

Consolidated Financial Statements 2019/2020

of Energie AG Oberösterreich

CONSOLIDATED STATEMENT OF INCOME

1 OCTOBER 2019 TO 30 SEPTEMBER 2020

		2019/2020 EUR 1,000	2018/2019 EUR 1,000
1. Sales revenues	(6)	1,843,707.5	1,813,448.3
Procurement costs for electricity and gas trading	(6)	-59,563.4	-97,992.0
Net sales revenues	(6)	1,784,144.1	1,715,456.3
2. Change in inventories of finished goods and work in progress		1,151.5	55.9
3. Other capitalised corporate services		40,901.1	43,245.9
4. Share in result of companies consolidated at equity	(17)	14,723.9	30,543.9
5. Other operating revenues	(8)		
Reversals of impairment	(16.2)	—	7,921.8
Remeasurement at fair value (IFRS 3)	(3.1)	—	48,247.9
Other	(8)	47,718.1	25,077.6
		47,718.1	81,247.3
6. Expenses for material and other purchased services	(9)	-1,102,204.8	-1,067,136.7
7. Personnel expenses	(10)	-300,815.8	-300,166.5
8. Depreciation, amortisation and impairments (thereof impairments ¹⁾ EUR 14,311.6 thousand (previous year: EUR 110,202.1 thousand))	(11; 16)	-172,628.6	-256,178.9
9. Other operating expenses	(12)	-165,274.9	-174,095.6
10. Operating result		147,714.6	72,971.6
11. Financing expenses	(13)	-22,746.6	-21,187.4
12. Other interest income	(13)	958.0	793.4
13. Other financial result	(14)	1,119.0	3,097.0
14. Financial result		-20,669.6	-17,297.0
15. Earnings before taxes		127,045.0	55,674.6
16. Income taxes	(15)	-25,833.7	1,726.6
17. Consolidated net earnings		101,211.3	57,401.2
Thereof attributable to non-controlling interests		1,258.0	953.4
Thereof attributable to investors in the parent company			
Consolidated net profit		99,953.3	56,447.8

1) The impairments in the amount of EUR 193,325.7 thousand recognised in the 2018/2019 fiscal year are netted against the reversal of construction cost subsidies in the amount of EUR 83,123.6 thousand.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 OCTOBER 2019 TO 30 SEPTEMBER 2020

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
1. Consolidated net earnings	101,211.3	57,401.2
2. Other comprehensive income		
Items that will not be subsequently reclassified to the income statement:		
Remeasurement of the defined benefit obligation	3,561.6	-23,701.1
Changes in value of at-equity companies recognised in equity	14.0	-29.5
Changes in value of investments and securities FVOCI	5,161.7	1,398.6
Deferred taxes	-2,180.8	5,600.4
Items that may be subsequently reclassified to the income statement:		
Hedge accounting	-22,447.3	-45,671.2
Changes in value of at-equity companies recognised in equity	239.8	-307.7
Translation differences	-4,541.5	435.8
Deferred taxes	5,611.8	11,417.9
Total expenses and revenues recognised in other comprehensive income	-14,580.7	-50,856.8
3. Total comprehensive income after taxes	86,630.6	6,544.4
4. Thereof attributable to non-controlling interests	606.3	1,271.8
5. Thereof attributable to parent company	86,024.3	5,272.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2020

ASSETS		30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
A. Non-current assets			
I. Intangible assets and goodwill	(16)	235,576.0	245,102.5
II. Property, plant and equipment	(16)	1,980,631.5	1,881,853.8
III. Investments (thereof at-equity companies: EUR 211,982.1 thousand (previous year: EUR 204,780.3 thousand))	(17)	240,570.4	228,088.3
IV. Other financial assets	(18)	50,641.7	56,639.6
		2,507,419.6	2,411,684.2
V. Other non-current assets	(19)	10,520.0	10,155.0
VI. Deferred tax assets	(15)	7,766.6	7,864.3
		2,525,706.2	2,429,703.5
B. Current assets			
I. Inventories	(20)	50,669.9	57,755.1
II. Receivables and other assets	(21)	347,207.9	348,190.2
III. Fixed term deposits and short-term investments	(5.10)	109,808.3	109,997.7
IV. Cash and cash equivalents	(22)	46,304.8	29,772.0
		553,990.9	545,715.0
		3,079,697.1	2,975,418.5
LIABILITIES		30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
A. Equity			
I. Share capital	(23)	88,655.5	88,729.2
II. Capital reserves	(23)	216,567.0	216,455.1
III. Retained earnings	(23)	1,073,776.7	1,027,039.6
IV. Other reserves	(23)	-50,640.0	-36,672.7
V. Non-controlling interests	(23)	14,610.3	14,787.4
		1,342,969.5	1,310,338.6
B. Non-current liabilities			
I. Financial liabilities	(24)	586,817.2	428,429.6
II. Non-current provisions	(25)	290,470.2	308,093.1
III. Deferred tax liabilities	(15)	26,820.9	31,882.3
IV. Construction cost subsidies	(26)	300,954.8	293,166.8
V. Advances received	(27)	5,803.1	16,886.7
VI. Other non-current liabilities	(28)	77,457.2	77,423.8
		1,288,323.4	1,155,882.3
C. Current liabilities			
I. Financial liabilities	(24)	10,769.0	27,313.1
II. Current provisions	(29)	20,684.1	22,244.5
III. Tax provisions	(30)	142.3	328.0
IV. Trade payables	(24)	156,644.8	180,763.8
V. Other current liabilities	(31)	260,164.0	278,548.2
		448,404.2	509,197.6
		3,079,697.1	2,975,418.5

STATEMENT OF CHANGES IN EQUITY AS OF 30 SEPTEMBER 2020

	Share capital EUR 1,000	Capital reserves EUR 1,000	Retained- earnings EUR 1,000	Reserves under IAS 19 EUR 1,000	Reserves under IFRS 9 EUR 1,000	
Balance as of 30.09.2019	88,729.2	216,455.1	1,027,039.6	-86,005.2	14,248.7	
Items that will not be subsequently reclassified to the income statement:						
Remeasurement of the defined benefit obligation	–	–	–	3,555.4	–	
Changes in value of associated companies measured at equity	–	–	–	14.0	–	
Changes in value of investments and securities FVOCI	–	–	–	–	5,161.7	
Deferred taxes	–	–	–	-888.9	-1,290.4	
Items that may be subsequently reclassified to the income statement:						
Hedge accounting	–	–	–	–	-22,511.3	
Hedge accounting at-equity companies	–	–	–	–	239.8	
Translation differences	–	–	–	–	–	
Deferred taxes	–	–	–	–	5,627.8	
Other comprehensive income	–	–	–	2,680.5	-12,772.4	
Consolidated net earnings	–	–	99,953.3	–	–	
Total income for the period	–	–	99,953.3	2,680.5	-12,772.4	
Dividend distribution	–	–	-53,193.3	–	–	
Treasury stocks	-73.7	111.9	-38.3	–	–	
Other	–	–	15.3	–	–	
Transactions with shareholders	-73.7	111.9	-53,216.3	–	–	
Balance 30.09.2020	88,655.5	216,567.0	1,073,776.7	-83,324.7	1,476.4	

Other reserves				Equity of investors in parent company EUR 1,000	Non- controlling interests EUR 1,000	Total EUR 1,000	
Revaluation- reserve EUR 1,000	Treasury stocks EUR 1,000	Translation difference EUR 1,000	Total EUR 1,000				
37,541.1	-9,240.2	6,782.8	-36,672.7	1,295,551.3	14,787.4	1,310,338.6	
–	–	–	3,555.4	3,555.4	6.2	3,561.6	
–	–	–	14.0	14.0	–	14.0	
–	–	–	5,161.7	5,161.7	–	5,161.7	(23)
–	–	–	-2,179.3	-2,179.3	-1.5	-2,180.8	
–	–	–	-22,511.3	-22,511.3	64.0	-22,447.3	(23)
–	–	–	239.8	239.8	–	239.8	
–	–	-3,837.1	-3,837.1	-3,837.1	-704.4	-4,541.5	(5.19)
–	–	–	5,627.8	5,627.8	-16.0	5,611.8	
–	–	-3,837.1	-13,929.0	-13,929.0	-651.7	-14,580.7	
–	–	–	–	99,953.3	1,258.0	101,211.3	
–	–	-3,837.1	-13,929.0	86,024.3	606.3	86,630.6	
–	–	–	–	-53,193.3	-790.7	-53,984.0	
–	-38.3	–	-38.3	-38.4	–	-38.4	(23)
–	–	–	–	15.3	7.3	22.6	
–	-38.3	–	-38.3	-53,216.4	-783.4	-53,999.8	
37,541.1	-9,278.5	2,945.7	-50,640.0	1,328,359.2	14,610.3	1,342,969.5	

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 under IFRS 9 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 (restated)	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:					
Remeasurement of the defined benefit obligation	–	–	–	-24,038.0	–
Changes in value of associated companies measured at equity	–	–	–	-29.5	–
Changes in 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 at-equity companies	–	–	–	–	-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 as of 30.09.2019	88,729.2	216,455.1	1,027,039.6	-86,005.2	14,248.7

Other reserves				Equity of investors in parent company EUR 1,000	Non- controlling interests EUR 1,000	Total EUR 1,000	
Revaluation- reserve EUR 1,000	Treasury stocks EUR 1,000	Translation difference EUR 1,000	Total 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	(5.19)
			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	

CASH FLOW STATEMENT

	2019/2020 EUR 1,000	2018/2019 EUR 1,000	
Earnings before income taxes	127,045.0	55,674.6	
Tax payments	-35,507.7	-35,550.9	
Earnings after income taxes	91,537.3	20,123.7	
Depreciation/impairment reversals of non-current assets	172,753.2	247,219.3	
Remeasurement at fair value (IFRS 3)	–	-48,247.9	(3.1)
Change in non-current provisions	-14,061.4	-6,831.4	
Change in other non-current assets	1,831.3	-8.8	
Change in other non-current liabilities and advances received	-12,623.8	-16,472.7	
Retained earnings of equity companies	-6,948.0	26,609.2	
Construction cost subsidies received	34,642.9	32,281.6	(26)
Revenues from the reversal of construction cost subsidies	-26,854.9	-26,647.3	(26)
Losses from the disposal of assets	2,822.7	3,388.9	
Gains from the disposal of assets	-5,043.6	-7,892.9	
Other non-cash expenses and revenues	25,498.3	-4,999.0	
	263,554.0	218,522.7	
Change in current assets	7,840.9	57,606.7	
Payments from hedging transactions	-47,989.5	-49,585.7	
Change in current liabilities	-35,989.3	-31,621.4	
Change in current provisions	-1,574.4	3,677.7	
CASH FLOW FROM OPERATING ACTIVITIES	185,841.7	198,600.0	
Inflow from the disposal of property, plant and equipment, and intangible assets	8,760.1	16,732.7	
Outflow for additions to property, plant, equipment and intangible assets	-193,347.1	-202,483.7	
Inflow from the disposal of financial assets	28,390.7	8,997.8	
Change in scope of consolidation less acquired cash	-2,610.0	-2,903.8	(3)
Outflow for additions to financial assets and other financial investments	-22,731.0	-3,717.3	
CASH FLOW FROM INVESTMENTS	-181,537.3	-183,374.3	
Dividend distribution	-53,984.0	-78,882.0	(34)
Acquisition of own shares and non-controlling interests	-39.9	-1,726.4	
Issuance of registered bond 2020-2040	100,000.0	–	
Principal repayment of bank loans 2010-2020	-12,000.0	–	
Repayment of cash advances	-6,000.0	–	
Other changes in financial liabilities	-15,259.6	-6,271.9	(24.7)
CASH FLOW FROM FINANCING ACTIVITIES	12,716.5	-86,880.3	
TOTAL CASH FLOW	17,020.9	-71,654.6	
Cash funds at beginning of period	29,772.0	101,436.6	(22)
Cash flow	17,020.9	-71,654.6	
Exchange rate effects	-488.1	-10.0	
Cash funds at end of period	46,304.8	29,772.0	(22)
The cash flow from operating activities includes:			
Interest received	919.1	1,162.1	
Interest paid	18,960.5	16,826.0	
Dividends received	7,901.6	58,207.6	(17)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2019/2020 OF ENERGIE AG OBERÖSTERREICH

I GENERAL NOTES

1. General disclosures

The Energie AG Oberösterreich Group 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 2019/20 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 Law Code to prepare consolidated annual financial statements in keeping with the Austrian Commercial Law Code. Whenever the Austrian Commercial Code so requires, additional disclosures are made 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 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 all leases and the contractual rights and obligations associated with them must be reported on the lessee's statement of financial position. This resolves the current differences in the recognition of operating and finance leases under IAS 17 by the lessee. The lessee recognises a right-of-use asset representing its right to use an underlying asset and, at the same time, a lease liability in the amount of the present value of the lease payments. Discounting takes place at the lease-specific interest rate, or the incremental borrowing interest rate if the lease-specific interest rate cannot be determined. Depending on the term, an incremental borrowing interest rate of 1.2% or 1.7% was assumed to apply on 1 October 2019. The right of use asset is then amortised and the lease liability carried forward using the effective interest method.

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 standard is applied for the first time in the 2019/2020 fiscal year. The Group applies IFRS 16 to all contracts 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. The option to waive impairment testing for leases was exercised in favour of an assessment on whether the contract is onerous, to be carried out immediately before first-time application. Additionally, the term of leases that provide for an extension or termination option was determined retrospectively.

