracts with regard to the prices for gas and diesel (gas-oil):

Following the aforementioned assumptions, a 25% increase (decrease) in the fair value level as of the reporting date would result in an increase (decrease) in profit (after taxes) by EUR 0.0 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 8,517.1 thousand (previous year: EUR 2,457.5 thousand). The sensitivity of equity, as well as the sensitivity of earnings (after taxes), were in this case affected by the sensitivity of the gas-price-related cash flow hedge reserve in the amount of EUR 8,517.1 thousand (previous year: EUR 2,457.5 thousand).

24.6.5. Market risk from securities measured at fair value

The Energie AG Oberösterreich Group holds securities and funds that result in price change risks for the company. The fluctuation risk of the securities held is limited by a conservative investment policy and ongoing monitoring, as well as ongoing quantification of the risk potential.

A sensitivity analysis carried out for the price risks from securities established the effect of hypothetical changes in the market price level on earnings (after taxes) and equity. This was based on the corresponding financial instruments "At Fair Value through Other Comprehensive Income" (previous year: "Available for Sale") and "At Fair Value through Profit or Loss" (previous year: "At Fair Value through Profit or Loss" (Fair Value Option))" held at the reporting date. Here it was assumed that the risk on the reporting date basically

represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other inputs, such as the currency, remain constant.

Following the aforementioned assumptions, a 15% increase (decrease) in the fair value level as of the reporting date would result in an increase (decrease) in profit (after taxes) in the amount of EUR 5,750.3 thousand (previous year: EUR 3,193.0 thousand) and in equity in the amount of EUR 6,913.6 thousand (previous year: EUR 5,319.2 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the market-price-level-related OCI reserve (previous year: Available for Sale reserve) in the amount of EUR 1,163.3 thousand (previous year: EUR 2,126.2 thousand).

24.6.6. Credit risk

Credit risks arise for the Energie AG Group due to non-fulfilment of contractual agreements by counterparties.

The credit risk is limited by performing regular credit assessments of the customer portfolio. In the area of financial and energy trading, transactions are only conducted with counterparties with a first-class credit rating. In addition, the risks are mitigated by limit systems and monitoring.

At Energie AG Oberösterreich, the maximum credit risk corresponds to the carrying amount of the reported financial assets plus the contingent liabilities listed in section 32.

A low credit risk is assumed for derivatives and other instruments accounted for at fair value. Netting agreements are used to reduce the credit risks attached to derivatives.

The carrying amounts of the financial assets are composed as follows:

	Carrying amount 30.09.2019 EUR 1,000	Thereof: not impaired or overdue as of the reporting date EUR 1,000	Thereof: neither impaired nor past due in the following maturity ranges				Thereof: not impaired as of the reporting date EUR 1,000
			Less than 30 days EUR 1,000	Between 30 and 60 days EUR 1,000	Between 60 and 90 days EUR 1,000	More than 90 days EUR 1,000	
Receivables and other financial assets (non-current and current)	306,011.6	288,212.1	8,843.3	1,163.3	660.4	1,284.9	5,847.6
Trade receivables	254,399.0	240,073.2	8,831.3	1,087.5	660.4	1,284.9	2,461.7
Receivables from affiliated companies	181.8	181.8	–	–	–	–	–
Receivables from joint arrangements and associated companies	8,583.6	8,571.8	11.8	–	–	–	–
Other financial assets	42,847.2	39,385.3	0.2	75.8	–	–	3,385.9
Total	306,011.6	288,212.1	8,843.3	1,163.3	660.4	1,284.9	5,847.6

	Carrying amount 30.09.2018 EUR 1,000	Thereof: not impaired or overdue as of the reporting date EUR 1,000	Thereof: neither impaired nor past due in the following maturity ranges				Thereof: not impaired as of the reporting date EUR 1,000
			Less than 30 days EUR 1,000	Between 30 and 60 days EUR 1,000	Between 60 and 90 days EUR 1,000	More than 90 days EUR 1,000	
Receivables and other financial assets (non-current and current)	225,106.0	211,647.2	5,798.4	898.0	382.3	1,039.5	5,340.6
Trade receivables	171,895.5	162,240.5	5,797.3	679.3	382.3	1,039.5	1,756.6
Receivables from affiliated companies	295.7	295.7	–	–	–	–	–
Receivables from joint arrangements and associated companies	23,517.8	23,517.8	–	–	–	–	–
Other financial assets	29,397.0	25,593.2	1.1	218.7	–	–	3,584.0
Total	225,106.0	211,647.2	5,798.4	898.0	382.3	1,039.5	5,340.6

The changes in impairments of financial assets were as follows:

	Balance 01.10.2018 EUR 1,000	Initial application IFRS 9 EUR 1,000	Change in scope of consolidation EUR 1,000	Additions EUR 1,000	Use EUR 1,000	Reversals EUR 1,000	Currency conversion EUR 1,000	Balance 30.09.2019 EUR 1,000
Other financial assets	422.2	-385.9	-36.3	–	–	–	–	–
Loans to affiliated companies	36.3	–	-36.3	–	–	–	–	–
Securities (available for sale)	385.9	-385.9	–	–	–	–	–	–
Receivables and other financial assets (non-current and current)	8,664.7	–	770.0	703.3	-309.8	-511.5	-1.1	9,315.6
Trade receivables	8,577.3	–	770.7	703.3	-309.8	-507.9	-1.0	9,232.6
Other financial assets	87.4	–	-0.7	–	–	-3.6	-0.1	83.0
Total	9,086.9	-385.9	733.7	703.3	-309.8	-511.5	-1.1	9,315.6

	Balance 01.10.2017 EUR 1,000	Change in scope of consolidation EUR 1,000	Additions EUR 1,000	Use EUR 1,000	Reversals EUR 1,000	Currency conversion EUR 1,000	Balance 30.09.2018 EUR 1,000
Other financial assets	424.4	–	–	-2.6	–	0.4	422.2
Loans to affiliated companies	38.5	–	–	-2.6	–	0.4	36.3
Securities (available for sale)	385.9	–	–	–	–	–	385.9
Receivables and other financial assets (non-current and current)	9,327.4	21.6	486.9	-96.7	-1,079.5	5.0	8,664.7
Trade receivables	9,233.5	21.6	486.2	-96.7	-1,071.5	4.2	8,577.3
Other financial assets	93.9	–	0.7	–	-8.0	0.8	87.4
Total	9,751.8	21.6	486.9	-99.3	-1,079.5	5.4	9,086.9

The expenses for complete derecognition of receivables amount to EUR 495.1 thousand (previous year: EUR 1,402.6 thousand). The revenue from the receipt of derecognised receivables amount to EUR 26.6 thousand (previous year: EUR 21.4 thousand). The expense from additions to impairments in the fiscal year amounts to EUR 191.8 thousand (previous year: impairment reversals EUR -592.6 thousand) for financial assets classified as "Financial Assets at Amortised Cost (AC)" (previous year: "Loans and Receivables").

With regard to the holdings of financial trade and other receivables that are neither impaired nor in default, there are no indications as of the reporting date that the debtors will not meet their payment obligations. For the financial assets not listed in the above tables, there are no material delinquencies or impairments, and there are no indications that the debtors will not meet their payment obligations.

Individual impairments are made up of a number of individual items, of which none is material when considered by itself. In addition, impairments graduated by risk groups are recognised to provide for general credit risks.

