

Group Management Report 2019/2020 for Energie AG Oberösterreich ^{1), 2)}

I GENERAL CONDITIONS

Economic environment ³⁾

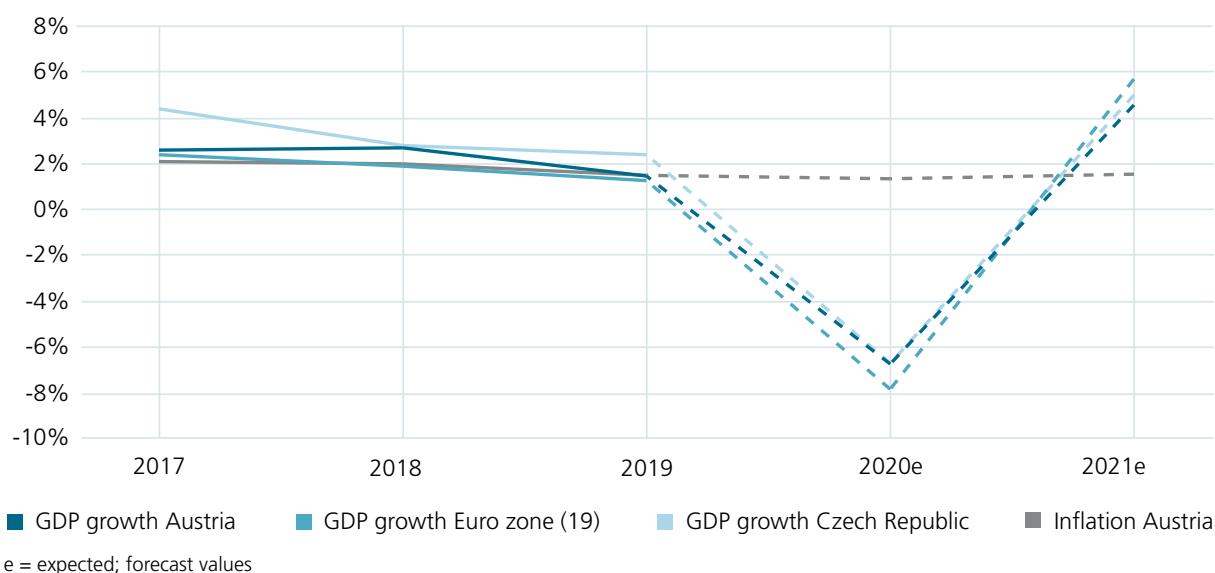
Following what can still be termed moderate economic development in the first six months, the second half of Energie AG Oberösterreich's (Energie AG's) 2019/2020 fiscal year (1 October 2019 to 30 September 2020) was fraught by the global COVID-19 pandemic and, in the context of it, by a significant slump in economic growth. Further geopolitical uncertainties, such as international trade conflicts and trouble spots, Brexit and climate change, receded into the background in view of the COVID-19 pandemic but will continue to characterise the economic environment in the future. Uncertainty about the future course of the COVID-19 crisis limits the reliability of forecasts by economic research institutes on the extent of the economic downturn and the speed of the expected recovery.

In its World Economic Outlook in October 2020, the International Monetary Fund (IMF) published slightly more optimistic forecasts than in April and June and anticipates a drop in global economic output by -4.4% in 2020. This slightly more optimistic assessment compared to the spring is primarily based on the extensive economic stimulus packages and monetary policy support in the major economies. Economic experts anticipate global growth of +5.2% once again in 2021.

Economic growth and inflation

YoY real change (in %)

Sources: IHS, IMF, WIFO



1) The Group Management Report presented here was prepared in accordance with the requirements of § 267 of the Austrian Commercial Code (UGB) and refers to the IFRS consolidated financial statements of Energie AG Oberösterreich in terms of § 245a UGB.

2) In conformity with EU Directive 2014/95/EU on the disclosure of non-financial information and diversity information and its implementation in the Austrian Sustainability and Diversity Improvement Act (NaDiVeG 2017), Energie AG prepares the consolidated report on non-financial information (Non-Financial Report) 2019/2020 at the same time as the Group Management Report 2019/2020. In accordance with legal requirements, this Group Management Report refers to the information contained in the NFI Report 2019/2020 of Energie AG Oberösterreich, which is part of the Group Annual Report 2019/2020 and is also published online at <http://www.energieag.at/sustainability>.

3) Sources: IMF (International Monetary Fund): World Economic Outlook, October 2020. IHS (Institute for Advanced Studies): Forecast of the Austrian Economy, 9 October 2020. WIFO (Austrian Institute of Economic Research): Economic Outlook, 9 October 2020 and Economic Data, URL: www.energieag.at/2020-110, 20 October 2020.