The initial application of IFRS 16 additionally affects the Consolidated Financial Statements as follows:

	01.10.2019 EUR mill.
ASSETS	
A. Non-current assets	
II. Property, plant and equipment	
Assets under IFRS 16	93.1
Technical equipment and machinery	-19.3
	73.8
	73.8
LIABILITIES	
B. Non-current liabilities	
I. Financial liabilities	
Lease liability under IFRS 16	112.8
Finance lease liabilities	-43.4
	69.4
B. Current liabilities	
I. Financial liabilities	
Lease liability under IFRS 16	7.2
Finance lease liabilities	-2.8
	4.4
	73.8

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 entity.

The entity is not funded 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. In the past, the lease was 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. In accordance with IFRS 16, a right of use asset and a lease liability in the amount of EUR 39.9 million have been recognised as of 1 October 2019.

In the Waste Management Segment, portfolio contracts concerning properties resulted in the recognition of right-of-use assets and corresponding liabilities in the amount of EUR 25.7 million.

Additionally, in the 2007/2008 fiscal year, plant and equipment assets were sold and leased back for a term of 15 years ("sale-and-leaseback") in the Waste Management Segment. In accordance with IAS 17, the lease was classified as a finance lease. The assets continued to be capitalised in the Statement of Financial Position until 30 September 2019. The present value of the minimum lease payments is recognised in the same amount on the liabilities side. 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. As of 1 October 2019, the carrying amount of the assets of EUR 19.3 million was transferred into a right of use asset. The corresponding liability amounts to EUR 46.2 million.

As of 30 September 2020, the lease liability amounts to EUR 113.1 million (up to 1 year: EUR 7.2 million, 1-5 years EUR 55.3 million, more than 5 years EUR 50.6 million). The Statement of Financial Position recognises the lease liabilities in the item for financial liabilities.

For fiscal year 2019/2020, the cash outflows for leases amount to EUR 8,719.6 thousand. The expenses for leases not recognised in accordance with IFRS 16 amount to EUR 3,561.0 thousand.

Reconciliation of the liabilities from rentals and leases to the lease liability as of the date of initial application presents as follows:

	EUR mill.
Obligations from the utilisation of property, plant and equipment assets not reported on the Statement of Financial Position as of 30 September 2019	49.2
Liability from the sale-and-leaseback contract from the year 2007/08 in the Waste Management Segment	46.2
Exercise price for put options the exercise of which is reasonably certain	31.3
Other items	-3.1
	123.6
Discounting effect	-3.6
Lease liability as of 01.10.2019	120.0

The item property, plant and equipment recognises the following right of use assets:

2019/2020	Land and buildings EUR 1,000	Technical equipment and machinery EUR 1,000	Operating and business equipment EUR 1,000	Vehicles EUR 1,000	Total EUR 1,000
Initial recognition	71,374.2	837.2	84.1	1,453.7	73,749.2
Finance lease	–	19,303.7	–	–	19,303.7
01.10.2020	71,374.2	20,140.9	84.1	1,453.7	93,052.9
Translation differences	2.1	–	–	–	2.1
Additions	1,211.0	10.3	35.9	359.4	1,616.6
Disposals	-233.0	-613.2	–	-295.4	-1,141.6
Depreciation, amortisation and impairments	-4,177.3	-3,141.1	-57.2	-491.3	-7,866.9
30.09.2020	68,177.0	16,396.9	62.8	1,026.4	85,663.1

Other applicable new standards

Newly applicable amended standards and interpretations adopted by the EU that take effect on 1 January 2019 or later:

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

The initial application does not result in any material changes.

2.2. Standards and interpretations that have not been applied early

In the 2019/2020 Consolidated Financial Statements, the following amendments adopted by the EU were not applied early:

Entry into force in the EU on 1 January 2020:

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

Entry into force in the EU on 1 June 2020:

- IFRS 16 (Amendments: Leases Covid-19-Related Rent Concessions)

The following standards and interpretations, amendments and improvements of standards enter into force on 1 January 2021 or a later date, although they have not yet been adopted by the European Union at this time:

- IFRS 17 (Insurance Contracts including Amendments)
- IAS 1 (Classification of Liabilities as Current or Non current including Deferral of Effective Date)
- IFRS 3 (References to the Conceptual Framework)
- IAS 37 (Onerous Contracts Costs of Fulfilling a Contract)
- IAS 16 (PP&E: Proceeds before Intended Use)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments: IFRS 1, IFRS 9 , IFRS 16 und IAS 41)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

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)

The first-time application of the following standards is not expected to result in any significant implications for the Consolidated Financial Statements.

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 entities 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 delivered 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 entities 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.

Further disclosures

The changes in the scope of consolidation are as follows:

	Full consolidation	Proportionate consolidation	Equity consolidation
30.09.2019	49	2	11
Inclusion for the first time	2	–	–
New company formation	1	–	–
Merged or liquidated in the reporting year	-3	–	–
30.09.2020	49	2	11

Energy Segment

Energie AG Oberösterreich Businesskunden GmbH (share 100%) was formed on 26 February 2020 and is fully consolidated in the Consolidated Financial Statements. The key account sales of ENAMO GmbH was transferred to this entity and ENAMO GmbH was subsequently liquidated.

Additionally, the operational unit "stromdiskont.at" of ENAMO Ökostrom GmbH was spun off to Energie AG Oberösterreich Vertrieb GmbH.

Czech Republic Segment

In the Czech Republic Segment, Městské tepelné hospodářství Kolín, spol. s r.o. was merged with VODOS s.r.o. and changed the company name to Energie AG Kolin a.s. VODOSPOL s.r.o. was further merged with CEVAK a.s. The water supply and wastewater disposal company VAK Zápy s.r.o. (100%, Zápy, Czech Republic) was fully consolidated in the Consolidated Financial Statements from 30 September 2020.

Holding & Services Segment

Beginning on 30 November 2019, Wertstatt 8 GmbH was fully consolidated in the Consolidated Financial Statements. The company's activities encompass digital solutions and the development of innovative business models in the field of energy and environmental services.

The implications of the adjustment of the consolidation scope for the Consolidated Financial Statements are insignificant.

In the 2018/2019 fiscal year, the Group (Energy Segment) purchased the remaining 35% interest stake in ENAMO GmbH in addition to the 65% equity interest held previously (acquisition date: 1 April 2019). The acquisition resulted in the Group holding 100% of the shares in ENAMO GmbH as well as, indirectly via ENAMO GmbH, 100% of the shares in ENAMO Ökostrom GmbH. The acquisition also delivered the Group control over Energie AG Oberösterreich Vertrieb GmbH & Co KG. Gaining control over the mentioned entities constituted 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. The result from the remeasurement of the previously held equity interests' fair value amounted to EUR 48.2 million and was recognised in the other operating revenues.

Joint ventures

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

	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	30.09.2020 EUR mill.	30.09.2019 EUR mill.	30.09.2020 EUR mill.	30.09.2019 EUR mill.	30.09.2020 EUR mill.	30.09.2019 EUR mill.
Non-current assets	–	–	–	–	84.2	86.4
Current assets	–	–	–	–	26.5	27.7
	–	–	–	–	110.7	114.1
Equity	–	–	–	–	28.8	25.8
Non-current liabilities	–	–	–	–	76.2	79.1
Current liabilities	–	–	–	–	5.7	9.2
	–	–	–	–	110.7	114.1
Cash and cash equivalents	–	–	–	–	5.6	5.7
Non-current financial liabilities	–	–	–	–	62.7	60.7

	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	2019/2020 EUR mill.	01.10.2018- 31.03.2019 EUR mill.	2019/2020 EUR mill.	01.10.2018- 31.03.2019 EUR mill.	2019/2020 EUR mill.	2018/2019 EUR mill.
Sales revenues	–	131.4	–	113.2	49.3	66.5
Depreciation, amortisation and impairments	–	–	–	–	-5.6	-5.6
Interest income	–	–	–	–	0.1	0.1
Interest expense	–	-0.1	–	–	-1.7	-1.4
Taxes	–	1.4	–	-0.1	-0.9	-1.6
Earnings after taxes	–	17.6	–	0.8	3.5	2.5
	–	–	–	–	–	–
Share in net assets as of 01.10.	–	101.5	–	11.4	7.3	6.3
Profit for the period	–	17.6	–	0.5	1.8	1.4
Dividends	–	-43.0	–	-6.1	-0.2	-0.4
Disposals	–	-76.1	–	-5.8	–	–
Share in net assets as of 30.09.	–	–	–	–	8.9	7.3
Goodwill	–	–	–	–	4.2	4.2
Carrying amount 30.09.	–	–	–	–	13.1	11.5

Associated companies

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

	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH		Other associated companies	
	30.09.2020 EUR mill.	30.09.2019 EUR mill.	30.09.2020 EUR mill.	30.09.2019 EUR mill.	30.09.2020 EUR mill.	30.09.2019 EUR mill.
Non-current assets	1,411.5	1,342.4	107.8	79.5	6.2	7.1
Current assets	99.7	139.9	15.7	16.6	2.1	2.2
	1,511.2	1,482.3	123.5	96.1	8.3	9.3
Equity	563.7	544.2	24.5	23.8	5.3	5.4
Non-current liabilities	672.9	670.2	32.5	26.4	2.1	2.6
Current liabilities	274.6	267.9	66.5	45.9	0.9	1.3
	1,511.2	1,482.3	123.5	96.1	8.3	9.3

	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH		Other associated companies	
	2019/2020 EUR mill.	2018/2019 EUR mill.	2019/2020 EUR mill.	2018/2019 EUR mill.	2019/2020 EUR mill.	2018/2019 EUR mill.
Sales revenues	1,404.0	1,553.7	99.8	95.0	5.0	3.6
Earnings after taxes	45.3	46.6	1.8	0.6	0.9	0.2
Dividends	-6.8	-7.2	-0.3	-0.4	-0.4	-0.3
Share in net assets as of 01.10.	142.2	139.0	11.5	11.6	2.2	2.2
Inclusion for the first time	–	–	–	–	–	–
Profit for the period	11.8	10.4	0.9	0.3	0.4	0.3
Impairment	–	–	–	–	–	–
Dividends	-6.8	-7.2	-0.3	-0.4	-0.4	-0.3
Share in net assets as of 30.09.	147.2	142.2	12.1	11.5	2.2	2.2
Goodwill	19.7	19.7	17.7	17.7	–	–
Carrying amount 30.09.	166.9	161.9	29.8	29.2	2.2	2.2

3.2. Group companies

	Domicile	Interest held in % (prev. year)	Consoli- dation (prev. year)
Austria			
Energie AG Oberösterreich	Linz	Parent company	
Energie AG Group Treasury GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Businesskunden GmbH	Linz	100.00 (-)	FC (-)
Energie AG Oberösterreich Business Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Bohemia GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Customer Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Erzeugung GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kommunalservice GmbH	Hörsching	100.00 (100.00)	FC (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 Renewable Power GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-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)
Energie AG Oberösterreich Trading 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)
Energie AG Oberösterreich Vertrieb GmbH	Linz	100.00 (100.00)	FC (FC)
Energie-Contracting Steyr GmbH	Steyr	100.00 (100.00)	FC (FC)
Abfall-Aufbereitungs-GmbH	Hörsching	100.00 (100.00)	FC (FC)
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100.00 (100.00)	FC (FC)
Cogeneration-Kraftwerke Management Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
ENAMO GmbH	Linz	- (100.00)	- (FC)
ENAMO Ökostrom GmbH	Linz	100.00 (100.00)	FC (FC)
IfEA Institut für Energieausweis GmbH	Linz	100.00 (100.00)	FC (FC)
Netz Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
Wertstatt 8 GmbH	Linz	100.00 (100.00)	FC (UC)
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)
Ennskraftwerke Aktiengesellschaft	Steyr	50.00 (50.00)	JO (JO)
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50.00 (50.00)	JO (JO)
"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)
Energie Ried Wärme GmbH	Ried im Innkreis	40.00 (40.00)	JV (JV)

	Domicile	Interest held in % (prev. year)	Consoli- dation (prev. year)
Wels Strom GmbH	Wels	49.00 (49.00)	AC (AC)
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40.00 (40.00)	AC (AC)
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg	26.13 (26.13)	AC (AC)
mieX GmbH	Peilstein	100.00 (100.00)	UC (UC)
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung	Linz	100.00 (100.00)	UC (UC)
Energy IT Service GmbH	Linz	66.67 (66.67)	UC (UC)
BBI Breitbandinfrastruktur GmbH	Linz	55.00 (55.00)	UC (UC)
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50.00 (50.00)	UC (UC)
WDL Infrastruktur GmbH	Linz	49.00 (49.00)	UC (UC)
OÖ Science-Center Wels Errichtungs-GmbH	Wels	50.00 (50.00)	UC (UC)
GRB Geothermie Ried Bohrung GmbH	Ried im Innkreis	40.00 (40.00)	UC (UC)
Recycling Innsbruck GmbH	Innsbruck	25.00 (25.00)	UC (UC)
ELG Liegenschaftsverwertung GmbH	Wallern	20.00 (20.00)	UC (UC)
Czech Republic			
ČEVAK a.s.	České Budějovice	100.00 (100.00)	FC (FC)
ENERGIE AG BOHEMIA s.r.o.	Praha	100.00 (100.00)	FC (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)
Městské tepelné hospodářství Kolín, spol. s r.o.	Kolín	- (95.00)	- (FC)
Tepelne zasobovani Rakovník spol. s.r.o.	Rakovník	100.00 (100.00)	FC (FC)
VAK Zápy s.r.o.	Zápy	100.00 (-)	FC (-)
VHOS a.s.	Moravská Třebová	100.00 (100.00)	FC (FC)
Vodáreská společnost Beroun s.r.o.	Beroun	100.00 (100.00)	FC (FC)
VODOSPOL s.r.o.	Klatovy	- (100.00)	- (FC)
VODOS Velkoobchod s.r.o.	České Budějovice	100.00 (100.00)	FC (FC)
Energie AG Kolin a.s. (previously: VODOS s.r.o.)	Kolín	97.30 (100.00)	FC (FC)
Vodáreská společnost Chrudim a.s.	Chrudim	95.00 (95.00)	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	59.22 (59.20)	FC (FC)
1. Jihočeská vodohospodářská spol. s r.o.	České Budějovice	100.00 (100.00)	UC (UC)
DÉMOS, spol. s r.o.	Ústí nad Orlicí	100.00 (100.00)	UC (UC)
DÉMOS - správa, s.r.o.	Ústí nad Orlicí	100.00 (100.00)	UC (UC)
Vodovod Radyně a.s.	České Budějovice	100.00 (-)	UC (-)
Italy			
ECOFE S.R.L.	Meran	100.00 (100.00)	FC (FC)