Pursuant to the expected credit loss model described in IFRS 9, expected credit losses must also be recognised for financial assets "At Amortised Cost" (AC). For the 2018/2019 fiscal year, these expected credit losses are as follows:

	Initial appli- action IFRS 9 EUR 1,000	Change in scope of consolidation EUR 1,000	Additions EUR 1,000	Reversals EUR 1,000	Balance 30.09.2019 EUR 1,000
Other financial assets	143.7	-85.6	57.1	-24.9	90.3
Loans to companies in which interest is held	120.5	-77.2	47.3	-23.5	67.1
Other lendings	23.2	-8.4	9.8	-1.4	23.2
Receivables and other financial assets (non-current and current)	266.7	94.0	137.1	-98.8	399.0
Trade receivables	266.7	94.0	137.1	-98.8	399.0
Fixed term deposits and short-term investments	242.2	–	21.2	-147.2	116.2
Fixed term deposits	242.2	–	21.2	-147.2	116.2
Total	652.6	8.4	215.4	-270.9	605.5

For trade receivables and receivables from subsidiaries that are essentially comprised of trade receivables, the credit losses expected over the term are measured using an impairment matrix. In the case of lendings, fixed term deposits, cash and cash equivalents, the expected credit losses are assessed for a 12-month period due to the credit risk remaining essentially unchanged, or because a low credit risk is assumed on the basis of the counterparty's current rating. Any change in the credit risk is ascertained by monitoring the rating. For the purpose of reflecting an assumed recovery rate, the expected losses include the Loss Given Default (LGD), unless the instrument is of diminished creditworthiness. The estimated losses are in this case ascertained on the basis of the estimated expected cash flows and the originally effective interest rate.

24.6.7. Liquidity risk

A liquidity risk would exist when liquidity reserves or debt capacity were insufficient to meet financial obligations on time. Due to anticipatory liquidity planning and the liquidity reserves that are held, the liquidity risk is considered very low for the Energie AG Group. In addition, open lines of bank credit and on the capital market are also drawn on as sources for financing. Measures aimed at assuring an appropriate capital structure and a conservative financial profile assist the company in maintaining its current "A" rating.

All financial instruments held on the reporting date and for which payments are contractually agreed upon are consolidated. Plan figures for new, future financial liabilities are not included. An average remaining term of 12 months is assumed for the current operating loans; the loan terms are however extended regularly and are, from a commercial prospective, available for longer than the stated periods. Foreign currency amounts are translated at the spot rate as of the reporting date. Variable interest payments from financial instruments are determined based on the last interest rates set before the reporting date. Financial liabilities that can be repaid at any time are always assigned to the earliest maturity range.

	Carrying amount 30.09.2019 EUR 1,000	Cash flows 2019/2020		Cash flows 2020/2021 to 2023/2024		Cash flows from 2024/2025	
		Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000
Financial liabilities (non-current and current)	455,742.7	16,036.5	27,313.1	62,280.9	82,022.9	17,265.7	348,060.1
Bonds	301,846.3	13,500.0	0.2	54,000.0	–	5,625.0	302,813.3
Liabilities to banks	32,354.4	569.8	23,698.0	529.9	4,935.4	873.9	4,407.2
Liabilities from finance leases	46,249.4	-227.2	2,849.3	-456.2	43,400.1	–	–
Other financial liabilities	75,292.6	2,193.9	765.6	8,207.2	33,687.4	10,766.8	40,839.6
Trade payables (current)	180,763.8	–	180,763.8	–	–	–	–
Other liabilities (non-current and current) acc. to the Statement of Financial Position	355,972.0						
Thereof non-financial liabilities	276,057.3						
Thereof financial liabilities	79,914.7	2,837.1	54,624.2	8,418.7	7,097.7	6,200.9	1,244.6
Liabilities to affiliated companies	15,053.4	–	15,053.4	–	–	–	–
Liabilities to joint arrangements and associated companies	6,156.1	–	6,156.1	–	–	–	–
Derivatives designated as hedging instruments (cash flow hedges)	24,091.9	2,837.1	6,659.5	8,418.7	484.2	6,200.9	–
Derivatives not designated as hedging instruments	6,570.0	–	5,296.4	–	1,273.6	–	–
Other financial liabilities (non-current and current)	28,043.3	–	21,458.8	–	5,339.9	–	1,244.6
Total	716,421.2	18,873.6	262,701.1	70,699.6	89,120.6	23,466.6	349,304.7

	Carrying amount 30.09.2018 EUR 1,000	Cash flows 2018/2019		Cash flows 2019/2020 to 2022/2023		Cash flows from 2023/2024	
		Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000
Financial liabilities (non-current and current)	455,112.6	16,261.3	26,229.8	62,833.4	83,832.5	32,637.6	346,951.1
Bonds	302,125.1	13,500.0	0.2	54,000.0	–	19,125.0	303,270.5
Liabilities to banks	29,266.0	626.9	5,627.6	740.6	21,803.7	212.5	2,589.9
Liabilities from finance leases	48,972.8	-96.4	2,723.4	-274.5	46,249.4	–	–
Other financial liabilities	74,748.7	2,230.8	17,878.6	8,367.3	15,779.4	13,300.1	41,090.7
Trade payables (current)	157,632.7	–	157,632.7	–	–	–	–
Other liabilities (non-current and current) acc. to the Statement of Financial Position	458,026.4						
Thereof non-financial liabilities	241,629.5						
Thereof financial liabilities	216,396.9	3,051.6	186,903.2	9,577.4	12,488.1	7,576.4	2,759.5
Liabilities to affiliated companies	18,219.1	–	18,219.1	–	–	–	–
Liabilities to joint arrangements and associated companies	92,821.3	–	92,821.3	–	–	–	–
Derivatives designated as hedging instruments (cash flow hedges)	14,287.1	3,051.6	41.0	9,577.4	–	7,576.4	–
Derivatives not designated as hedging instruments	33,361.9	–	26,936.4	–	6,425.5	–	–
Other financial liabilities (non-current and current)	57,707.5	–	48,885.4	–	6,062.6	–	2,759.5
Total	829,142.2	19,312.9	370,765.7	72,410.8	96,320.6	40,214.0	349,710.6

24.7. Development and terms of the most significant financial liabilities

	EUR 1,000	EUR 1,000
Financial liabilities 30.09.2019		
Non-current	428,882.8	
Current	26,229.8	455,112.6
Change in scope of consolidation		6,902.0
Principal repayment of loan for CCGT power plant Timelkam GmbH		-5,250.0
Other changes in financial liabilities		-1,021.9
Financial liabilities 30.09.2019		
Non-current	428,429.6	
Current	27,313.1	455,742.7

Energie AG Oberösterreich:

4.5% Energie AG OOe. Bond 2005-25 ISIN: XS0213737702 Volume: EUR 300,000,000
Coupon: 4 March.

Registered bond 2010-2030, 4.75%, Volume: EUR 40,000,000

25. Non-current provisions

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Provisions for pensions	123,308.6	106,567.0
Provisions for severance payments	99,111.2	86,958.2
Provisions for anniversary bonuses	23,592.6	20,004.9
Provisions for stepped pension and early retirement benefits	30,020.5	33,904.2
Other provisions	32,060.2	31,486.1
	308,093.1	278,920.4

For the most part, the provisions for pensions, severance payments and anniversary bonuses have a term that is more than five years. The provision for stepped pension and early retirement benefits will lead to payment outflows within the next five fiscal years, for the most part.