The IMF expects economic output to decline by -8.3% in the **euro zone** in 2020 (2019: +1.3%). By contrast, IMF experts expect a recovery with expected economic growth of +5.2% in 2021.

While the **Austrian economy** showed moderate growth of +1.4% in 2019, domestic economic research institutes have massively downgraded their forecasts for 2020 in the course of the reporting period, which had anticipated growth at +1.2% and +1.3% before the pandemic. For 2020, the Austrian Institute of Economic Research (WIFO), the Institute for Advanced Studies (IHS) and the IMF all predicted a decline in economic output of -6.7% to -6.8% in their forecasts from the beginning of October. However, they anticipated positive economic growth in the region of +4.4% to +4.7% for the 2021 calendar year. A further large-scale lockdown will probably lower these figures by -2.5 to -4.0 percentage points. The assumption for the inflation rate is +1.4% on average for 2020 (2019: +1.5%).

For the **Czech Republic** market, also relevant to Energie AG, a decline in the gross domestic product of between -6.2 and -7.5% is forecasted for calendar year 2020 (2019: +2.4%), while a significant recovery amounting to +5.0% is expected for 2021. Further downward corrections due to the intensifying COVID-19 situation in the last few months of the 2020 calendar year are also realistic for the Czech Republic.

Energy and climate policy environment

On 11 December 2019, the European Commission published its “**Green Deal**”, which envisages binding climate neutrality by 2050 throughout the EU as a central objective. In this context, the Commission announced on 16 September 2020 that the EU's greenhouse gas reduction target for 2030 would be increased from 40% to at least 55% compared to 1990. In addition, the Commission announced an upward revision of the target for the share of renewable energies in final energy consumption by 2030 from the current 32% to around 38.5% and an increase in the energy efficiency target by 2030 from 32.5% to around 36%. This will be accompanied by a doubling of the building renovation rate to 2%, a 50% reduction in CO₂ emissions from new cars, an extension of the EU emissions trading system to the building and transport sectors, and a tightening of the upper limit for total emissions. The Commission will present concrete legislative proposals by June 2021 to implement the renewable energy and efficiency targets. For Austria this will mean significantly more ambitious energy and climate targets in the coming years up to 2030.

On 11 March 2020, the European Commission presented a new **action plan for the circular economy**. The new action plan includes legislative and non-legislative measures that cover the entire life cycle of products. All measures of the action plan are intended to contribute towards reducing the EU's carbon and material footprint.

The **Coal Exit Act**, which provides for a reduction and termination of coal-fired electricity generation in Germany, came into force on 14 August 2020. In combination with the nuclear phase-out by 2022, some 48 GW of power plant capacity will be taken off the grid by 2038 at the latest. The coal phase-out in Germany can therefore be expected to also have a significant impact on the Austrian electricity market and its prices.

Starting in 2021, the German government will introduce a **national CO₂ pricing system** for the heating and transport sectors. The income will partly be used to relieve the levy under the Renewable Energy Sources Act as well as the burden on long-distance commuters. A double burden for industrial plants which already take part in the European emissions trading system has also been ruled out.

In due time at the end of 2019, the Austrian transitional government submitted a revised **integrated national energy and climate plan 2030** to the EU Commission, taking into account the Commission's recommendations. Besides reducing greenhouse gases, the plan's objectives are massive expansion of renewable energies, increasing energy efficiency and reducing dependence on imports of fossil fuels. Information released by the Commission on 17 September 2020 relating to an EU-wide assessment of national energy and climate plans concluded that the current EU targets for greenhouse gas emission reductions and the share of renewable energies will be achieved by 2030, but that there is a lack of ambition in the field of energy efficiency.

The first federal coalition government between the Austrian People's Party and the Greens launched its **government programme 2020 – 2024** for Austria on 2 January 2020. Both a more stringent national energy and climate plan and an ecological and social tax reform are envisaged as contributing factors to achieving climate neutrality as early as the year 2040. The building sector must also avoid the combustion of heating oil, coal and fossil gas for space heating and water heating in future. For coal and oil, the phase-out in new buildings will begin in 2020 and is due to be completed for all boilers by 2035 at the latest. In terms of the expansion of green electricity, the very ambitious balance-sheet target of 100% renewable energy (measured in terms of Austrian electricity consumption) is envisaged for 2030.