	Domicile	Interest held in % (prev. year)	Consoli- dation (prev. year)
Energie AG Südtirol Umwelt Service GmbH	Neumarkt	100.00 (100.00)	FC (FC)
Salvatonica Energia S.R.L.	Meran	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)	AC (AC)
Poland			
Finadvice Fair Energy Wind Development sp.zo.o.	Warszawa	100.00 (100.00)	UC (UC)
Finadvice Fair Energy Wind Development 5 Sp. z o.o.	Warszawa	100.00 (100.00)	UC (UC)
Hungary			
Energie AG Heves Régió Környezetvédelmi és Hulladékgazdálkodási Korlátolt Felelősségű Társaság	Hejőpapi	100.00 (100.00)	FC (FC)

FC fully consolidated entities

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 entities 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 through profit or loss 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. COVID-19 pandemic

The implications of the COVID-19 pandemic include lower prices on the energy markets, an expected decline in future energy supplies, and a higher planning uncertainty for the Consolidated Financial Statements as of 30 September 2020. A gradual reversal of restrictions and first signs of economic recovery are expected in fiscal year 2020/2021. The economic environment is expected to return to normal over the two following years. The Group has maintained a solid assets, liabilities and financial position even in the currently difficult market environment. The Financial Statements were prepared on the basis of an assumed going concern. Other than the effects explained in section 16.2, the COVID-19 pandemic did not entail any other indicators for impairments of cash generating units.

In the Energy Segment, electricity volumes for supply contracts were procured in advance. Because hedged items were no longer current, the corresponding value of the derivative financial instruments of EUR 1.0 million previously recognised as equity was transferred to the Statement of Income.

Falling market prices resulted in the formation of a provision for impending losses from pending sales transactions for electricity supplies in an amount of EUR 1.8 million.

The COVID-19 pandemic triggered an adjustment of expected credit losses for trade receivables, which caused the corresponding impairments to increase by EUR 0.7 million.

5.2. 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 personnel provisions 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 personnel provisions 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 5.5. › page 0 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 impairment of the cash generating unit "electricity grid" in the previous year (see section 16.2) was accompanied by a reappraisal.

The useful lives were adjusted to match the regulatory useful lives. The amount of scheduled depreciation on the electricity grid is EUR 57.7 million (previous year: EUR 55.5 million).

In the 2018/2019 fiscal year, 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. > page 111). 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	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Goodwill	86,217.2	86,185.7
Property, plant and equipment	1,980,631.5	1,881,853.8
Investments	240,570.4	228,088.3
Non-current provisions	290,470.2	308,093.1
Current provisions	20,684.1	22,244.5

5.3. 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.

5.4. 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

5.5 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 expectations for future earnings and 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. In the Czech Republic Segment, the cash generating unit CEVAK a.s. corresponds to the entity.

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.

5.5.1. Planning assumption for Sales

The planning of the cash generating unit Sales is broken down into the sectors 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.

The Group's internal inflation rate was used to extrapolate the future external costs. Please consult section 5.1 with regard to the implications of the COVID-19 pandemic.

5.5.2. 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 key account customers, single-customer planning based on contractual parameters was also used. For waste and recycling materials, 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 management systems based on expected market developments. The expected throughput is 310,000 tonnes for the Wels waste incineration plant and 300,000 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.

5.5.3. 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 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.

5.6. 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.

5.7. Investments

The measurement of investments in companies accounted for using 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. The movements in equity are recognised through profit or loss or in the other comprehensive income.

5.8. 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.

5.9. Emission allowances

The CO₂ emission 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 Statement of Income. 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.

Emission allowances purchased on the market are recognised under current receivables. Fluctuations in fair value are recognised in the Statement of Income. 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.

5.10. Fixed term deposits and short-term investments

The 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)". This item also recognises investments in money market funds that are allocated to the category "Financial Assets at Fair Value through Profit or Loss (FVPL)".

5.11. 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)".

5.12. 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. Measurement of the financial instruments is done at the time of acquisition, always at fair value under consideration of the transaction costs (except for the financial instruments of the FVPL category). 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.

5.12.1. Primary financial instruments

Energie AG Group used the categories "Financial Assets at Amortized 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 Amortized Cost (FLAC)" and "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)". The initial recognition is measured at fair value plus transaction costs, subsequent measurement is made at amortised costs.

An impairment in the amount of the expected credit loss over the term is recognised for financial assets measured at amortised costs (AC) whose default risk has significantly increased since their first-time recognition, as well as for trade receivables. An allowance for accounts receivable is, differently to what was explained above, recognised in the amount of the expected credit losses over the full term. 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, other financial receivables, fixed term deposits as well as cash and cash equivalents.

For certain financial investments in equity instruments that would otherwise be measured at their fair value through profit or loss, the irrevocable choice was made to recognise the changes to the fair value resulting from their remeasurement in the other comprehensive income ("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 without a hedging relationship 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 leases, trade payables, liabilities to affiliated companies, joint arrangements as well as associated companies and other financial liabilities are allocated to the category "Financial Liabilities at Cost (FLAC)" and measured at amortised costs calculated on the basis of 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.

5.12.2. 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 IFRS 9 specifically include documentation of the hedging relationship, the hedging strategy and the ongoing assessment of effectiveness. 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 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 Statement of Income 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 Statement of Income. The ineffective portion of the change in fair value of a hedging instrument for which a cash flow hedge has been created is recognised through profit or loss 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. The balanced net results from derivative energy 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 IFRS 9, but rather as executory contracts according to the regulations of IAS 37.

5.13. 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 through profit or loss for anniversary bonus, stepped pension and early retirement provisions. Interest costs are recognised in the financial result.

5.14. 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.

5.15. Deferred taxes

Deferred tax liabilities are recognised for all temporary differences between the amounts recognised in the Consolidated Statement of Financial Position 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.

5.16. Construction cost subsidies

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

5.17. Investment subsidies

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

5.18. Contingent liabilities

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

5.19. Foreign currency translations

Foreign currency translation is carried out according to the functional currency principle. The functional currency for all consolidated entities is the respective national currency. Accordingly, items of the statement of financial position are translated at the mean exchange rate on the reporting date, and items of the statement of income 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 item “non-controlling interest in equity”. The exchange rate applied on 30 September 2020 for the Czech koruna was 27.13995 (previous year: 25.7810), for the Hungarian forint 364.4955 (previous year: 334.6705), for the US dollar 1.17247 (previous year: 1.09091). Translation differences from long-term intra-Group corporate loans for which repayment is neither planned nor likely are recognised outside profit or loss in translation differences.

5.20. 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 monthly volume metering takes place, the customers usually pay monthly instalments.

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 at the time of the transfer to the customer.

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. Payment terms in the Waste Management Segment are usually one month from the invoice date.

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

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Energy Segment		
Revenues from electricity sales	777,479.7	759,424.3
Revenues from natural gas sales	238,798.4	228,371.4
Revenues from district heat sales	36,244.1	39,127.0
Others	29,378.4	26,350.2
	1,081,900.6	1,053,272.9
Grid Segment		
Revenues from the electricity and gas grids	320,853.6	311,262.8
Revenues from the reversal of construction cost subsidies	25,898.6	25,709.5
Others	4,882.7	4,060.1
	351,634.9	341,032.4
Waste Management Segment		
Revenues from the collection of waste	96,804.7	92,667.7
Revenues from the recycling of waste	80,806.8	79,117.4
Revenues from the processing of waste	36,711.5	44,893.6
Others	9,759.1	10,380.4
	224,082.1	227,059.1
Czech Republic Segment		
Revenues from water deliveries	67,705.2	65,978.7
Revenues from waste water intake	59,078.7	59,159.6
Revenues from district heat sales	12,650.1	13,211.7
Others	20,924.0	21,646.0
	160,358.0	159,996.0
Holding & Services Segment	25,731.9	32,087.9
Sales revenues	1,843,707.5	1,813,448.3
Procurement costs for electricity and gas trading	-59,563.4	-97,992.0
Net sales revenues	1,784,144.1	1,715,456.3

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 net 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, including lease 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 Bioenergie Steyr GmbH, Fernwärme Steyr GmbH, Windpower EP GmbH, Geothermie-Wärmegesellschaft Braunau-Simbach mbH, Geothermie-Fördergesellschaft Simbach-Braunau mbH and Energie Wärme Ried GmbH, all measured at equity, 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

The Czech Republic Segment primarily includes supplying drinking water, as well as waste water management and the heat activities in the Czech Republic.

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:

	Energy EUR mill.	Grid EUR mill.	Waste Manage- ment EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Reconcili- ation/ eli- mi- nation EUR mill.	Group EUR mill.
2019/2020							
Sales to third parties	1,081.9	351.6	224.1	160.4	25.7		1,843.7
Intersegment sales	5.9	15.0	8.6	0.1	234.2	-263.8	–
Total sales	1,087.8	366.6	232.7	160.5	259.9	-263.8	1,843.7
Results from investments in equity companies	1.7	–	0.3	–	12.7	–	14.7
Depreciation, amortisation and impairments	-37.6	-72.9	-21.6	-6.9	-33.6	–	-172.6
Thereof impairments	-10.9	–	-2.4	–	-1.0	–	-14.3
Operating result	59.5	36.9	27.1	9.8	14.4	–	147.7
Carrying amount of investments in equity companies	10.9	–	4.3	–	196.8	–	212.0
Goodwill	21.1	–	45.3	19.7	0.1	–	86.2
Investments in intangible assets and property, plant and equipment	22.0	94.6	16.1	9.5	55.0	–	197.2
Capital employed	604.9	679.1	207.5	85.8	204.7	–	1,782.0

	EUR mill.
Capital employed	1,782.0
Assets not used in the service production and sales process	432.1
Non-interest bearing liabilities, provisions	865.6
Balance sheet total	3,079.7

The segment information 2018/19 broken down by business unit presents as follows:

2018/2019	Energy EUR mill.	Grid EUR mill.	Waste Manage- ment EUR mill.	Water EUR mill.	Holding & Services EUR mill.	Reconcili- ation/ elimina- tion 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
Balance sheet total	2,975.4

Reversals of impairments amounting to EUR 0.0 million (previous year: EUR 7.9 million) were recognised for the Energy Segment. The income from the reversal of construction cost subsidies attributable to the Grid Segment amounted to EUR 25.9 million (previous year: EUR 25.7 million). Non-cash items in connection with derivatives in the amount of EUR 27.2 million (previous year: EUR -2.5 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, Hungary, Poland) are combined in the geographical segment "Other countries".

2019/2020	Austria EUR mill.	Czech Republic EUR mill.	Other countries EUR mill.	Group EUR mill.
Sales to third parties	1,672.2	160.6	10.9	1,843.7
Capital employed	1,679.2	86.4	16.4	1,782.0

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

8. Other operating revenues

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Result from remeasurement at fair value (successive acquisition)	–	48,247.9
Revenues from the disposal of intangible assets and property, plant and equipment	5,003.6	7,703.4
Reversals of impairment	–	7,921.8
Capitalised production costs	547.0	616.4
Rental and lease income	2,753.5	3,859.2
Revenues from the reversal of investment subsidies	3,585.0	2,746.8
Revenues from CO ₂ emissions allowances	13,355.2	3,430.9
Insurance income	16,145.7	533.2
Other revenues	6,328.1	6,187.7
	47,718.1	81,247.3

9. Expenses for material and other purchased services

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Electricity purchased from third parties	557,716.1	535,659.2
Grid purchases	92,463.0	94,717.8
Fuel purchase	48,388.4	41,451.2
Other purchased goods	326,771.4	355,021.4
Expenses for purchased services	136,429.3	138,279.1
	1,161,768.2	1,165,128.7
Procurement costs for proprietary electricity and gas trading	-59,563.4	-97,992.0
	1,102,204.8	1,067,136.7

10. Personnel expenses

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Wages and salaries	227,778.0	225,076.6
Severance payments and contributions to company pension funds	5,755.9	5,459.9
Pension payments	6,559.8	10,048.8
Expenses for statutory social security contributions and payroll-related levies and statutory contributions	58,118.9	56,483.6
Other benefit expenses	2,603.2	3,097.6
	300,815.8	300,166.5

The expenses for defined contribution plans amounted to EUR 7,005.3 thousand (previous year: EUR 6,881.7 thousand). Expenses for severance payments of EUR 9.0 thousand (previous year: EUR 13.2 thousand), as well as expenses for pension payments of EUR 207.1 thousand (previous year: EUR 310.6 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:

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Management Board	823.6	808.5
Former Management Board and their survivors	691.6	747.2
Supervisory Board	92.4	90.1
	1,607.6	1,645.8

The average number of employees in this fiscal year amounts to 4,560 (previous year: 4,506). Part-time employees are included on a proportional basis.