The following assumptions were made in calculating the personnel provisions:

	2018/2019 %	2017/2018 %
Discount rate	0.9	1.8
Salary trend	3.0	3.0
Pension trend	2.0	2.0
Expected return on plan assets	0.9	1.8

Biometric calculations were based on the AVÖ 2018 P calculation principles for pension funds from the Actuarial Association of Austria. The statutory retirement age was used as a basis.

A fluctuation ranging from 0% to 11.66% (previous year: 0% to 11.69%) is assumed, staggered according to length of service with the company.

25.1. Provisions for pensions and similar provisions

Company agreements and commitments under individual contracts have incurred an obligation to pay pensions upon retirement to certain staff members who joined the company prior to 30 September 1996 and have accepted neither full nor partial compensation of their claims to direct payments. Beyond that, there is an obligation to pay pensions to certain staff members who retired before 1 July 1998.

For this group of people, a pension provision has been created in line with IAS 19 (Employee Benefits) using the projected unit credit method of actuarial valuation.

The Group has an obligation to make additional contributions for defined retirement benefit plan obligations that were transferred to the Group's pension fund.

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Present value of retirement benefit obligations (DBO) as of 01.10.	121,674.4	118,634.7
+ Merger	4,532.0	–
+ Current service costs	523.8	527.6
+ Interest expense	2,184.1	2,147.8
- Retirement benefits payments	-7,408.3	-7,351.1
(-)/+ Remeasurement – actuarial (gains)/losses:		
Due to experience-based adjustments	1,494.7	-2,212.9
Due to changes in demographic assumptions	-6.9	7,533.0
Due to changes in financial assumptions	14,573.6	2,395.3
Present value of retirement benefit obligations (DBO) as of 30.09	137,567.4	121,674.4
- Fair value of fund assets	-14,258.8	-15,107.4
Recognised pension provisions as of 30.09.	123,308.6	106,567.0

Changes in fund assets

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Plan assets as of 01.10.	15,107.4	15,655.1
+ / (-) Interest income/expenses for plan assets	256.0	276.6
+ Contributions to fund	653.7	–
- Payments from fund	-943.5	-1,474.0
+ / (-) Asset gain/loss	-814.8	649.7
Plan assets as of 30.09	14,258.8	15,107.4

Actual return on plan assets amounts to EUR -302.3 thousand (previous year: EUR 586.4 thousand).

The fund assets break down as follows:

	30.09.2019 %	30.09.2018 %
Shares	30.4	38.8
Bonds	54.2	42.1
Money market	6.5	12.1
Other investments	8.9	7.0
Total	100.0	100.0

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Service costs	523.8	527.6
Net interest expense	1,928.1	1,871.2
Retirement benefits expense (recognised in profit or loss for the period)	2,451.9	2,398.8
Revaluations of retirement benefit obligations	16,876.2	7,065.7
Retirement benefits expense (recognised in other comprehensive income)	19,328.1	9,464.5

The present value of the defined retirement benefit plan obligations is distributed over the individual groups of employees entitled to pension benefits as follows:

	30.09.2019 %	30.09.2018 %
Active	18.1	17.3
Vested	1.8	3.2
Retired	80.1	79.5
	100.0	100.0

As of 30 September 2019, the weighted average remaining term of the defined benefit plan obligations was 13.0 years (previous year: 12.7 years).

Pension payments for the 2019/2020 fiscal year are expected to amount to EUR 7,409.8 thousand.

An increase or decrease in the material actuarial assumptions would have the following effects on the present value of the pension obligations:

Sensitivity analyses

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Remaining life expectancy		
Change by +1 year	8,504.1	6,954.9
Change by -1 year	-8,862.7	-7,286.4
Discount rate		
Change by +0.5%	-8,443.5	-7,130.1
Change by -0.5%	9,453.8	7,918.3
Future pension increase		
Change by +0.5%	8,800.7	7,246.8
Change by -0.5%	-8,018.0	-6,633.0

25.2. Provisions for severance payments

Based on obligations according to Austrian law and collective bargaining agreements, severance payments were paid to employees who took up service by 31 December 2002. Benefits due at the time of retirement or severance are calculated on the basis of the last salary, as well as the number of years of employment.

Based on these regulations according to labour law and collective bargaining agreements, a provision is created which is calculated according to the projected unit credit method.

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Present value of severance payment obligations (DBO) as of 01.10.	86,958.2	84,927.0
+ Merger	4,782.7	–
+ Current service costs	3,254.6	3,141.8
+ / (-) (Gain)/loss on DBP due to termination benefit	-628.8	-145.2
+ Interest expense	1,607.7	1,560.3
- Severance payments	-3,688.2	-2,254.9
(-) / + Remeasurement – actuarial (gains)/losses:		
Due to experience-based adjustments	-1,445.1	-534.2
Due to changes in demographic assumptions	57.7	-617.0
Due to changes in financial assumptions	8,212.4	880.4
Present value of severance payment obligations (DBO) as of 30.09. = reported provision for severance payment obligations as of 30.09.	99,111.2	86,958.2

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Service costs	2,625.8	2,996.6
Net interest expense	1,607.7	1,560.3
Severance expenses (recognised in profit or loss for the period)	4,233.5	4,556.9
Revaluations of the severance benefit obligation	6,825.0	-270.8
Severance expenses (recognised in other comprehensive income)	11,058.5	4,286.1

As of 30 September 2019, the weighted average remaining term of the defined benefit plan obligations was 9.0 years (previous year: 9.7 years).

Severance payments for the 2019/2020 fiscal year are expected to amount to EUR 3,532.2 thousand.

An increase or decrease in the significant actuarial assumptions would have the following effects on the present value of the severance payment obligations:

Sensitivity analyses

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Discount rate		
Change by +0.5%	-4,287.70	-4,021.30
Change by -0.5%	4,643.20	4,347.40
Future salary increase		
Change by +0.5%	4,592.40	4,342.10
Change by -0.5%	-4,293.80	-3,428.30

For employment relationships in Austria commencing on or after 1 January 2003, the employer is liable to remit 1.53% of the gross salary to an employee pension fund. This form of severance payment is recognised as a contribution-oriented plan according to IAS 19 (Employee Benefits).

25.3. Provisions for anniversary bonuses

Based on collective bargaining agreements, a provision for anniversary bonuses is created which is calculated according to the projected unit credit method.

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Present value of anniversary bonus obligation (DBO) as of 01.10.	20,004.9	17,990.8
+ Merger	1,079.1	–
+ Current service costs	1,196.6	1,655.8
+ Interest expense	369.8	332.1
- Anniversary bonus payments	-1,239.3	-1,250.1
(-)/+ Remeasurement – actuarial (gains)/losses:	2,181.5	1,276.3
Present value of anniversary bonus obligation (DBO) as of 30.09. = reported provisions for anniversary bonuses as of 30.09.	23,592.6	20,004.9

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Service costs	1,196.6	1,655.8
Net interest expense	369.8	332.1
Revaluations	2,181.5	1,276.3
Expenses for anniversary bonuses (recognised in profit or loss for the period)	3,747.9	3,264.2

25.4. Provisions for stepped pension and early retirement benefits

A stepped pension (early retirement model) has been agreed upon with certain employees. This is a transitional payment for the period between the early termination of the employment relationship and the time when a claim to legal pension benefits is reached. The transitional payments for this period correspond to a previously determined percentage of the previous salary.