On 16 September 2020, after protracted negotiations, the draft of the **Renewable Energies Expansion Act** package was submitted for review. The comprehensive legislative package provides for a massive expansion of energy generation from renewable sources in Austria and, by implementing new market players such as "renewable energy communities", will lead to increased competition and reinforces the trend towards a decentralised energy supply. By 2030, gradual expansion is expected to achieve an increase in installed capacity of about 17,000 MW and thus generate an additional 27 TWh of renewable electricity in 2030, which corresponds to almost 50% of current generation from renewable energy sources. In addition, the draft evaluation report contains numerous other provisions, for example, simplified grid access for small renewable generation plants and new transparency requirements for grid operators. Provisions on grid reserve management have also been included, and there are regulations to end the double tariff burden on newly constructed pumped storage power plants and provide for procedural simplifications in the law on high-voltage electricity transmission. In the course of the review phase, national expert groups and industry associations introduced clarifications and amendment requirements relating to individual topics to the discussion process.

| BUSINESS DEVELOPMENT IN THE GROUP

Assets, liabilities, financial position and profit or loss

Group overview

	Unit	2019/2020	2018/2019	Change
Sales revenues	EUR mill.	1,843.7	1,813.4	1.7%
Operating result (EBIT)	EUR mill.	147.7	73.0	–
EBIT margin	%	8.0	4.0	100.0%
Financial result	EUR mill.	-20.7	-17.3	-19.7%
Earnings before taxes	EUR mill.	127.0	55.7	–
Balance sheet total	EUR mill.	3,079.7	2,975.4	3.5%
Equity	EUR mill.	1,343.0	1,310.3	2.5%
Equity ratio	%	43.6	44.0	-0.9%
Net debt	EUR mill.	551.3	426.0	29.4%
Net gearing	%	41.0	32.5	26.2%
Investments in property, plant and equipment and intangible assets	EUR mill.	197.2	213.1	-7.5%
Cash flow from operating activities	EUR mill.	185.8	198.6	-6.4%
Cash flow from investing activities	EUR mill.	-181.5	-183.4	1.0%
Cash flow from financing activities	EUR mill.	12.7	-86.9	–
ROCE	%	5.9	2.8	–
WACC	%	4.2	4.3	-2.3%

The 2019/2020 fiscal year was shaped by the global COVID-19 pandemic. Despite what was generally a more difficult market environment, sales revenues of EUR 1,843.7 million (previous year: EUR 1,813.4 million) and an operating result of EUR 147.7 million (previous year: EUR 73.0 million) were generated in the reporting period. The increase in sales revenues was mainly due to the first full-year inclusion of ENAMO GmbH, ENAMO Ökostrom GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG in the Energy Segment.

The impact of the COVID-19 pandemic included lower earnings contributions from electricity sales, provisions for anticipated losses from pending sales transactions and a remeasurement of receivables.

In fiscal year 2019/2020, the EBIT of the Energy Segment amounted to EUR 59.5 million (previous year EUR 117.3 million). In the previous year, upward revaluations in the amount of EUR 56.1 million had a positive effect on the operating result of the Energy Segment.

The Grid Segment achieved an operating result of EUR 36.9 million. The EBIT of the previous year was EUR -77.4 million and included an impairment of the electricity grid in the amount of EUR 109.3 million. In the electricity grid, lower upstream grid costs and an increase in the regulatory grid tariffs had a positive impact on results. Reductions in regulatory gas grid tariffs and volume reductions partially offset this effect.

The Waste Management Segment generated an EBIT of EUR 27.1 million (previous year: EUR 13.4 million). The Hörsching sorting plant was severely damaged by fire. An impairment in the amount of EUR 2.4 million was made for the plant components destroyed by the fire. The effect on earnings ensuing from the insurance compensation amounts to EUR 9.8 million and positively influenced the results of the Waste Management Segment in the reporting

period. Price increases for commercial and industrial waste, hazardous waste and services had a negative influence on the operating result. In contrast, the development of prices for certain recycling materials impacted on earnings.