11. Depreciation, amortisation and impairments

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Depreciation and amortisation	158,317.0	145,976.8
Impairments	14,311.6	193,325.7
Reversal of construction cost subsidies	—	-83,123.6
	14,311.6	110,202.1
	172,628.6	256,178.9

12. Other operating expenses

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Taxes	8,281.3	8,084.9
External services	49,175.3	54,193.6
Travel expenses	8,091.5	8,977.5
Insurance premiums	5,993.3	5,570.4
Postage and telecommunication	5,613.0	5,843.0
Rental and leasing expenses	3,561.0	8,035.6
Impairment of receivables	970.7	495.1
Allocation of allowances and expected losses to receivables	1,169.5	840.4
Vehicle expense	16,911.2	18,997.5
Losses from the disposal of intangible assets and property, plant and equipment	2,526.1	4,183.2
Repairs	30,133.8	25,354.3
Other expenses	32,848.2	33,520.1
	165,274.9	174,095.6

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 entities of the Energie AG Oberösterreich Group amount to EUR 687.3 thousand (previous year: EUR 657.9 thousand). In addition, the Group auditor provided other consulting services for the Energie AG Oberösterreich Group totalling EUR 132.3 thousand (previous year: EUR 153.5 thousand).

13. Interest income

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Financing expenses		
Interest and similar expenses	-18,951.6	-16,099.0
Interest expense on provisions for pensions	-2,401.8	-4,341.7
Interest expense on lease liabilities	-533.9	–
Foreign exchange losses	-859.3	-746.7
	-22,746.6	-21,187.4
Other interest income		
Interest and similar revenues	956.1	776.9
Foreign exchange gains	1.9	5.9
Measurement of interest rate derivatives	–	10.6
	958.0	793.4
	-21,788.6	-20,394.0

14. Other financial result

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Result from investments		
Non-consolidated affiliated companies	124.3	124.3
Revenues from other investments	1,382.5	930.2
	1,506.8	1,054.5
Result from financial investments		
Losses from the measurement of lendings	-11.9	-73.9
Gains from the measurement of lendings	68.0	164.8
Revenues from securities	163.6	749.0
Impairment of securities	-140.8	–
Gains from the measurement of securities	–	1,297.0
Losses from the disposal of securities	-296.6	-31.5
Losses from the measurement of fixed term deposits	-195.9	-21.2
Gains from the measurement of fixed term deposits	88.2	147.2
Losses from the measurement of investment funds	-254.2	-294.2
Income from the measurement of investment funds	191.8	105.3
	-387.8	2,042.5
	1,119.0	3,097.0

15. Income taxes

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Current income taxes	27,304.2	32,494.6
Adjustment for deferred taxes	-1,470.5	-34,221.2
	25,833.7	-1,726.6

Expenses for taxes on income are EUR 2,807.6 thousand lower (previous year: EUR 15,012.7 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:

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Earnings before taxes	127,045.0	55,674.6
Imputed tax expenses	31,164.7	13,286.1
Tax effects from		
Tax-free earnings from companies measured at equity and tax-free investment income	-4,069.3	-3,586.9
Remeasurement at the fair value (see item 3.2)	–	-12,062.0
Other items	-1,261.7	636.2
Effective tax income/expenses	25,833.7	-1,726.6
Effective tax rate in %	20.3	-3.1

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	
	2020 EUR 1,000	2019 EUR 1,000	2020 EUR 1,000	2019 EUR 1,000	2020 EUR 1,000	2019 EUR 1,000
Intangible assets	–	–	-22,942.7	-23,389.3	-22,942.7	-23,389.3
Property, plant and equipment	10,148.8	10,258.9	-33,679.2	-35,732.9	-23,530.4	-25,474.0
Financial assets	4,037.3	3,357.5	-6,644.6	-3,936.0	-2,607.3	-578.5
Other non-current assets	–	–	-1,550.4	-1,099.6	-1,550.4	-1,099.6
Provisions	37,172.9	37,726.2	-3,354.8	-2,090.5	33,818.1	35,635.7
Untaxed reserves	–	–	-14,674.5	-15,259.6	-14,674.5	-15,259.6
Construction cost subsidies	2,232.4	2,050.3	-2,364.4	-2,584.8	-132.0	-534.5
Other non-current liabilities	4,555.3	4,515.1	–	–	4,555.3	4,515.1
Hedge accounting	5,312.2	-427.7	–	–	5,312.2	-427.7
Leasing	17,244.8	–	-17,149.7	–	95.1	–
Outstanding write-downs to fair value	360.1	1,631.4	–	–	360.1	1,631.4
Other	7,940.1	4,230.1	-5,697.9	-3,267.1	2,242.2	963.0
Deferred tax assets/liabilities before offsetting	89,003.9	63,341.8	-108,058.2	-87,359.8	-19,054.3	-24,018.0

	Balance 30.09.2020 EUR 1,000	Change in the scope of consoli- dation EUR 1,000	Exchange differences EUR 1,000	Recognised in equity EUR 1,000	Recognised in profit or loss EUR 1,000	Balance 01.10.2019 EUR 1,000
Intangible assets	-22,942.7	-201.8	57.9	–	590.5	-23,389.3
Property, plant and equipment	-23,530.4	–	219.1	–	1,724.5	-25,474.0
Financial assets	-2,607.3	–	–	-1,290.4	-738.4	-578.5
Other non-current assets	-1,550.4	–	–	–	-450.8	-1,099.6
Provisions	33,818.1	–	-37.3	-890.4	-889.9	35,635.7
Untaxed reserves	-14,674.5	–	–	–	585.1	-15,259.6
Construction cost subsidies	-132.0	–	-5.1	–	407.6	-534.5
Other non-current liabilities	4,555.3	–	–	–	40.2	4,515.1
Hedge accounting	5,312.2	–	–	5,611.8	128.1	-427.7
Leasing	95.1	–	–	–	95.1	–
Outstanding write-downs to fair value	360.1	–	–	–	-1,271.3	1,631.4
Other	2,242.2	24.8	4.6	–	1,249.8	963.0
	-19,054.3	-177.0	239.2	3,431.0	1,470.5	-24,018.0

	Balance 30.09.2019 EUR 1,000	Change in the scope of consoli- dation 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

No deferred tax liabilities were recognised for temporary differences of EUR 505,607.9 thousand (previous year: EUR 486,741.8 thousand) in connection with fully consolidated subsidiaries, joint ventures and associated companies.

Deferred taxes in the amount of EUR -1,290.4 thousand (previous year: EUR -1,340.8 thousand) pertain to changes in value of investments and securities FVOCI recognised outside of profit or loss; deferred taxes in the amount of EUR 5,611.8 thousand (previous year: EUR 11,417.9 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

2019/2020	Electricity procure- ment rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construc- tion EUR 1,000	Total EUR 1,000
Costs						
01.10.2019	249,681.9	117,190.3	97,208.6	84,959.0	58.1	549,097.9
Change in the scope of consolidation	–	2.8	1,111.9	1,163.5	–	2,278.2
Translation differences	–	-211.6	-1,080.4	-1,260.5	-6.4	-2,558.9
Additions	2,589.4	4,473.4	–	–	231.7	7,294.5
Disposals	-321.1	-5,010.5	–	–	–	-5,331.6
Transfers	–	127.0	–	–	-127.0	–
30.09.2020	251,950.2	116,571.4	97,240.1	84,862.0	156.4	550,780.1
Accumulated amortisation and impairment						
01.10.2019	168,778.6	91,090.0	11,022.9	33,103.9	–	303,995.4
Translation differences	–	-192.8	–	-777.2	–	-970.0
Amortisation	1,170.0	4,333.5	–	4,557.6	–	10,061.1
Impairment	–	7,046.0	–	–	–	7,046.0
Disposals	-13.4	-4,915.0	–	–	–	-4,928.4
Transfers	–	–	–	–	–	–
30.09.2020	169,935.2	97,361.7	11,022.9	36,884.3	–	315,204.1
Carrying amount 01.10.2019	80,903.3	26,100.3	86,185.7	51,855.1	58.1	245,102.5
Carrying amount 30.09.2020	82,015.0	19,209.7	86,217.2	47,977.7	156.4	235,576.0

	Electricity procure- ment rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construc- tion EUR 1,000	Total EUR 1,000
2018/2019						
Costs						
01.10.2018	248,356.9	115,598.2	77,086.3	43,251.4	82.9	484,375.7
Change in the 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

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
2019/2020					
Costs					
01.10.2019	1,073,147.0	3,982,602.5	216,353.9	84,116.4	5,356,219.8
Right of use asset from the initial application of IFRS 16	71,374.2	837.2	1,537.8	–	73,749.2
01.10.2019 restated	1,144,521.2	3,983,439.7	217,891.7	84,116.4	5,429,969.0
Change in the scope of consolidation	411.2	7.3	40.9	29.3	488.7
Translation differences	-4,413.3	-2,372.3	-785.3	-271.8	-7,842.7
Additions	10,544.2	103,502.2	14,290.8	61,615.1	189,952.3
Disposals	-4,645.5	-19,644.5	-7,031.0	-293.3	-31,614.3
Transfers	20,967.6	32,870.5	3,029.9	-56,868.0	–
30.09.2020	1,167,385.4	4,097,802.9	227,437.0	88,327.7	5,580,953.0
Accumulated depreciation and impairment					
01.10.2019	631,239.3	2,660,405.2	178,444.4	4,277.1	3,474,366.0
Change in the scope of consolidation	–	–	–	–	–
Translation differences	-1,997.8	-1,562.8	-571.2	5.3	-4,126.5
Depreciation	21,474.4	113,607.7	13,173.8	–	148,255.9
Impairment	1,807.0	5,458.6	–	–	7,265.6
Disposals	-2,134.8	-16,618.5	-6,686.2	–	-25,439.5
Transfers	9.9	287.6	–	-297.5	–
30.09.2020	650,398.0	2,761,577.8	184,360.8	3,984.9	3,600,321.5
Carrying amount 01.10.2019	441,907.7	1,322,197.3	37,909.5	79,839.3	1,881,853.8
Carrying amount 30.09.2020	516,987.4	1,336,225.1	43,076.2	84,342.8	1,980,631.5

	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 the 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 the 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
Reversals of impairment	–	-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

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	
	30.09.2020 EUR mill.	30.09.2019 EUR mill.	30.09.2020 %	30.09.2019 %
Energy Segment				
Sales	20.7	20.7	4.5	4.8
Other	0.4	0.4	4.5	4.8
	21.1	21.1		
Waste Management Segment				
Waste Management Austria	43.1	43.1	4.9	4.9
Other	2.2	2.2	5.8	5.9
	45.3	45.3		
Czech Republic Segment (previously: Water Segment)				
CEVAK a.s.	14.3	15.1	4.3	3.9
Other	5.4	4.6	4,3-4,9	3,9-5,2
	19.7	19.7		
Other	0.1	0.1	–	–
	86.2	86.2		

The recoverable amount attributable to the cash generating unit “Sales” exceeds the carrying amount by EUR 122.2 million (previous year: EUR 259.1 million). In the event of a decrease in future cash flows by 51.2% (previous year: 68.5%), or an increase in the interest rate by 2.7% (previous year: 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 26.3 million (previous year: EUR 70.0 million), while the recoverable amount of CEVAK a.s. exceeds the carrying amount by EUR 123.4 million (previous year: EUR 143.7 million). In the event of a decrease in future cash flows by 11.8% (previous year: 27.1%), or an increase in the interest rate by 0.5% (previous year: 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 CCGT 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 1,423 GWh per year (previous year: 1,729 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 47.24 to EUR 70.04/

MWh (previous year: EUR 49.13 to EUR 78.22/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 4.5% (previous year: 4.8%). The planning horizon ends in the 2037/38 fiscal year. Due to subdued market expectations in particular, an impairment of EUR 1.8 million (previous year: reversal of impairment of EUR 7.9 million) was recognised. The recoverable amount determined using the DCF method corresponds to the value in use in the amount of EUR 45.8 million (previous year: EUR 51.5 million). Fluctuations in cash flows of 20% resulted in a change of EUR 9.2 million in the recoverable amount. An increase in the interest rate by 0.5% results in a reduction of the recoverable amount by EUR 2.0 million.

7Fields gas reservoir

Additionally, an impairment of EUR 7.0 million was recognised for the cash generating unit "7Fields gas reservoir". The impairment was based on a new assessment of the future long-term gas prices on the trading market during the summer and winter months ("summer-winter spread"), as well as the possible utilisation of the gas reservoir over the long term. A discount rate of 5.0% was applied (30 September 2019: 5.3%). The recoverable amount (value in use) is EUR 0.0 million.

Waste Management Segment

Due to a fire in a waste sorting plant, an impairment of EUR 1.8 million was recognised in the item property, plant and equipment and a further impairment of EUR 0.6 million was recognised for plant and machinery.

Price-regulated heat sales

Moreover, the impairment of the "Price-Regulated Heat Sales" cash-generating unit (Energy Segment) was tested. This unit includes the thermal plants Timelkam/Vöcklabruck, Riedersbach and Kirchdorf, for which the sales prices are jointly set by a price authority. Future revenues are 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 support this assumption. Using a discount rate of 4.5%, the recoverable amount (value in use) was assessed at EUR 6.2 million. The impairment amounts to EUR 2.1 million.