For the resulting obligations, a provision is created according to IAS 19 (Employee Benefits).

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Present value of early retirement obligations (DBO) as of 01.10.	33,904.2	44,789.4
+ Merger	2,101.9	–
+ Interest expense	542.8	729.8
+ Allocation due to new obligations	4,228.7	1,902.0
- Early retirement payments	-10,688.9	-11,232.3
-/(+) Gain/(loss) after severance payments	24.9	-374.2
- Severance payments	-47.0	-179.9
(-)/+ Remeasurement – actuarial (gains)/losses:	-46.1	-1,730.6
Present value of early retirement obligations (DBO) as of 30.09. = reported provisions for early retirement obligations as of 30.09.	30,020.5	33,904.2

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Service costs	4,228.7	1,902.0
Net interest expense	542.8	729.8
Revaluations	-46.1	-1,730.6
Expenses for stepped pension and early retirement benefits (recognised in profit or loss for the period)	4,725.4	901.2

25.5. Other non-current provisions

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Carrying amount as of 01.10.	31,486.1	30,160.4
Change in scope of consolidation	–	15.9
Use	-3,121.9	-995.0
Reversal	-1,396.6	-134.2
Allocation	5,092.7	2,438.2
Translation differences	-0.1	0.8
	32,060.2	31,486.1

This item predominantly contains provisions for landfills.

26. Construction cost subsidies

This item primarily includes financing contributions received from electricity, gas and district heating customers. They are reversed as income over the average amortisation period for the corresponding equipment (up to 40 years). Impairments and/or reversals of impairments for these assets are proportionately recognised in the construction cost subsidies.

27. Advances received

This item essentially consists of deferred items from the sale of claims resulting from minimum waste volume rights. Due to a contractual agreement, the Group is obligated to accept a certain volume of waste. It provides for the Group to be paid for a pre-determined minimum waste volume, irrespective of the actual volume delivered. The claims from this minimum waste volume through 30 September 2021 were sold, and an interest rate of 4.2868% was agreed upon with the contract partner. This amount was recognised as a liability under advances received.

28. Other non-current liabilities

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Investment subsidies	22,983.7	24,931.4
Other liabilities	54,440.1	51,098.9
	77,423.8	76,030.3

29. Current provisions

Current provisions developed as follows during this fiscal year:

	2018/2019 EUR 1,000	2017/2018 EUR 1,000
Carrying amount as of 01.10.	17,994.4	14,975.3
Change in scope of consolidation	2,576.1	–
Use	-7,212.7	-3,159.7
Reversal	-272.4	-1,026.2
Allocation	9,161.6	7,199.4
Translation differences	-2.5	5.6
	22,244.5	17,994.4

30. Provisions for taxes

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Corporate tax for the reporting period	328.0	165.0

31. Other current liabilities

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Liabilities to non-consolidated affiliated companies	15,019.2	18,217.3
Liabilities to joint arrangements and associated companies	6,156.1	92,821.3
Tax liabilities	71,795.3	67,185.5
Social-security liabilities	7,305.4	6,262.1
Advances received	76,646.4	59,987.2
Fair value of derivatives	12,339.3	27,593.4
Liabilities to employees	53,324.5	47,317.9
Other liabilities	35,962.0	62,611.4
	278,548.2	381,996.1

OTHER EXPLANATORY NOTES

32. Contingent liabilities

	30.09.2019 EUR 1,000	30.09.2018 EUR 1,000
Others	3,692.0	5,643.6

Contingent liabilities include liabilities for which an outflow of resources is unlikely.

33. Other obligations

Pursuant to an energy supply agreement between Energie AG Oberösterreich Trading GmbH and VERBUND AG, the Group procures a certain annual amount of electricity on the basis of standard market products. The cost of the delivered electricity is recognised under material costs.

There is an obligation for the next fiscal year in the amount of EUR 7,387.2 thousand (previous year: EUR 10,170.0 thousand) resulting from long-term rental, lease and occupancy contracts for the use of property, plant and equipment not shown in the balance sheet. The total amount of these obligations for the next five years is EUR 33,271.3 thousand (previous year: EUR 31,537.4 thousand), for terms in excess of five years, EUR 8,587.6 thousand (previous year: EUR 11,224.0 thousand).

34. Proposed appropriation of the profit

The Management Board of Energie AG Oberösterreich proposes to the Annual General Meeting a dividend of EUR 0.60 (previous year: EUR 0.88) per share, amounting to a total of EUR 53,193.0 thousand (previous year: EUR 78,081.7 thousand).

35. Risk management

35.1. Risks and opportunities

The risks and opportunities of Energie AG have not changed significantly from the previous year: The general conditions with regard to the government's energy policy, the regulatory framework as well as intense competitive pressure continue to present great challenges for Energie AG. While the company is exposed to certain commercial risks on the one side, opportunities in the form of new markets, business models and technologies also avail themselves to the company. This is where the pro-active management of risks and opportunities plays an important role.

35.2. Risk management process

The objective of the risk management system employed by Energie AG is to collect information about future developments as early as possible, identify the resultant risks and opportunities and actively control them. As an integral part of the management and control

system, risk assessments form an integral part of the strategic and operational decision-making process and support our management team.

The responsible business units follow a structured quarterly process to identify and evaluate risks, opportunities and measures and record them in a central software tool. The data collected is then analysed on Group-level and incorporated into the Group's overall risk position.

Reporting to the Group's Management Board is done on a quarterly basis and ad hoc as required. The risk management report is an integral part of reporting to the Supervisory Board and is, in accordance with the requirements of the Austrian Company Law Amendment Act (URÄG), also submitted to the audit committee with respect to the efficiency and validity of the processes.

Proper documentation and verifiability are also guaranteed by historicisation of the data as at the measurement dates.

35.3. Strategic risks

Making the right strategic decisions is essential for the success of any company. Climate change, the changes in the energy policy and general conditions for the energy industry as well as technological developments and changes in the market environment entail strategic risks and opportunities for Energie AG. An intensive observation of markets, competitors and technologies forms the basis for the continuous evaluation and strategic adjustment of the Groups strategic direction.

Investment projects in energy generation and distribution companies with higher and more long-term capital investments entail a higher complexity and interdependencies between numerous input parameters. For this reason, deviations from project planning (also with ensuing delays and cost increases) cannot be completely ruled out. A crucial decision-making criterion is the expected return on the invested capital, taking into account risks and opportunities over the entire project term. Whether or not projects are implemented depends on market expectations and on whether the (energy) political environment can offer an adequate level of investment security. Risk management methods are integrated in the entire project cycle to evaluate any potential financial deviations as early as possible and prepare adequate counter-measures.

35.4. Sustainability risks

As part of its NaDiVeG reporting (reporting under the Austrian Act on Improving Sustainability and Diversity), Energie AG analyses the relevant opportunities and risks for the environment, social affairs, workforce, compliance and anti-corruption and safeguarding human rights, as well as the measures associated with them.

This includes the identification of risks and opportunities related to climate change (e.g. water shortages, heat periods) and initiatives for mitigating the effects of climate change (e.g. CO₂ taxes, emission regulations), which are given consideration in the context of the respectively relevant operational risks and opportunities.

35.5. Risks from the operating business activities

Risks from the operating business activities

The profitability and value of the assets, procurement rights and investments of the Energie AG Group are exposed to significant **market price risks** (prices for electricity, gas, biomass, allowance pricing etc.). The expertise in the management of commodity price risks

bundled in Energie AG Oberösterreich Trading GmbH makes it possible to utilise intra-Group synergies by employing risk strategies geared to the market environment.

Electricity production from thermal power plants has increased significantly over the previous year. This is attributable to the increased utilisation of the CCGT power plant in Timelkam, which was over the entire 2018/2019 fiscal year used for grid reserve and congestion management aimed at stabilising the electricity grid and which was, due to the increased electricity prices accompanied by relatively stable gas prices, in certain months also used on the electricity market.

Another important parameter affecting the business development of Energie AG are the **developments relating to weather and climate**. These developments affect the electricity generation volumes from hydroelectric power – due to hydrological conditions that are outside of human control – and also the space heat-driven sales volumes of electricity, gas and heat. The electricity procurement experienced a moderate positive effect in the reporting period due to water levels above the long-term average.

The **competitive situation on the end customer markets** – the electricity, gas, heat and telecommunication markets – continue to pose major challenge for Energie AG and affect the customer base, sales volumes and price levels. According to E-Control, the number of customers switching their electricity and gas providers reached a peak level in the first half of 2019.

Numerous measures – such as the bundling of the sales organisations, price guarantees, service and financial assistance offers, focus on digitalisation in product development and positioning as an energy service provider – are aimed at keeping the number of switching customers at lowest possible and at winning over new customers at the same time.

Concerning the economic environment in the **Waste Management segment**, the trend towards easing of the markets is continuing. However, the positive price trend for thermally recyclable waste led to increased competition with operators of pre-treatment plants and industrial co-incinerators, and to stronger remunicipalisation efforts by communal waste management associations. These developments are addressed by conducting marketing activities that focus on long-term supply contracts with fixed volumes and prices, as well as an intensified cooperation with the public sector. The activities also focus on the further development of the digitalisation projects.

The **Czech Republic segment** reports a steady development in sales revenues and earnings for water/waste water. Due to the higher than average temperatures and resulting lower sales volumes in the 2018/2019 fiscal year, the income generated by the heat-related business in the Czech Republic was slightly lower than in the previous year. The restructuring of the Czech Republic segment included the start of a synergy project. This project and the ongoing participation in (concession) tenders for water/waste water are the most important measures aimed at securing and increasing our market share.

Thanks to rapidly advancing digitalisation, the expansion of **Fibre To The Home (FTTH)** and the fitting of **smart meters** is gaining in importance. Energie AG continues to successfully expand coverage of fibre to the home (FTTH). The proportion of smart metres, which is higher than the industry average, reached a coverage of 96% in the 2018/2019 fiscal year. These expansions to the business model also offer new opportunities and risks, particularly in terms of IT protection regulations for end customers.

In the business units of Energie AG, **systems are exposed to risks** from technical failures or other damage events (natural disasters, sabotage, etc.) that may also affect their availability. Energie AG responds to these asset risks by carrying out maintenance and quality inspections, as well as implementing an optimised maintenance strategy. In our electricity grid, we

proactively continue the strategic programme to replace overhead low-voltage lines and overhead medium-voltage lines that are particularly susceptible to disruption with underground cable as planned. Energie AG operates an adequate incident management system to handle any damages incurred despite these measures and also insures these risks to the extent commercially viable at economically acceptable insurance excesses.

The business processes of Energie AG are supported by information and communication systems that depend on secure and reliable information technology. Energie AG addresses the **risks for information security, cyber security and data protection** by employing comprehensive management systems for information security and data protection.

35.6. Political, regulatory and legal risks

Energy supply is a business model that requires a long-term perspective, which in turn renders it highly dependent on the prevailing political, regulatory and legal framework conditions.

Climate-related EU requirements and their implementation in Austria – depending on the composition of the future federal government – as well as the legal framework for project development and implementation for infrastructure companies are of essential significance for infrastructure companies such as Energie AG. Efforts to counter these risks take the form of an intensive and constructive dialogue with government agencies and policymakers.

For the most part, the **general regulatory conditions** are expected to remain unchanged. It must be assumed that the regulatory parameters for the fourth regulatory period, which commenced on 1 January 2019, will remain stable until 2023 for the electricity segment. The Austrian Federal Chamber of Commerce and the Federal Chamber of Labour objected against the fundamental commercial conditions for natural gas that will come into effect on 1 January 2018. A decision on how to respond to these objections is still outstanding. The objective continues to be the safeguarding of a stable economic environment for grid operators.

35.7. Risks from investments

Risks from investments are present in the fluctuations of revenues from investments, in the payment of dividends and the distribution of profits, and in changes in the value of participating interests. These risks are primarily optimised by the ongoing monitoring of existing investments.

35.8. Financial risks

The financial risks are centrally managed by the Group Treasury unit on holding level. The management and monitoring of financial risks focuses on the liquidity risk, the interest rate risk, the currency risk, and the fair value risk from financial investments.

As of the end of the 2018/2019 fiscal year, the **interest rate risk** continues to be assessed as very low due to the continued high proportion of Energie AG Group's financial liabilities bearing fixed interest.

A potential change in the **discount rate** for provisions is generally accompanied by an opportunity or a risk, because the present value of the provisions declines with an increasing discount rate and increases with a lower discount interest rate. The expected future development of interest rates has increased the current risk level.

The **currency risk** within Energie AG Group predominantly results from the transaction and translation risks of the Group companies in the Czech Republic and is monitored continuously. This risk is minimised by currency hedging if required.

An anticipatory liquidity planning provides the basis for managing and monitoring the **liquidity risk**. Sufficient liquidity reserves and available, partially drawn lines of credit assure the solvency of Energie AG and its Group companies at all times.

The risks associated with **changes in the prices of financial investments** of Energie AG Group (securities, investment funds) – which result from fluctuations on the capital markets – is limited by pursuing a conservative investment policy. A stringent monitoring and continual quantification of exchange rate risks assures that the Group's strategic liquidity reserves are invested in a risk-optimised way.

The Group uses credit ratings, credit limit systems, hedging instruments and a targeted strategy of diversifying its business partners to address any **counterparty risks** it may be exposed to.

In February 2019, the excellent creditworthiness of Energie AG was again confirmed, with international **rating** agency Standard & Poor's awarding Energie AG an A (stable outlook) credit rating. The management of Energie AG aims at safeguarding the Group's single-A rating over the long term.

36. Related party disclosures

Related parties include OÖ Landesholding GmbH as majority shareholder as well as its subsidiaries, the State of Upper Austria as sole investor of OÖ Landesholding GmbH, the joint ventures, the associated companies as well as members of the Management Board and of the Supervisory Board of Energie AG Oberösterreich and their close relatives.

		Revenues EUR 1,000	Expenses EUR 1,000	Receivables EUR 1,000	Liabilities EUR 1,000
State of Upper Austria	2018/2019	660.6	651.6	184.4	82.3
	2017/2018	364.3	595.3	56.8	4,123.1
OÖ Landesholding and subsidiaries	2018/2019	5,529.1	63.8	690.7	14,860.6
	2017/2018	3,475.4	202.3	189.6	18,183.6
Associated companies	2018/2019	31,898.3	4,640.7	3,495.8	951.3
	2017/2018	14,596.0	869.5	1,088.7	13.9
Joint ventures	2018/2019	138,751.1	12,558.4	3,457.2	23.3
	2017/2018	245,011.8	14,531.3	23,597.2	90,045.2

State of Upper Austria

The State of Upper Austria is the sole investor of OÖ Landesholding GmbH. OÖ Landesholding GmbH is the majority shareholder of Energie AG Oberösterreich.