Impairment in the previous year: 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 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).¹³⁾ 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 tested for 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 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.

16.3. Other disclosures

Research costs in the amount of EUR 4.1 million (previous year: EUR 4.5 million) were recognised as expenses.

In the 2019/2020 fiscal year, interest on borrowed capital in the amount of EUR 567.3 thousand (previous year: EUR 2,593.3 thousand) was capitalised. The applied interest rate was 4.1%.

Additions to assets under construction led to outflows of payment instruments in the amount of EUR 52,280.6 thousand (previous year: EUR 40,337.8 thousand). Obligations for the acquisition of property, plant and equipment amount to EUR 32,011.2 thousand (previous year: EUR 47,002.1 thousand).

13) 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.

17. Investments

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Shares in affiliated companies	1,480.5	2,094.5
Shares in companies consolidated at equity	211,982.1	204,780.3
Other investments	27,107.8	21,213.5
	240,570.4	228,088.3

The Cash Flow Statement includes dividends from entities consolidated at-equity in the amount of EUR 7,775.9 thousand (previous year: EUR 57,153.1 thousand).

18. Other financial assets

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Lendings to affiliated companies and companies in which an interest is held	7,063.2	10,817.3
Other lendings	5,432.9	5,559.7
Securities at Fair Value through Other Comprehensive Income	9,181.0	9,243.0
Securities at Fair Value through Profit or Loss	28,964.6	31,019.6
	50,641.7	56,639.6

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

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Primary energy	30,990.1	33,637.6
Raw materials and supplies	16,294.9	15,323.6
Contract assets	2,476.0	7,524.0
Finished goods	908.9	1,269.9
	50,669.9	57,755.1

21. Receivables and other assets

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Trade receivables	256,054.4	254,056.4
Receivables from non-consolidated affiliated companies	532.7	181.8
Receivables from joint arrangements and associated companies	5,299.4	8,583.6
Accruals and deferrals of interest	2,054.8	2,055.0
Fair value of derivatives	18,809.0	12,284.0
Other	64,457.6	71,029.4
	347,207.9	348,190.2

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

22. Cash and cash equivalents

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Cash in hand	134.5	149.7
Cash in bank	46,170.3	29,622.3
	46,304.8	29,772.0

23. Equity

The share capital of Energie AG Oberösterreich consists of 88,655,524 individual share certificates (previous year: 88,729,206), of which 88,600,000 are ordinary shares (previous year: 88,600,000), and 55,524 are preferred shares without voting rights (previous year: 129,206). 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 2007/08 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.

In fiscal year 2019/2020, the share capital was reduced due to the redemption of 73,682 (previous year: 50,449) 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 reserves, IAS 19 reserves, revaluation reserves, and treasury stock reserves, as well as reserves from translation differences.

The reserves under IFRS 9 include changes in the fair value of investments and securities measured "At Fair Value through Other Comprehensive Income" (FVOCI), 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 2020, the cash flow hedge reserve amounts to EUR -20,738.4 thousand (previous year: EUR 1,708.9 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 0.0 thousand (previous year: EUR -4.4 thousand) was recognised as income through profit or loss. Fair value changes in the amount of EUR -36,044.8 thousand (previous year: EUR -38,230.8 thousand) are recognised as other comprehensive income. During the fiscal year, EUR 13,597.5 thousand (previous year: EUR -7,440.4 thousand) were withdrawn from the cash-flow hedge reserve and recognised as an expense through profit or loss. Of this amount, EUR 1,384.9 thousand (previous year: EUR 1,556.7 thousand) were recognised in the financial result while EUR 12,212.6 thousand (previous year: EUR -9,007.1 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. As of 30 September 2020, the OCI reserve amounts to EUR 22,829.7 thousand (previous year: EUR 17,668.0 thousand). Changes in market value of EUR 5,161.7 thousand (previous year: EUR 1,398.6 thousand) were recognised in equity under other comprehensive income.

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 2020, the company held 1,742 treasury shares (previous year: 73,682).

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 reporting date, the equity ratio amounted to 43.6% (previous year: 44.0%). 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 provisions.

24. Financial instruments and financial risk management

24.1. Derivative financial instruments and hedging

The Group's risk management uses derivative financial instruments that predominantly serve the purpose of hedging price and interest rate risks. The accounting of these derivative financial instrument applies – in as far as hedging transactions are concerned and the criteria are met – the cash hedge flow and fair value accounting methods.

The use of derivative financial instruments in the Group is subject to corresponding authorisation and control procedures. 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 as well as highly probable funding in the future. 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. As their essential parameters concur, a commercial relationship between the hedged item and the hedging transaction can be affirmed. 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 2.62 (previous year: EUR 3.39) in fiscal year 2019/2020. 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 parameters (in particular volume, price and term), or from the high correlation of prices if the hedged item and the hedging transaction have a different price base. 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 emission 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 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 spark-spread risk from Gas- und Dampfkraftwerk Timelkam GmbH (CCGT power plant) and Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ) is to a small extent hedged using electricity, gas and CO₂ emission allowances. The commercial relationship results from almost identical hedging items or transactions (in particular base price, performance, term and price base). In these cases, a dynamic hedging strategy based on defined targets and price developments does frequently result in the termination and redesignation of hedging relationships. 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, highly probable funding in the future 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:

30.09.2020	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, forwards – sales	11,887.5	-12,793.7	GWh	824.3	-906.2
Gas futures, forwards and swaps – procurement	360.5	-2,940.0	GWh	1,313.6	-2,579.5
Gas-oil swaps – procurement	23.1	-358.3	Tonnes	6,000.0	-335.2
Foreign exchange contracts	–	–	USD mill.	0.0	–
CO ₂ futures – sales	16.7	-790.4	Tonnes	250,000.0	-773.7
CO ₂ futures – procurement	610.1	-2.6	Tonnes	128,000.0	607.5
Interest rate swaps	–	-16,286.1	EUR mill.	176.8	-16,286.1
Total	12,897.9	-33,171.1			-20,273.2

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, forwards – sales	22,609.1	-5,712.7	GWh	1,242.2	16,896.4
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			-5,290.1

The positive market values of the derivatives are reported in the other non-current assets or in the item receivables and other assets, while the negative market values are reported in the other non-current and current liabilities.

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

30.09.2020	Unit	2020	2021	2022	2023	> 2023
Electricity futures, forwards – sales						
Nominal amount	GWh	80.7	57.3	223.9	427.3	35.1
Average price hedged	EUR	44.13	42.76	44.82	44.79	48.24
Gas futures, forwards and swaps – procurement						
Nominal amount	GWh	301.8	630.8	221.7	71.4	87.9
Average price hedged	EUR	15.64	15.50	17.92	18.04	15.26
Gas-oil swaps – procurement						
Nominal amount	Tonnes	900.0	2,700.0	1,800.0	600.0	–
Average price hedged	EUR	418.67	339.19	387.29	377.25	–
Foreign exchange contracts						
Nominal amount	USD mill.	–	–	–	–	–
Average price hedged	USD/EUR	–	–	–	–	–
CO ₂ futures – sales CO ₂ emissions allowances						
Nominal amount	Tonnes	250,000.0	–	–	–	–
Average price hedged	EUR	23.83	–	–	–	–
CO ₂ futures – procurement CO ₂ emission allowances						
Nominal amount	Tonnes	128,000.0	–	–	–	–
Average price hedged	EUR	22.18	–	–	–	–
Interest rate swaps						
Nominal amount	EUR mill.	175.4	170.5	167.3	131.6	131.6
Average fixed interest rate	%	3.14	3.17	3.22	4.62	1.33

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.	80.1	75.4	70.5	67.3	31.6
Average fixed interest rate	%	3.12	3.14	3.17	3.22	4.62

The reporting of derivatives is broken down by calendar year.

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

30.09.2020	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, forwards – sales	206.7	-329.8	GWh	26.1	-123.1
Gas futures – sales	–	-201.1	GWh	43.8	-201.1
Total	206.7	-530.9		69.9	-324.2

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:

30.09.2020	Unit	2020	2021	2022	2023	> 2023
Electricity futures, forwards – sales						
Nominal amount	GWh	26.1	–	–	–	–
Average price hedged	EUR	49.29	–	–	–	–
Gas futures – sales						
Nominal amount	GWh	–	–	43.8	–	–
Average price hedged	EUR	–	–	19.18	–	–

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 reporting of energy derivatives is broken down by calendar year.

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 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
30.09.2020	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Future electricity sales	-995.7	17.4	906.2	34.7	-16.1	34.7
Future gas sales	–	–	–	203.9	-20.4	203.9
Future gas purchases	-2,579.5	7.9	2,579.5	–	–	–
Future diesel purchases	-335.2	426.5	335.2	–	–	–
Future sales of CO ₂ emissions allowances	-166.2	–	166.2	–	–	–
Financial liabilities bearing variable interest	-16,286.1	13.4	16,286.1	–	–	–

	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	16,434.3	-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:

	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
2019/2020					
Electricity futures, forwards – sales	-30,326.3	–	–	6,435.0	Expenses for material and other purchased services
Gas futures, forwards and swaps – procurement	-5,514.8	–	–	4,262.9	Expenses for material and other purchased services
Gas-oil futures and swaps – procurement	-1,234.2	–	–	474.6	Other operating expenses
CO ₂ futures – sales	884.7	–	–	–	Sales revenues
CO ₂ futures – procurement	2,185.6	–	–	-389.2	Expenses for material and other purchased services
Foreign exchange contracts	–	–	–	–	–
Interest rate swaps	-2,039.8	–	–	2,814.2	Other operating expenses, financing expenses
Total	-36,044.8	–		13,597.5	

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	Other operating expenses, 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:

30.09.2020	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 145.3 mill.	EUR 144.0 mill.	13,523.6	-13,331.2
Electricity futures	EUR 19.7 mill.	EUR 5.7 mill.	576.0	-865.6
Gas forwards	EUR 7.9 mill.	EUR 4.1 mill.	287.3	-1,984.4
Gas futures	EUR 2.7 mill.	EUR 6.2 mill.	163.1	-578.1
CO ₂ forwards	EUR 4.7 mill.	EUR 0.0 mill.	338.3	–
CO ₂ futures	EUR 1.5 mill.	EUR 6.7 mill.	451.0	-255.5

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

24.2. Carrying amounts in accordance with IFRS 9

In accordance with IFRS 9 or IFRS 16/IAS 17, the carrying amounts of financial assets and liabilities are grouped into classes or measurement categories as follows:

	Category acc. to IFRS 9	Carrying amount 30.09.2020 EUR 1,000	Carrying amount 30.09.2019 EUR 1,000
Investments		28,588.3	23,308.0
Shares in affiliated companies	FVOCI	1,480.5	2,094.5
Other investments	FVOCI	27,107.8	21,213.5
Other financial assets		50,641.7	56,639.6
Loans to companies in which an interest is held	AC	7,063.2	10,817.3
Other lendings	AC	5,432.9	5,559.7
Securities FVOCI	FVOCI	9,181.0	9,243.0
Securities FVPL	FVPL	28,964.6	31,019.6
Receivables and other assets (non-current and current) acc. to the Statement of Financial Position		357,727.9	358,345.2
Thereof non-financial assets		28,486.9	38,490.1
Thereof financial assets		329,241.0	319,855.1
Trade receivables	AC	256,209.1	254,399.0
Receivables from affiliated companies	AC	532.7	181.8
Receivables from joint arrangements and associated companies	AC	5,299.4	8,583.6
Derivatives designated as hedging instruments (cash flow hedge)	n/a	7,849.8	7,214.4
Derivatives not designated as hedging instruments	FVPL	14,149.2	6,629.1
Other financial assets	AC	45,200.8	42,847.2
Fixed term deposits and short-term investments	AC	89,776.3	89,903.3
Fixed term deposits and short-term investments	FVPL	20,032.0	20,094.4
Cash and cash equivalents	AC	46,304.8	29,772.0
Total financial assets		564,584.1	539,572.4
Financial liabilities (non-current and current)		597,586.2	455,742.7
Bonds	FLAC	301,548.0	301,846.3
Liabilities to banks	FLAC	9,319.8	32,354.4
Lease liabilities	IFRS 16/IAS 17	113,090.4	46,249.4
Other financial liabilities	FLAC	173,628.0	75,292.6
Trade payables (current)	FLAC	156,644.8	180,763.8
Other liabilities (non-current and current) acc. to the Statement of Financial Position		337,621.2	355,972.0
Thereof non-financial liabilities		254,050.9	276,057.3
Thereof financial liabilities		83,570.3	79,914.7
Liabilities to affiliated companies	FLAC	7,201.1	15,053.4
Liabilities to joint arrangements and associated companies	FLAC	3,551.0	6,156.1
Derivatives designated as hedging instruments (cash flow hedge)	n/a	29,521.1	24,091.9
Derivatives not designated as hedging instruments	FVPL	15,315.6	6,570.0
Other financial liabilities (non-current and current)	FLAC	27,981.5	28,043.3
Total financial liabilities		837,801.3	716,421.2
Carrying amounts grouped to measurement categories according to IFRS 9			
Financial Assets at Amortized Costs (AC)		455,819.2	442,063.9
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		37,769.3	32,551.0
Financial Assets at Fair Value through Profit or Loss (FVPL)		63,145.8	57,743.1
Financial Liabilities at Amortized Cost (FLAC)		679,874.2	639,509.9
Financial Liabilities at Fair Value through Profit or Loss (FVPL)		15,315.6	6,570.0

As of 30 September 2020, the Energie AG Group holds shares in affiliated companies and other investments in the amount of EUR 28,588.3 thousand (previous year: EUR 23,308.0 thousand), as well as securities (stocks) in the amount of EUR 9,181.0 thousand (previous year: EUR 9,243.0 thousand) classified as "Financial Assets Through Other Comprehensive Income (FVOCI)". These investments are held for long-term, strategic purposes. For fiscal year 2019/2020, the dividends distributed for securities amount to EUR 64.6 thousand (previous year: EUR 399.4 thousand). Dividends distributed for investments amount to EUR 1,506.8 thousand (previous year: EUR 1,054.5 thousand).