OÖ Landesholding GmbH

Energie AG Oberösterreich and selected Group companies are members of the OÖ Landesholding GmbH tax group. The provisions of the OÖ Landesholding GmbH tax group contract apply in the relationship of Energie AG Oberösterreich with the tax group parent, whereas Energie AG Oberösterreich calculates its taxable income taking into account the taxable income of its subordinate Group companies. In the case of positive tax income, any positive tax allocations are offset. Negative tax results are carried forward. The tax allocations amount to EUR 26,497.4 thousand (previous year: EUR 27,615.7 thousand).

Associated companies

Salzburg AG für Energie, Verkehr und Telekommunikation

Gas and electricity deliveries at standard market terms take place between the Group and Salzburg AG. The sales revenues amount to EUR 3,719.6 thousand (previous year: EUR 4,888.6 thousand), while expenses are EUR 1,306.0 thousand (previous year: EUR 442.4 thousand).

Wels Strom GmbH

In addition to grid services, heat and electricity deliveries at standard market terms took place between the Group and Wels Strom GmbH. The sales revenues amount to EUR 26,597.4 thousand (previous year: EUR 9,250.3 thousand), while expenses are EUR 2,923.6 thousand (previous year: EUR 302.3 thousand).

Joint ventures

ENAMO GmbH (until 31 March 2019)

ENAMO GmbH was established between Energie AG Oberösterreich and LINZ AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste (LINZ AG) as a joint venture for electricity sales.

An interest stake of 35% is held by LINZ STROM GmbH for electricity generation, distribution and telecommunications services, a subsidiary of LINZ AG. There was an obligation for the proportional assumption of losses. Deliveries of electricity and other services took place at standard market terms between the Group and ENAMO GmbH, which is consolidated at equity. In the period from 1 October 2018 to 31 March 2019, revenues amounted to EUR 53,967.4 thousand (previous year: EUR 102,978.9 thousand), purchase services amounted to EUR 8,437.3 thousand (previous year: EUR 6,146.9 thousand). Furthermore, electricity and other services were delivered between the Group and ENAMO Ökostrom GmbH, a 100% subsidiary of ENAMO GmbH. In the period from 1 October 2018 to 31 March 2019, revenues amounted to EUR 6,447.9 thousand (previous year: EUR 13,175.4 thousand), purchase services amounted to EUR 989.7 thousand (previous year: EUR 1,790.1 thousand).

Energie AG Oberösterreich Vertrieb GmbH & Co KG (until 31 March 2019)

Energie AG Oberösterreich was the sole limited partner of Energie AG Oberösterreich Vertrieb GmbH & Co KG. ENAMO GmbH was the general partner without an equity interest. Deliveries of electricity and other services took place at standard market terms between the Group and the company. In the period from 1 October 2018 to 31 March 2019, revenues amounted to EUR 75,588.1 thousand (previous year: EUR 126,208.6 thousand), purchase services amounted to EUR 1,436.1 thousand (previous year: EUR 4,705.9 thousand).

There is also a cash-pooling agreement between the Group and Energie AG Oberösterreich Vertrieb GmbH & Co KG resulting in liabilities in the amount of EUR 89,433.6 thousand as of 30 September 2018. As of 30 September 2018, contingent liabilities amounted to EUR 2,170.7 thousand.

Members of the Management in key positions

Members of the management in key positions include the members of the Management Board and the Supervisory Board of Energie AG Oberösterreich, and the Management Board and the Supervisory Board of OÖ Landesholding GmbH. Please refer to section 10 with regard to the remuneration of the members of the Management Board and the Supervisory Board of Energie AG Oberösterreich. Additional disclosable transactions included revenues of EUR 10.0 thousand (previous year: EUR 8.5 thousand) and benefits in the amount of EUR 20.6

thousand (previous year: EUR 11.0 thousand). This item also includes receivables in the amount of EUR 0.2 thousand (previous year: EUR 0.3 thousand).

37. Material events after the reporting date

An explosion was followed by a major fire on 10 October 2019 in the plastics sorting facility in Hörsching (Waste Management segment, Austria). The building and technical systems were almost completely destroyed by the fire. The carrying amount of the assets amounted to EUR 2.6 million as of 30 September 2019. Investigations by a fire expert are ongoing. Based on the currently available information, management assumes that the damage will be covered under the existing insurance policies.

38. Disclosures on Group management bodies

In this fiscal year, the members of the management board of Energie AG Oberösterreich were:

KommR Prof. Ing. DDr. Werner Steinecker MBA (CEO, Kirchschlag); KommR Mag. Dr. Andreas Kolar (Member of the Management Board, Steyr); Dipl.-Ing. Stefan Stallinger MBA (Member of the Management Board, Linz).

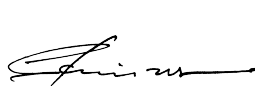
The Supervisory Board of Energie AG Oberösterreich had the following members in the 2018/2019 fiscal year:

Markus Achleitner (Chairman from 14 February 2019); Mag. Dr. Michael Strugl MBA (Chairman until 19 December 2018); Mag. Stefan Lang PLL.M (First Vice Chairman); Dr. Heinrich Schaller (Second Vice Chairman); Dipl.-Ing. Wolfgang Dopf MBA (until 31 March 2019); Dr. Miriam Eder MBA; Mag. Dr. Erich Entstrasser; Mag. Dr. Christiane Frauscher; Mag. Florian Hagenauer MBA; Dipl.-Ing. Erich Haider MBA (from 19 June 2019); Mag. Anna-Maria Hochhauser; Thomas Peter Karbinger MSc MBA MPA; KommR. Mag. Michaela Keplinger-Mitterlehner; Mag. Kathrin Renate Kührtreiber-Leitner MBA; Ing. Herwig Mahr; Josef Walch.

Appointed by the Works Council: Ing. Mag. Leopold Hofinger; Mag. Regina Krenn; Mag. Helmut Lehner; Ing. Peter Neißl MBA MSc; Christine Pötler (until 31 July 2019); Ing. Bernhard Steiner; Gerhard Störinger, Andreas Walzer (from 18 September 2019).

Linz, 3 December 2019

The Management Board of Energie AG Oberösterreich



Chief Executive Officer
KommR. Prof. Ing. DDr.
Werner Steinecker MBA
Chairman of the Management Board



KommR. Mag. Dr.
Andreas Kolar
Member of the Management Board



Dipl.-Ing.
Stefan Stallinger MBA
Member of the Management Board

AUDIT CERTIFICATE

I REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit opinion

We have audited the Consolidated Financial Statements of

**Energie AG Oberösterreich,
Linz,**

and its subsidiaries ("the Group"), comprising the Consolidated Statement of Financial Position as of 30 September 2019, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the fiscal year ending on that day, as well as the Notes to the Consolidated Financial Statements.

It is our opinion that the Consolidated Financial Statements comply with the statutory requirements and offer an adequately accurate representation of the asset and financial position of the Group as at 30 September 2019, as well as the Group's earnings position and cash flows during the fiscal year ending as of that date, in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU and the additional requirements stipulated in § 245a of the Austrian Commercial Code (UGB).