As was the case in the previous year, no strategic investments were disposed of in the 2019/2020 fiscal year. No accumulated profits or losses were reclassified within equity.

24.3. Offsetting of financial assets and liabilities

The following table shows the effect of netting agreements:

	30.09.2020			30.09.2019		
	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	256,209.1	-18,062.5	238,146.6	254,399.0	-25,379.2	229,019.8
Positive fair value of derivatives	21,999.0	-16,972.2	5,026.8	13,843.5	-7,479.3	6,364.2
Total	278,208.1	-35,034.7	243,173.4	268,242.5	-32,858.5	235,384.0
Financial liabilities						
Trade payables	156,644.8	-18,062.5	138,582.3	180,763.8	-25,379.2	155,384.6
Negative fair value of derivatives	44,836.7	-16,972.2	27,864.5	30,661.9	-7,479.3	23,182.6
Total	201,481.5	-35,034.7	166,446.8	211,425.7	-32,858.5	178,567.2

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 statement of financial position 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 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:

		Measurement at market prices Level 1	Measurement on the basis of inputs observable on the market Level 2	Other measurement methods Level 3	Total fair value
30.09.2020	Carrying amount EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Assets					
Shares in affiliated companies (FVOCI)	1,480.5	–	–	1,480.5	1,480.5
Other investments (FVOCI)	27,107.8	1,020.2	–	26,087.6	27,107.8
Securities (FVOCI)	9,181.0	9,181.0	–	–	9,181.0
Securities (FVPL)	28,964.6	28,964.6	–	–	28,964.6
Derivatives designated as hedging instruments (cash flow hedge)	7,849.8	–	7,849.8	–	7,849.8
Derivatives not designated as hedging instruments (FVPL)	14,149.2	–	14,149.2	–	14,149.2
Fixed term deposits and short-term investments (FVPL)	20,032.0	20,032.0	–	–	20,032.0
Total	108,764.9	59,197.8	21,999.0	27,568.1	108,764.9
Liabilities					
Derivatives designated as hedging instruments (cash flow hedge)	29,521.1	–	29,521.1	–	29,521.1
Derivatives not designated as hedging instruments (FVPL)	15,315.6	–	15,315.6	–	15,315.6
Total	44,836.7	–	44,836.7	–	44,836.7

			Measurement on the basis of inputs observable on the market	Other measurement methods	
	Carrying amount	Measurement at market prices	Level 2	Level 3	Total fair value
30.09.2019	EUR 1,000	Level 1 EUR 1,000	EUR 1,000	EUR 1,000	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:

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Carrying amount as of 01.10.	22,210.9	10,631.6
Initial application IFRS 9	–	4,702.0
Gains (losses) – not recognised in profit or loss	5,300.6	6,877.6
Additions	3,185.3	–
Disposals	-15.7	–
Transfers	-3,155.8	0.7
Currency translation	42.8	-1.0
Carrying amount 30.09.	27,568.1	22,210.9

The impairment reversal of EUR 5,300.6 thousand (previous year: upward revaluation resulting from the initial application of IFRS 9 in the amount of EUR 4,702.0 thousand and the impairment reversal in the amount of EUR 6,877.6 thousand) concerns the largest position in the item 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 4,080.1 thousand (EUR -4,080.1 thousand) (previous year: 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 -1,030.3 thousand (EUR 1,179.2 thousand) (previous year: EUR -786.2 thousand (EUR 900.9 thousand)).

24.4.2. Valuation techniques and inputs 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 have a fixed 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 bear interest at a fixed 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:

	Category acc. to IFRS 9	Carrying amount 30.09.2020 EUR 1,000	Fair value 30.09.2020 EUR 1,000	Carrying amount 30.09.2019 EUR 1,000	Fair value 30.09.2019 EUR 1,000	Level
Assets						
Other financial assets		12,496.1	13,600.0	16,377.0	19,044.9	
Loans to companies in which an interest is held	AC	7,063.2	8,041.0	10,817.3	13,293.9	Level 3
Other lendings	AC	5,432.9	5,559.0	5,559.7	5,751.0	Level 3
Liabilities						
Financial liabilities		484,495.8	547,599.8	409,493.3	496,521.6	
Bonds	FLAC	301,548.0	355,557.0	301,846.3	370,845.0	Level 1
Liabilities to banks	FLAC	9,319.8	9,319.8	32,354.4	33,441.9	Level 3
Other financial liabilities	FLAC	173,628.0	182,723.0	75,292.6	92,234.7	Level 3

The fair values of the Level 3 financial assets and liabilities disclosed 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

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Financial Assets at Amortized Cost	-670.4	288.4
Financial Assets at Fair Value through Other Comprehensive Income	5,226.3	1,798.0
Financial Assets at Fair Value through Profit or Loss	-418.3	1,428.2
Financial Assets/Liabilities at Fair Value through Profit or Loss	175.0	951.7
Financial Liabilities Measured at Amortized Cost	-16,961.4	-16,492.3
Net result	-12,648.8	-12,026.0
Interest income and expenses from financial instruments measured at amortised costs		
Total interest income	707.1	770.7
Total interest expense	-16,961.4	-16,492.3

The net result for the category Financial Assets at Amortized Cost (AC) mainly includes interest income from invested money and lendings and is recognised in the financial result. This item also includes income 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) shows the measurement result for the investments and securities measured outside of profit or loss. Income from investments and dividends from securities are reported in the other financial result.

The net result of the category Financial Assets at Fair Value through Profit or Loss (FVPL) 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 result.

The net result of the category Financial Assets at Fair Value Trading through Profit or Loss (FVPL) and Financial Liabilities at Fair Value Trading through Profit or Loss (FVPL) essentially results from the derivatives used by Energie AG. The measured value of derivative instruments in the Energy Segment is recognised in the operating result.

The net result of the category Financial Liabilities at Amortized 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. Foreign exchange risk

The foreign exchange risks in the 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 75.2 million, HUF 2.7 billion), (previous year: CZK 123.9 million, HUF 2.7 billion, USD 1.9 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 567.2 thousand (previous year: EUR 612.1 thousand) and a reduction in equity by EUR 692.8 thousand (previous year: EUR 1,070.4 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 125.6 thousand (previous year: EUR 458.3 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 693.3 thousand (previous year: EUR 748.2 thousand) and an increase in equity by EUR 846.8 thousand (previous year: EUR 1,402.2 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 153.5 thousand (previous year: EUR 654.0 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:

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Cash in bank	46,304.8	29,772.0
Variable rate lendings	3,652.9	3,976.7
Variable rate loans	-35,937.1	-44,002.5
Variable rate lease liabilities	-82,525.7	-46,249.4
Net risk before hedge accounting	-68,505.1	-56,503.2
Hedge accounting and interest rate derivatives	76,814.6	51,709.3
Net risk after hedge accounting and interest derivatives	8,309.5	-4,793.9

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 increased earnings (after taxes) by EUR 31.2 thousand (previous year: decrease: EUR 18.0 thousand) and an increase in equity in the amount of EUR 5,348.5 thousand (previous year: EUR 1,896.5 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 5,317.3 thousand (previous year: EUR 1,914.5 thousand).

Following the aforementioned assumptions, a decrease in the market interest rate by 50 basis points on the reporting date would result in a reduction of earnings (after taxes) by EUR 31.2 thousand (previous year: increase: EUR 18.0 thousand) and a decrease in equity in the amount of EUR 5,820.3 thousand (previous year: EUR 1,980.0 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 5,789.1 thousand (previous year: EUR 1,998.0 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 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 increase (decrease) in profit (after taxes) by EUR 1,706.5 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 5,804.2 thousand (previous year: EUR 6,699.9 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 4,097.7 thousand (previous year: EUR 6,699.9 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 a decrease (increase) in profit (after taxes) by EUR 353.7 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 3,505.5 thousand (previous year: EUR 8,517.1 thousand). The sensitivity of equity, as well as the sensitivity of earnings (after taxes), were in this case affected by the sensitivity of the gas-price-related cash flow hedge reserve in the amount of EUR 3,859.2 thousand (previous year: EUR 8,517.1 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. The relevant holdings of financial instruments "At Fair Value through Other Comprehensive Income" and "At Fair Value through Profit or Loss" on 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 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 5,512.1 thousand (previous year: EUR 5,750.3 thousand) and in equity in the amount of EUR 6,659.7 thousand (previous year: EUR 6,913.6 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 in the amount of EUR 1,147.6 thousand (previous year: EUR 1,163.3 thousand).

24.6.6. Credit risk

Credit risks arise for the Energie AG Group due to non-fulfilment of contractual arrangements 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 30.09.2020 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)	307,242.0	290,134.1	8,966.5	1,964.7	574.0	815.7	4,787.0
Trade receivables	256,209.1	242,209.6	8,941.1	1,877.6	573.8	771.3	1,835.7
Receivables from affiliated companies	532.7	532.7	–	–	–	–	–
Receivables from joint arrangements and associated companies	5,299.4	5,276.5	22.9	–	–	–	–
Other financial assets	45,200.8	42,115.3	2.5	87.1	0.2	44.4	2,951.3
Total	307,242.0	290,134.1	8,966.5	1,964.7	574.0	815.7	4,787.0

	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

The changes in impairments of financial assets were as follows:

	Balance 01.10.2019 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 30.09.2020 EUR 1,000
Other financial assets	–	–	–	–	–	–	–
Loans to affiliated companies	–	–	–	–	–	–	–
Securities (available for sale)	–	–	–	–	–	–	–
Receivables and other financial assets (non-current and current)	9,315.6	142.6	427.5	-11.9	-765.5	-56.4	9,051.9
Trade receivables	9,232.6	142.4	427.5	-11.9	-765.3	-52.2	8,973.1
Other financial assets	83.0	0.2	–	–	-0.2	-4.2	78.8
Total	9,315.6	142.6	427.5	-11.9	-765.5	-56.4	9,051.9

	Balance 01.10.2018 EUR 1,000	Initial appli- cation 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

The expenses for complete derecognition of receivables amount to EUR 970.7 thousand (previous year: EUR 495.1 thousand). The revenue from the receipt of derecognised receivables amount to EUR 34.0 thousand (previous year: EUR 26.6 thousand). The income from the reversal of impairments in the fiscal year amounts to EUR 338.0 thousand (previous year: impairment losses EUR 191.8 thousand) for financial assets classified as “Financial Assets at Amortized Cost (AC)”.

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 table, 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). The expected credit losses developed as follows:

	01.10.2019 EUR 1,000	Change in scope of consoli- dation EUR 1,000	Additions EUR 1,000	Reversals EUR 1,000	Currency conversion EUR 1,000	Balance 30.09.2020 EUR 1,000
Other financial assets	90.3	-16.5	11.9	-27.9	-0.5	57.3
Loans to companies in which an interest is held	67.1	-16.5	–	-26.6	–	24.0
Other lendings	23.2	–	11.9	-1.3	-0.5	33.3
Receivables and other financial assets (non-current and current)	399.0	–	742.1	-14.7	-3.3	1,123.1
Trade receivables	399.0	–	742.1	-14.7	-3.3	1,123.1
Fixed term deposits and short-term investments	116.2	–	195.7	-88.2	–	223.7
Fixed term deposits	116.2	–	195.7	-88.2	–	223.7
Total	605.5	-16.5	949.7	-130.8	-3.8	1,404.1

	Initial application IFRS 9 EUR 1,000	Change in scope of consoli- dation EUR 1,000	Additions EUR 1,000	Reversals EUR 1,000	Currency conversion 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 an 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 perspective, 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 30.09.2020 EUR 1,000	Cash flows 2020/2021		Cash flows 2021/2022 to 2024/2025		Cash flows from 2025/2026	
		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)	597,586.2	17,301.9	10,769.0	61,032.1	392,765.9	29,216.2	195,621.3
Bonds	301,548.0	13,500.0	0.1	46,125.5	302,336.7	–	–
Liabilities to banks	9,319.8	127.8	2,811.6	468.9	1,975.8	767.4	4,532.4
Lease liabilities	113,090.4	268.4	7,277.7	969.3	55,251.5	1,395.9	50,561.2
Other financial liabilities	173,628.0	3,405.7	679.6	13,468.4	33,201.9	27,052.9	140,527.7
Trade payables (current)	156,644.8	–	156,644.8	–	–	–	–
Other liabilities (non-current and current) acc. to the Statement of Financial Position	337,621.2						
Thereof non-financial liabilities	254,050.9						
Thereof financial liabilities	83,570.3	2,613.0	56,894.3	7,435.4	9,852.4	4,791.1	537.4
Liabilities to affiliated companies	7,201.1	–	7,201.1	–	–	–	–
Liabilities to joint arrangements and associated companies	3,551.0	–	3,551.0	–	–	–	–
Derivatives designated as hedging instruments (cash flow hedge)	29,521.1	2,613.0	10,183.2	7,435.4	3,051.7	4,791.1	–
Derivatives not designated as hedging instruments	15,315.6	–	13,329.2	–	1,986.4	–	–
Other financial liabilities (non-current and current)	27,981.5	–	22,629.8	–	4,814.3	–	537.4
Total	837,801.3	19,914.9	224,308.1	68,467.5	402,618.3	34,007.3	196,158.7

	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
Finance lease liabilities	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 hedge)	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

24.7. Development and terms of the most material financial liabilities

	EUR 1,000	EUR 1,000
Financial liabilities 30.09.2019		
Non-current	428,429.6	
Current	27,313.1	
		455,742.7
Registered bond 2020-2040		100,000.0
Initial application IFRS 16		73,749.3
Principal repayment of bank loans 2010-2020		-12,000.0
Repayment of cash advance		-6,000.0
Other changes in financial liabilities		-13,905.8
Financial liabilities 30.09.2020		
Non-current	586,817.2	
Current	10,769.0	
		597,586.2

The Group issued the following material bonds:

Energie AG Oberösterreich:

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

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

Registered bond 2020-2040, 1.25%, Volume: EUR 100,000,000

25. Non-current provisions

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Provisions for pensions	117,048.8	123,308.6
Provisions for severance payments	95,623.6	99,111.2
Provisions for anniversary bonuses	22,448.2	23,592.6
Provisions for stepped pension and early retirement benefits	21,572.2	30,020.5
Other provisions	33,777.4	32,060.2
	290,470.2	308,093.1

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:

	2019/2020 %	2018/2019 %
Discount rate	1.0	0.9
Discount rate	2.9	3.0
Pension trend	2.0	2.0
Expected return on plan assets	1.0	0.9

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 0.00% to 12.02% (previous year: 0.00% to 11.66%) 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.

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Present value of retirement benefit obligations (DBO) as of 01.10.	137,567.4	121,674.4
+ Merger	—	4,532.0
+ Service costs	640.3	523.8
+ Interest expense	1,213.2	2,184.1
- Retirement benefits payments	-7,285.8	-7,408.3
(-)/+ Remeasurement – actuarial (gains)/losses:		
Due to experience adjustments	-249.8	1,494.7
Due to changes in demographic assumptions	-6.3	-6.9
Due to changes in financial assumptions	-1,219.9	14,573.6
Present value of retirement benefit obligations (DBO) as of 30.09.	130,659.1	137,567.4
- Fair value of fund assets	-13,610.3	-14,258.8
Recognised pension provisions as of 30.09.	117,048.8	123,308.6

Changes in fund assets

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Plan assets as of 01.10.	14,258.8	15,107.4
+ / (-) Interest income/expenses for plan assets	129.9	256.0
+ Contributions to fund	–	653.7
- Payments from fund	-1,131.4	-943.5
+ / (-) Asset gain/loss	353.0	-814.8
Plan assets as of 30.09.	13,610.3	14,258.8

Actual return on plan assets amounts to EUR -76.8 thousand (previous year: EUR -302.3 thousand).

The fund assets break down as follows:

	30.09.2020 %	30.09.2019 %
Shares	35.1	30.4
Bonds	44.7	54.2
Money market	4.9	6.5
Other investments	15.3	8.9
Total	100.0	100.0

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Service costs	640.3	523.8
Net interest expense	1,083.3	1,928.1
Retirement benefits expense (recognised in net profit or loss for the period)	1,723.6	2,451.9
Remeasurement of retirement benefit obligations	-1,829.0	16,876.2
Retirement benefits expense (recognised in other comprehensive income)	-105.4	19,328.1

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

	30.09.2020 %	30.09.2019 %
Active	19.2	18.1
Vested	1.5	1.8
Retired	79.3	80.1
	100.0	100.0

As of 30 September 2020, the weighted average remaining term of the defined benefit obligations was 11.0 years (previous year: 13.0 years).

Pension payments for the 2020/2021 fiscal year are expected to amount to EUR 7,213.4 thousand.

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

Sensitivity analyses

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Remaining life expectancy		
Change by +1 year	9,399.9	8,504.1
Change by -1 year	-9,917.9	-8,862.7
Discount rate		
Change by +0.5%	-7,865.5	-8,443.5
Change by -0.5%	8,790.2	9,453.8
Future pension increase		
Change by +0.5%	8,309.7	8,800.7
Change by -0.5%	-7,570.7	-8,018.0

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.

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Present value of severance payment obligations (DBO) as of 01.10.	99,111.2	86,958.2
+ Merger	–	4,782.7
+ Service costs	3,460.8	3,254.6
+/(–) (Gain)/loss on DBP due to termination benefit	-578.2	-628.8
+ Interest expense	884.0	1,607.7
- Severance payments	-5,521.6	-3,688.2
(–)/+ Remeasurement – actuarial (gains)/losses:		
Due to experience adjustments	-45.6	-1,445.1
Due to changes in demographic assumptions	-7.5	57.7
Due to changes in financial assumptions	-1,679.5	8,212.4
Present value of severance payment obligations (DBO) as of 30.09. = reported provision for severance payment obligations as of 30.09.	95,623.6	99,111.2

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Service costs	2,882.6	2,625.8
Net interest expense	884.0	1,607.7
Severance expenses (recognised in net profit or loss for the period)	3,766.6	4,233.5
Remeasurement of the severance benefit obligation	-1,732.6	6,825.0
Severance expenses (recognised in other comprehensive income)	2,034.0	11,058.5

As of 30 September 2020, the weighted average remaining term of the defined benefit obligations was 8.5 years (previous year: 9.0 years).

Severance payments for the 2020/2021 fiscal year are expected to amount to EUR 8,080.6 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

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Discount rate		
Change by +0.5%	-4,184.2	-4,287.7
Change by -0.5%	4,531.1	4,643.2
Future salary increase		
Change by +0.5%	4,490.6	4,592.4
Change by -0.5%	-4,198.5	-4,293.8

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 defined contribution plans 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.

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Present value of anniversary bonus obligation (DBO) as of 01.10.	23,592.6	20,004.9
+ Merger	—	1,079.1
+ Service costs	1,332.7	1,196.6
+ Interest expense	210.2	369.8
Anniversary bonus payments	-1,794.5	-1,239.3
(-)/+ Remeasurement – actuarial (gains)/losses	-892.8	2,181.5
Present value of anniversary bonus obligation (DBO) as of 30.09. = reported provisions for anniversary bonuses as of 30.09.	22,448.2	23,592.6

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Service costs	1,332.7	1,196.6
Net interest expense	210.2	369.8
Remeasurement	-892.8	2,181.5
Expenses for anniversary bonuses (recognised in net profit or loss for the period)	650.1	3,747.9

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).

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Present value of early retirement obligations (DBO) as of 01.10.	30,020.5	33,904.2
+ Merger	—	2,101.9
+ Interest expense	224.5	542.8
+ Allocation due to new obligations	2,312.5	4,228.7
- Early retirement payments	-8,996.9	-10,688.9
-/(+) Gain/(loss) after severance payments	-218.4	24.9
- Severance payments	-88.8	-47.0
(-)/+ Remeasurement – actuarial (gains)/losses	-1,681.2	-46.1
Present value of early retirement obligations (DBO) as of 30.09. = reported provisions for early retirement obligations as of 30.09.	21,572.2	30,020.5

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Service costs	2,312.5	4,228.7
Net interest expense	224.5	542.8
Remeasurement	-1,681.2	-46.1
Expenses for stepped pension and early retirement benefits (recognised in net profit or loss for the period)	855.8	4,725.4

25.5. Other non-current provisions

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Carrying amount as of 01.10.	32,060.2	31,486.1
Use	-538.3	-3,121.9
Reversal	-16.3	-1,396.6
Allocation	2,293.6	5,092.7
Translation differences	-21.8	-0.1
	33,777.4	32,060.2

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 reversals of impairment for these assets were proportionally considered 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 arrangement, 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

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Investment subsidies	34,262.0	22,983.7
Other liabilities	43,195.2	54,440.1
	77,457.2	77,423.8

29. Current provisions

Current provisions developed as follows during this fiscal year:

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Carrying amount as of 01.10.	22,244.5	17,994.4
Change in the scope of consolidation	14.1	2,576.1
Use	-9,215.6	-7,212.7
Reversal	-364.8	-272.4
Allocation	8,051.2	9,161.6
Translation differences	-45.3	-2.5
	20,684.1	22,244.5

30. Tax provisions

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Corporate tax for the reporting period	142.3	328.0

31. Other current liabilities

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Liabilities to non-consolidated affiliated companies	7,202.2	15,019.2
Liabilities to joint arrangements and associated companies	3,551.0	6,156.1
Tax liabilities	58,935.0	71,795.3
Social-security liabilities	7,412.7	7,305.4
Advances received	69,260.1	76,646.4
Fair value of derivatives	24,485.4	12,339.3
Liabilities to employees	53,939.4	53,324.5
Other liabilities	35,378.2	35,962.0
	260,164.0	278,548.2

| OTHER EXPLANATORY NOTES

32. Contingent liabilities

	30.09.2020 EUR 1,000	30.09.2019 EUR 1,000
Others	35.0	3,692.0

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.

34. Proposal for the appropriation of profit

The Management Board of Energie AG Oberösterreich proposes to the Annual General Meeting a dividend of EUR 0.60 (previous year: EUR 0.60) per share, amounting to a total of EUR 53,192.3 thousand (previous year: EUR 53,193.3 thousand).

35. Management of risks and opportunities

35.1. Risks and opportunities

Fiscal year 2019/2020 presents great challenges to Energie AG and many other companies. The high competitive pressure and changes to the regulatory framework and energy policy have affected the risks and opportunities of Energie AG.

The COVID-19 crisis has resulted in a high degree of uncertainty, in particular, with respect to the pandemic's consequences for the macroeconomic development, the prices for primary energy as well as potential bad debt and credit losses. From today's perspective, it is not possible to reliably appraise the extent and duration of the crisis' economic ramifications. Energie AG is monitoring the developments and continuously reevaluating their potential implications for the Group's business. New markets, business models and technologies on the other hand are opening up new opportunities for Energie AG.<

The Group's risk management system is tasked with identifying these developments at an early stage, ascertaining the resulting risks and opportunities and actively managing them. As an integral part of the management and control system, risk assessments form part of the strategic and operational decision-making process and support our management team.

35.2. Risk management process

The risk management of Energie AG follows the internationally established COSO-II framework as the risk management standard across the Group. 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. Significant opportunities (+) | risks (-) ¹⁴⁾ and measures

STRATEGIC OPPORTUNITIES | RISKS

+ |– Strategic opportunities | risks due to

- Changes in general climatic conditions
 - Extreme events and their consequences (periods of heat | drought, flooding, storms, hail, forest fires, avalanches)
 - Long-term changes in climatic and ecological conditions (precipitation frequency/volume, increase in average temperatures)
- Changes in the general energy policy and energy market environment
- Changes in technological developments, in the market environment, in customer needs ...

Measures:

- Continuous intensive monitoring of markets, competitors, customers, the climate and technologies
- Participation in research projects, ...
- Early and intensive monitoring of strategic opportunities|risks

PROJECT OPPORTUNITIES | RISKS

+|– Project opportunities | risks

High, long-term investment costs, projects with a high level of complexity

- Underruns and overshooting of the planned values in terms of timing schedule, project costs and quality
- (Energy) policy uncertainty

Measures:

- Project management
- Risk management methods in the entire project cycle
- Optimised contract arrangements

SUSTAINABILITY OPPORTUNITIES | RISKS

In the medium term – in our 5-year planning horizon – we assume that climate-related opportunities|risks will remain within the statistical range of the past few years, and these have been taken into account in our (opportunities|risks) scenarios.

Potential long-term climate-related risks and opportunities beyond this have been taken into account in strategic decision-making.

For more information on opportunities|risks that may affect questions of sustainability as a result of Energie AG's business activities, see [Sustainability Opportunities and Risks › page 54](#).

14) Risk|opportunities, definition:

- A risk is the possibility of an event occurring which has a negative impact on targets (EBT, cash flow)
- An opportunity is the possibility of an event occurring which has a positive impact on targets (EBT, cash flow)

With regard to the risks|opportunities which may have an impact on the concerns of the Sustainability and Diversity Act (NaDiVeG) as a result of Energie AG's business activities, see [Sustainability Opportunities and Risks › page 54](#)

MARKET AND COMPETITION RISKS

+|– Market price changes (electricity, gas, biomass and emission allowance prices)

Measures:

- Bundled management of commodity price risks by Energie AG Trading
- Risk strategies geared for the market environment
- Leveraging of internal synergies within the Group

+|– Electricity generated from

Hydroelectric power influenced by development of weather/climate

Measures:

- Optimised management of generation portfolio

+|– Electricity production from thermal power plants

Measures:

- Bundled management of commodity price risks by Energie AG Trading
- Long-term contracts
- Leveraging of internal synergies within the Group
- Risk strategies geared for the market environment

+|– Electricity, gas, heat and telecommunications services sales volumes

influenced by development of weather/climate, competition, economy, policy, ...

Measures:

- Bundling of sales organisations
- Price guarantee
- Service and subsidy offerings
- Focus on digitalisation
- Positioning as an energy service provider

+|– Market price and volume changes in waste management

Recycling materials, industrial waste, domestic waste, delivery prices, thermal, ...