Basis for our audit opinion

We have conducted our audit in accordance with EU Directive No. 537/2014 (AP Directive hereinafter) and the Austrian Principles of Proper Auditing of Financial Statements. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are set out in more details in section "Responsibilities of the Auditor in Auditing the Consolidated Financial Statements" of our audit certificate. We are independent from the Group in compliance with the Austrian corporate law and professional regulation and have discharged our other professional duties in accordance with these requirements. We are of the opinion that the audit evidence obtained by us is sufficient and suitable for forming the basis for our audit opinion.

Highly significant audit findings

Audit findings bearing special significance are findings concerning circumstances that, in our professional judgement, were the most significant for our audit of the Consolidated Financial Statements for the fiscal year. These findings were considered in the context of our audit of the Consolidated Financial Statements in their entirety as well as in forming our audit opinion, which we do not present separately for these findings.

Impairment of the cash generating unit "Electricity grid"

See section 5.5. of the Notes "Impairment of other intangible assets and property, plant and equipment" and 16.2. "Impairment of cash generating units without own goodwill".

Risks inherent in the Annual Financial Statements

Energie AG Oberösterreich has carried out impairment testing of the cash generating unit "Electricity grid" in the 2018/2019 fiscal year. This has resulted in the recognition of depreciation, amortisation and impairments in the amount of EUR 109.6 million.

In previous years, Energie AG Oberösterreich derived the recoverable amount from the attributable fair value less costs of disposal on the basis of the multiplier method. The

determination relied on sales transactions of companies (grid operators) in countries with comparable regulatory models. Due to a lack of recently completed market transactions conducted by sufficiently comparable companies, the previous measurement method could no longer be applied after 30 September 2019. Energie AG Oberösterreich has therefore turned to determining the recoverable amount on the basis of the value in use. The company was supported by an external expert in determining whether recently completed market transactions are available and of sufficient comparability.

The assessment on the availability and comparability of market transactions is based on assumptions and estimates, e.g. with respect to the characteristics of the regulatory model, the company size criteria or the specific risk situation in individual countries. The measurement of the value in use of the cash-generating unit "Electricity grid" under IAS 36 requires assumptions and estimates, such as the estimated future cash inflows surpluses, as well as the determination of the applicable discount rate.

The Consolidated Financial Statements are therefore exposed to the risk of inadequate assumptions and estimates having a significant impact on the recoverable amount and therefore the recognised value of the cash-generating units reported in the Consolidated Statement of Financial Position, as well as the operating result in the Consolidated Statement of Income.

Our auditing approach

We have verified the assessment made with respect to whether comparable market transactions are available on completeness in consultation with our valuation experts and verified the underlying assumptions concerning the selection of comparable market transactions.

In consultation with our valuation experts, we have assessed the impairment testing carried out by the company as follows:

- To form an opinion about the adequacy of internal planning of the impairment testing, we have examined the planning process and verified the planning data, on which the measurement is based, against the current budget figures approved by the Supervisory Board as well as the mid-term planning approved by the Management Board.
- Additionally, we discussed the assumptions made for growth rates and operating results with the company's respective managers and ascertained to what degree external factors, particularly including the regulatory environment, were given adequate consideration.
- We furthermore examined the methodology used for impairment testing and determination of the capital cost rates on their conformity with the applicable standards. Our valuation experts assessed the appropriateness of the assumptions made for determining the capital cost rate, on which the determination of capital cost rates were based, against market- and industry-specific reference values and verified the arithmetic accuracy of the calculation procedure.
- We have also assessed the appropriateness of the disclosures made in the Notes.

Initial consolidation and purchase price allocation

See section 3.1 in the Notes - "Scope of consolidation – Principles" and 5.1 "Estimates".

Risks inherent in the Annual Financial Statements

Energie AG Oberösterreich previously held a 65% equity stake in ENAMO GmbH, as well as 100% of the limited partner's interest in Energie AG Oberösterreich Vertrieb GmbH & Co KG, in which ENAMO GmbH was the general partner. With effect on 1 April 2019, Energie AG Oberösterreich acquired the remaining 35% equity interest in ENAMO GmbH. As a result, Energie AG Oberösterreich obtained control over ENAMO GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG. The total purchase price amounted to EUR 6.85 million.

IFRS 3 requires the previously held equity interest in Energie AG Oberösterreich Vertrieb GmbH & Co KG and ENAMO GmbH to be recognised at their fair value on the acquisition date. The result from the remeasurement of the previously held equity interests amounts to EUR 48.3 million and was recognised in the other operating income.

The allocation of the consideration and the fair value of the previously held interests to the acquired assets and assumed liabilities resulted in the recognition of customer relationships and the amount of EUR 41.7 million and goodwill of EUR 20.6 million.

The measurement of the customer relationships required for the purposes of the purchase price allocation is based on management appraisals with respect to the essential measurement assumptions, such as capital costs, the development of revenues and profit margins, and expected exchange rates.

The Consolidated Financial Statements are exposed to the risk that the previously held interests were not measured realistically and that the acquired assets and assumed liabilities were not identified in their entirety or measured inaccurately. There is also the risk that the disclosures made in the Notes to the Consolidated Financial Statements with respect to the acquisition are incomplete or inadequate.

Our auditing approach

Our audit carried out (in consultation with our valuation specialists) included the following fundamental audit measures:

- We have gained an understanding of the acquisition transaction by conducting interviews with management personnel and other employees of Energie AG Oberösterreich, as well as by reviewing the relevant contracts. We have reconciled the total purchase price with the relevant purchase contract (assignment agreement) and the payment receipts.
- We also evaluated whether the applied identification of the acquired assets and assumed liabilities conforms with the requirements under IFRS 3. We have assessed whether the applied measurement methods reconcile with the relevant measurement principles.
- We have discussed the planning assumptions made for the determination of the fair values with the persons responsible for the planning, and ascertained whether external information and historical experiences were given adequate consideration. We have also verified the methodologically adequate calculation and appropriateness of the weighted capital cost rates. This included a comparison of the assumptions and parameters for capital costs against our own assumptions and publicly available data.
- We have assessed the arithmetic accuracy of the measurement of identified assets and liabilities by verifying selected calculations under risk-oriented criteria.
- We have further verified the accurate presentation of the corporate acquisition in the Consolidated Financial Statements of Energie AG Oberösterreich. This included an assessment of whether the disclosures made in the Notes with respect to the acquisition are complete and appropriate.

Responsibilities of the legal representatives and the Audit Committee for the Annual Financial Statements

The legal representatives are responsible for compiling the Consolidated Financial Statements and their compliance with the IFRS rules applicable in the EU and the additional requirements stipulated in § 245a of the Austrian Commercial Code (UGB), which requires a reasonably accurate representation of the Group's asset, financial and earnings position. The legal representatives are further responsible for the internal controls deemed necessary by them for preparing a set of Consolidated Financial Statements that is free from significant intentional or unintentional misrepresentations.

In compiling the Consolidated Financial Statements, the legal representatives have the duty to form an opinion on the Group's ability to continue its business operations, to disclose any relevant circumstances relating to the continuation of the business operations and to base their considerations on the principle of continued business operations, unless they intend to liquidate the Group, cease business operations or find themselves in lack of any viable alternative to such course of action.

The Audit Committee is responsible for supervising the Group's accounting processes.

Responsibilities of the auditors for the audit of the Consolidated Financial Statements

Our objective is to assure an adequate degree of certainty on whether the Consolidated Financial Statements in their entirety are free from significant intentional or unintentional misrepresentations and to issue an audit certificate that reflects our audit findings. An adequate degree of certainty means a high degree of certainty, but is not an absolute guarantee that the audit conducted in accordance with the AP Directive and the Austrian Principles of Proper Auditing, which require application of ISA, has in fact identified all significant misrepresentations that may be contained in the audited financial statements. Misrepresentations may result from malicious acts or misconceptions and are deemed significant if they could, individually or collectively, have a potential influence on the commercial decisions made by their readers on the basis of these Consolidated Financial Statements.

In conducting our audit in accordance with the AP Directive and the Austrian Principles of Proper Auditing, which require application of ISA, we form our opinions on the basis of our professional judgement and maintain a critical view of the circumstances presented to us throughout the entire course of the audit.

We further adhere to the following:

- We identify and assess the risks stemming from any significant intentional and unintentional misrepresentations in the financial statements, plan our audit activities as a response to these risks, perform our audit activities and gain sufficient and suitable audit evidence to serve as the basis for our audit findings. The risk of significant misrepresentations resulting from malicious acts remaining undetected is higher than the risk resulting from misconceptions, because malicious acts may include fraudulent acts, forgery, intentional omissions, deceiving representations or the circumvention of internal controls.
- In order to plan audit activities that adequately address the prevailing circumstances, we gain an understanding of the system of internal controls bearing relevance for our audit, but without the objective of forming an audit opinion on its effectiveness.
- We evaluate the appropriateness of the accounting methods applied by the legal representatives, as well as the tenability of values estimated by the legal representatives and represented in the accounts and the disclosures associated with such estimates.
- We draw inferences about the appropriateness of the legal representatives operating under the accounting principle of continued business operations, as well as, on the basis of the evidence presented to us for our audit, whether any events or circumstances are subject to a considerable uncertainty that would give rise to doubts about the viability of the Group continuing its business operations. If we arrive at the conclusion that a material uncertainty exists, we are obliged to draw attention to the associated disclosures contained in the Consolidated Financial Statements in our audit certificate, or to modify our audit certificate if these disclosures are inappropriate. We draw our conclusions on the basis of the audit evidence gathered by the date of our audit

certificate. Future events or circumstances may however result in the Group resolving to discontinue its business operations.

- We form an opinion on the overall presentation, structure and contents of the Consolidated Financial Statements including the disclosures therein, as well as on whether they present a suitable view of the underlying business transactions and events.
- We issue our audit opinion on the Consolidated Financial Statements on the basis of sufficient and suitable audit evidence for the financial information of the business units or the business activities of the Group. We are responsible for managing, supervising and performing the audit of the Consolidated Financial Statements. We bear the sole responsibility for our audit opinion.
- We consult with the Audit Committee on matters such as the planned scope and timing of the audit as well as significant audit findings, including any significant defects in the system of internal control system detected during our audit.
- We also issue a statement to the Audit Committee confirming our adherence to the relevant professional requirements pertaining to our independence, and exchange information with the Audit Committee on all relationships and other circumstances that may reasonably be expected to affect our independence and, if applicable, any associated precautionary measures.
- From the circumstances discussed with the Audit Committee, we determine those that had the highest significance for the audit of the consolidated financial statements for the fiscal year and are therefore the circumstances bearing special audit significance. We describe these circumstances in our audit certificate, unless public disclosure of a certain circumstance is prohibited by law or other legal requirement, or determine in very rare cases that certain circumstances should not be disclosed in our audit certificate because the negative implications of disclosing them could reasonably be expected to exceed the benefits for the public interest.

I OTHER STATUTORY AND LEGAL REQUIREMENTS

Report on the Group Management Report

Austrian corporate law requires an assessment of whether the Group Management Report reconciles with the Consolidated Financial Statements and whether it was compiled in accordance with the applicable legal requirements.

The legal representatives are responsible for compiling the Group Management Report in compliance with the requirements under Austrian corporate law.

We have conducted our audit on the basis of the professional principles for the auditing of the Group Management Report.

Audit opinion

We have formed the opinion that the Group Management Report complies with the applicable legal requirements, that it contains accurate information pursuant to § 243a UGB, and that it reconciles with the Consolidated Financial Statements.

Declaration

Our audit of the Consolidated Financial Statements and the knowledge gained about the Group and its business environment has not identified any material misrepresentations in the Group Management Report.

Other Disclosures

The legal representatives are responsible for the other required disclosures. Such other disclosures encompass all information presented in the annual report, with the exception of the Consolidated Financial Statements, the Group Management Report and the audit certificate. We expect to be provided with the Annual Report after the date of this auditor's certificate.

These other disclosures are not included in our audit opinion for the Consolidated Financial Statements and we give no assurance for their accuracy.

The audit of the Consolidated Financial Statements requires us to read these other disclosures as soon as they are made available and to decide whether, considering our understanding formed during the audit, they represent a material inconsistency to the Consolidated Financial Statements or are otherwise misrepresented in a significant way.

Additional information pursuant to Article 10 AP Directive

Our firm was elected auditors of the financial statements by the General Meeting held on 19 December 2018. The Supervisory Board has granted our firm the mandate to audit the company's financial statements on 12 June 2019. We have been the Group's auditors for more than 25 years.

We hereby declare that our audit opinion presented in Section "Report on the Consolidated Financial Statements" reconciles with the additional report to the Audit Committee pursuant to Article 11 of the AP Directive.

We hereby declare that we have not performed any prohibited non-audit services (Article 5 para 1 AP-VO) and that we have maintained our independence from the audited company during the conduct of our audit of the financial statements.

Responsible auditor

Mrs Mag. Gabriele Lehner is the auditor in charge of the audit of the Consolidated Financial Statements.

Linz, 3 December 2019

KPMG Austria GmbH

Chartered Accountants and Tax Consultants



Mag. Gabriele Lehner
Auditor

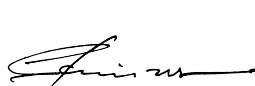
The Consolidated Financial Statements with our audit certificate may only be published or disclosed in the format certified by us. This Auditor's Certificate refers exclusively to the full original Consolidated Annual Financial Statements and the Group Management Report issued in German. The provisions of § 281 para 2 UGB must be observed for any other versions.

STATEMENT BY THE MANAGEMENT BOARD PURSUANT TO § 124 PARA 1 SUBPARA 3 OF THE STOCK EXCHANGE ACT [BÖRSEGESETZ (BÖRSEG)]

The Management Board of Energie AG Oberösterreich confirms to the best of its knowledge that the Consolidated Financial Statements of Energie AG Oberösterreich give a true and fair view of the assets, liabilities, as well as the financial and earnings position of the Group as required by the applicable accounting standards, and that the Group Management Report represents the development and performance of the business and the position of the Group in such a way, that it gives a true and fair view of the assets, liabilities, as well as the financial and earnings position of the Group, together with a description of the principal risks and uncertainties faced by the Group.

Linz, 3 December 2019

The Management Board of Energie AG Oberösterreich



Chief Executive Officer

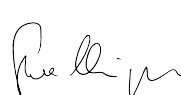
DDr. Werner Steinecker MBA

Chairman of the Management Board
C.E.O.



Dr. Andreas Kolar

Member of the Management Board
C.F.O.



Dipl. Ing. Stefan Stallinger MBA

Member of the Management Board
C.O.O.