- Increased competition from pretreatment plants and industrial co-incinerators
- Increased re-municipalisation efforts of municipal waste management associations

Measures:

- Long-term indexed contracts with defined delivery volumes and prices
- Focused market activities
- Intensification of cooperation with the public sector
- Further development of the digitalisation projects

+|– Contractual losses|gains and contract changes in the water|wastewater sector

Measures:

- Synergy projects
- Ongoing participation in (concession) tenders

OPPORTUNITIES | RISKS FROM BUSINESS OPERATIONS

– Facility risks

Impairment of the availability of facilities due to

- Technical malfunctions, sabotage, ...
- Natural disasters such as storms, flooding, ...

Measures:

- Maintenance and quality controls
- Optimised maintenance strategy
- Structural (flood) protection measures
- Strategy programmes "Replacing overhead medium-voltage lines that are particularly susceptible to disruption with underground cable", "Replacing low-voltage lines", consistent expansion of grid automation
- Crisis and contingency management
- Insurance

– Risks from information security, cyber-security and data protection

Measures:

- Optimised insurance strategy
- Comprehensive technical measures
- Management systems for information security and data protection

– Personnel risks

- Health and safety risks for company staff and temporary employees
- Loss of expertise and practical knowledge

Measures:

- Safety training courses for employees
- In-house health management project energy@work
- Apprentice|trainee education
- "Human Resource Management", "Management by Objectives" and "Management Academy" Group policies

+|– Physical weather-related risks

such as periods of heat | drought, flooding, storms, hail, forest fires, avalanches and their impact on third parties

Measures:

- Structural (flood) protection measures
- Strategy programmes "Replacing overhead medium-voltage lines that are particularly susceptible to disruption with underground cable", "Replacing low-voltage lines", consistent expansion of grid automation
- Crisis and contingency management
- Insurance

POLITICAL, REGULATORY AND STATUTORY OPPORTUNITIES | RISKS

+|– Changes in the statutory environment
for the electricity and gas grids

Measures:

- Intensive and constructive dialog with the regulatory authorities
- Cooperation with interest groups

+|– Legal risks

from pending legal disputes

Measures:

- Legal support
- Provisions in the balance sheet
- Out-of-court settlements

+|– Political and statutory environment

- EU climate policy provisions and their implementation in Austria
- Statutory environment for project development and implementation
- Changes to subsidy regime

Measures:

- Intensive and constructive dialog with authorities and politicians
- Cooperation with interest groups

COMPLIANCE RISKS AND DATA PROTECTION INFRINGEMENTS

– Compliance risks

- Antitrust and corruption risks
- Financial market compliance

Measures:

- Group policies “Compliance Management System” and “Anti-Corruption”, “Handling on Insider Information”, “ICT Information Security Management”
- In-person training and e-learning courses

– Data protection infringements

- Accidental or unlawful destruction, loss, alteration or disclosure of data
- Hacker attacks

Measures:

- Group policies “Data Protection Management System” and “Data Protection Compliance Policy”
- In-person training and e-learning courses

FINANCIAL RISKS

+|- Recoverability

- Impairment reversals and impairment of assets, procurement rights, investments
- Impairment of receivables
- Creation of provisions for impending losses

Measures:

- Ongoing monitoring, sensitivity analyses
- Long-term contracts
- Counterparty risk management

+|- Changes in interest rates**Measures:**

- Long-term fixed interest agreements

+|- Foreign exchange risk

Primarily from the transaction and translation risks of the Czech Group companies

Measures:

- Ongoing monitoring
- Currency hedging, where necessary

+|- Price changes in financial assets (securities, funds)

resulting from fluctuations in market value on the capital markets

Measures:

- Conservative investment policy
- Consistent monitoring
- On-going quantification of share price risks

+|- Opportunities|Risks from investments

- Fluctuations in the returns on investments
- Fluctuations in dividends received
- Changes in the impairment of participating interests

Measures:

- Ongoing monitoring

+|- Changes in the discount rate for provisions

The present value of provisions decreases at a higher discount rate and increases at a lower discount rate

Measures:

- Ongoing monitoring

– Counterparty risks

Complete or partial failure of counterparties

Measures:

- Ongoing monitoring
- Credit limit systems
- Hedging instruments
- Targeted strategy of diversification of business partners
- COVID-19 counterparty task force

– Liquidity risk**Measures:**

- Centralised, forward-looking liquidity planning
- Sufficient liquidity reserves
- Open, partially committed credit lines

+/- Rating change

means lower| higher refinancing costs

Measures:

- The management of Energie AG continues to seek to maintain Energie AG's Single A credit rating in the long term
- Ensuring compliance with the required key financial performance indicators

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	2019/2020	1,345.6	502.6	283.1	2,972.5
	2018/2019	660.6	651.6	184.4	82.3
OÖ Landesholding and subsidiaries	2019/2020	10,618.6	237.3	904.5	7,103.8
	2018/2019	5,529.1	63.8	690.7	14,860.6
Associated companies	2019/2020	54,595.1	14,019.2	3,661.8	17.2
	2018/2019	31,898.3	4,640.7	3,495.8	951.3
Joint ventures	2019/2020	2,719.7	2,369.3	550.1	17.6
	2018/2019	138,751.1	12,558.4	3,457.2	23.3

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 using the applicable tax rate of 25%. Negative tax results are carried forward. The tax allocations amount to EUR 32,520.3 thousand (previous year: EUR 26,497.4 thousand). This item also includes receivables in the amount of EUR 904.5 thousand (previous year: EUR 690.7 thousand) and liabilities in the amount of EUR 7,103.8 thousand (previous year: EUR 14,860.6 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 10,898.4 thousand (previous year: EUR 3,719.6 thousand), while expenses are EUR 6,017.1 thousand (previous year: EUR 1,306.0 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 40,364.6 thousand (previous year: EUR 26,597.4 thousand), while expenses are EUR 7,575.0 thousand (previous year: EUR 2,923.6 thousand).

Joint ventures

ENAMO GmbH (until 31 March 2019)

ENAMO GmbH had been 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 für Energieerzeugung, -verteilung und Telekommunikation, 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, purchased services amounted to EUR 8,437.3 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, purchased services amounted to EUR 989.7 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 a share in the capital. Deliveries of electricity and other services took place at standard market terms between the Group and the entity. In the period from 1 October 2018 to 31 March 2019, revenues amounted to EUR 75,588.1 thousand, purchased services amounted to EUR 1,436.1 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 12.4 thousand (previous year: EUR 10.0 thousand) and benefits in the amount of EUR 4.3 thousand (previous year: EUR 20.6 thousand). This item also includes receivables in the amount of EUR 0.7 thousand (previous year: EUR 0.2 thousand).

37. Material events after the reporting date

In November 2020, the Austrian Federal Government enacted special protective measures to limit the spread of COVID-19. The measures introduced for a limited time included, inter alia, social distancing rules, stay-at-home orders, and massive restrictions imposed on the hospitality industry as well as the accommodation, event and leisure industries. The measures taken by the Federal Government did not result in any immediate significant changes to the prices on the energy markets. The ongoing COVID-19 crisis does however give rise to a continued high degree of planning uncertainty with respect to the future development of sales volumes as well as procurement and sales prices.

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).

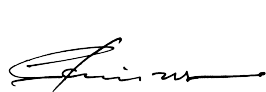
The Supervisory Board of Energie AG Oberösterreich had the following members in the 2019/20 fiscal year:

Provincial Councillor Markus Achleitner (Chairman); Mag. Stefan Lang PLL.M (Vice Chairman); Dr. Heinrich Schaller (Deputy Vice Chairman); Dr. Miriam Eder MBA; Mag. Dr. Erich Entstrasser; Mag. Dr. Christiane Frauscher; Mag. Florian Hagenauer MBA; Dipl.-Ing. Erich Haider MBA; Mag. Anna-Maria Hochhauser; Thomas Peter Karbiner 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; Ing. Peter Neißl MBA MSc; Ing. Bernhard Steiner; Christian Strobl (from 26 March 2020); Gerhard Störinger; Mag. Helmut Lehner (until 26 March 2020); Andreas Walzer.

Linz, 2 December 2020

The Management Board of Energie AG Oberösterreich



Chief Executive Officer

DDr. Werner Steinecker MBA

Chairman of the Management Board
CEO



Dr. Andreas Kolar

Member of the Management Board
CFO



Dipl.-Ing. Stefan Stallinger MBA

Member of the Management Board
COO

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 2020, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the analysis of the Group's 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 2020, 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 detail in Section "Responsibilities of the Auditor in Auditing the Consolidated Financial Statements" of the 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 goodwill

Please refer to the Notes – [Impairment of goodwill › page 0](#) and [Intangible assets and property, plant and equipment › page 140](#).

Risks inherent in the Annual Financial Statements

The Consolidated Financial Statements as of 30 September 2020 of Energie AG Oberösterreich report goodwill assets of EUR 86.2 million (previous year: EUR 86.2 million). These assets were to the largest extent allocated to the cash generating units "Waste Management Austria", "Sales" and "CEVAK a.s.". Energie AG Oberösterreich thus conducts

impairment testing for these goodwill assets at least once in each year and in cases where indications for an impairment exist.

This is done by Energie AG Oberösterreich using the discounted cash flow method to determine the cash generating units' recoverable amount. The result of impairment testing largely depends on the appraisal of the future cash flows as well as the applied discounting rates. The result of impairment testing for the goodwill assets is therefore essentially based on estimations by the management and thus subject to uncertainties.

The Consolidated Financial Statements are therefore exposed to the risk of inadequate assumptions and estimates having a significant impact on the carrying amounts of goodwill assets 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 assessed the impairment of these goodwill assets as follows:

- To form an opinion about the suitability of the underlying internal planning, we examined the planning process, the assumptions for growth rates and the operational results in discussions with the responsible managers in the company and verified the planning data on which the measurement is based against the current budget figures approved by the Supervisory Board, as well as against the mid-term planning approved by the Management Board.
- We have assessed adherence to the budget by comparing the budgets of previous years with the reported actual figures.
- Our valuation experts furthermore examined the methodology used for impairment testing and determination of the discounting rates on their conformity with the applicable standards and reviewed the accuracy of the calculation method.
- We have also examined whether the explanations pertaining to impairment testing for goodwill assets contained in the Consolidated Financial Statements are adequate.

Impairment of cash generating units

For further details, please refer to the Notes – [Impairment of other intangible assets and property, plant and equipment › page 0](#) and [Intangible assets and property, plant and equipment › page 140](#).

Risks inherent in the Annual Financial Statements

Property, plant and equipment with a carrying amount of EUR 1,980.60 million and intangible assets with a carrying amount of EUR 149.4 million (excluding goodwill) represent around 69.2% of the assets reported in the Consolidated Statement of Financial Position of Energie AG Oberösterreich. For these assets, impairments in a total amount of EUR 14.3 million were recognised through profit or loss in fiscal year 2019/2020.

Energie AG Oberösterreich assesses whether there are indications for an impairment or impairment reversal for all cash generating units. If indications exist, the recoverable amount for the concerned cash generating units is ascertained and the carrying amount of the respective cash generating unit is increased or decreased to match the recoverable amount.

This is done by Energie AG Oberösterreich using the discounted cash flow method to determine the cash generating units' recoverable amount. The result of impairment testing largely depends on the appraisal of the future cash flows as well as the applied discounting rates. The result of impairment testing for intangible assets and property, plant and

equipment is therefore essentially based on estimations by the management and thus subject to uncertainties.

The Consolidated Financial Statements are therefore exposed to the risk of inadequate assumptions and estimates having a significant impact on the carrying amounts of intangible assets and property, plant and equipment reported in the Consolidated Statement of Financial Position, as well as the operating result in the Consolidated Statement of Income.

Our auditing approach

Our assessment of the impairment of intangible assets and property, plant and equipment presents as follows:

- We have examined the Group's analysis of external and internal indicators for an impairment or recovery in value on the basis of a review of random samples.
- Where an indicator for a potential impairment or impairment reversal was present, we assessed the Company's impairment testing for cash generating units for which a realistic change in the measurement assumptions and methodology would significantly affect the Annual Financial Statements as follows.

Our approach to reviewing the essential assumptions and applied methodology is in principle identical to our approach to the impairment testing of goodwill assets. We refer to the audit measures taken with regard to this audit area of extraordinary significance.

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

The legal representatives are responsible for compiling the Consolidated Financial Statements in compliance with the IFRS rules applicable in the EU and the additional requirements stipulated in § 245a of the Austrian Commercial Code (UGB) and for assuring that they provide a true and fair view of the Group's assets, liabilities, financial position and profit or loss. 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 true and fair 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.

| 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 Group 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 Group Annual Report after the date of this Audit 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 18 December 2019. On 21 February 2020, the Supervisory Board has granted our firm the mandate to audit the company's financial statements for the fiscal year ending on 30 September 2020.

We have been licensed auditors of the Group's Consolidated Financial Statements 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 Annual Financial Statements.

Linz, 2 December 2020

KPMG Austria GmbH
Chartered Accountants and Tax Consultants



Mag. Gabriele Lehner
Auditor

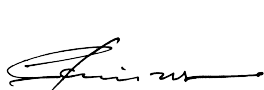
The Consolidated Financial Statements with our Audit Certificate may only be published or disclosed in the format certified by us. This Audit Certificate refers exclusively to the full original Consolidated Financial Statements and the Group Management Report issued in German. The provisions of § 281 para 2 of the Austrian Commercial Code (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, 2 December 2020

The Management Board of Energie AG Oberösterreich



Chief Executive Officer

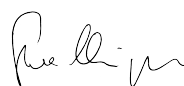
DDr. Werner Steinecker MBA

Chairman of the Management Board
CEO



Dr. Andreas Kolar

Member of the Management Board
CFO



Dipl.-Ing. Stefan Stallinger MBA

Member of the Management Board
COO