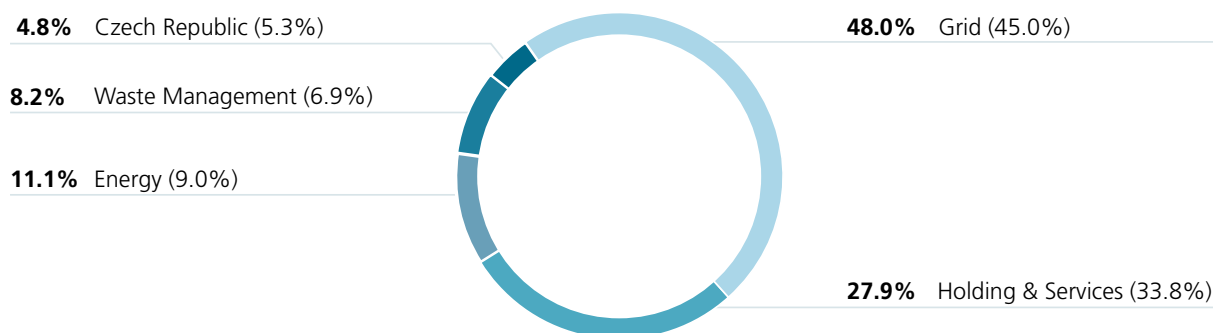
In the Czech Republic Segment, an operating result in the amount of EUR 9.8 million was generated in the reporting period (previous year: EUR 10.9 million).

The operating result of the Holding & Services Segment amounted to EUR 14.4 million in the reporting period, an increase of EUR 5.6 million compared to the previous year. The result includes higher contributions to earnings from the Telecommunications business area and higher shares of earnings from investments consolidated at-equity. In addition, cost savings were also realised.

In the fiscal year 2019/2020, investments in intangible assets and property, plant and equipment amounted to EUR 197.2 million, and were thus EUR 15.9 million or 7.5% below the previous year's level. With a share of 48.0%, the Grid Segment accounted for the largest part. Capital investments in the Holding & Services Segment include expanding the fibre-optic cable network and the smart meter rollout.

Investments in intangible assets and property, plant and equipment by Segments

2019/2020; previous year's figures in brackets



Net debt (non-current and current financial liabilities minus cash and cash equivalents) increased by EUR 125.3 million year-on-year from EUR 426.0 million to EUR 551.3 million. This was mainly due to an increase in non-current financial liabilities.

Cash flow from operating activities in the fiscal year 2019/2020 was EUR 185.8 million, compared with EUR 198.6 million in the previous year.

The financial result decreased from EUR -17.3 million in the previous year to EUR -20.7 million in the 2019/2020 fiscal year, due to higher interest expenses and lower revenue from other investments and securities.

Financing and investment strategy

When a new type of virus appeared in China at the end of 2019, it was not foreseeable that social and economic life worldwide would be massively affected within a very short time. Only the coordinated provision of billions of euros in liquidity lines by central banks and the rapid implementation of government support measures and aid programmes prevented a collapse of the global economy. In view of the ongoing crisis-induced situation, the financial and capital markets are continuing to react with abrupt price swings and valuation distortions in the short term.

More than ever, the strategy of a conservative funding and investment policy again proved its value for Energie AG during the year under review.

Top rating highlights the Group's strong credit standing

An excellent credit standing is a valuable anchor for financial stability and continuity, particularly in these challenging and unsettled times.

In March 2020, Standard & Poor's (S&P) confirmed the creditworthiness of Energie AG again with a rating of "A with a stable outlook". With the renewed confirmation of its excellent rating, Energie AG continues to secure unimpeded and cost-optimised access to the financial and capital markets, in order to be able to continue to realise its ambitious investment targets for sustainable projects at economically attractive conditions in the future.

Stable and future-proof finances

In the year under review, Energie AG issued registered bonds with a volume of EUR 100 million to cover long-term funding requirements. The tranches were placed with international investors at very attractive conditions and have a final maturity of 20 years. This ensures the Company's long-term financial flexibility. The increase in financial liabilities as of 30 September 2020 to EUR 597.6 million (previous year: EUR 455.7 million) is also due to recognising lease liabilities in accordance with IFRS 16 for the first time.

At the reporting date, the Energie AG Group had cash and cash equivalents of EUR 46.3 million, as well as short-term fixed term deposits and money-market instruments with a total value of EUR 109.8 million. In view of the major distortions on financial and capital markets, Energie AG entered into negotiations with financial institutions at an early stage in order to secure additional credit lines. As of 30 September 2020, the Company had unused and readily available credit lines of EUR 385.3 million at its disposal, partly in the form of credit commitments. By proactively securing sufficient sources of funding and liquidity, the Energie AG Group is also well prepared for unexpected future crisis scenarios.

In the year under review, the Group's internal financial management was again implemented centrally in the holding company. In the scope of cash pooling operations, short-term liquidity management was secured between the 26 Austrian Group companies (figures valid as at 30 September 2020).

Value-based corporate management and capital costs

Energie AG's value management strategy is an instrument for measuring the economic success of the Group's business activities. It serves to assess the attractiveness of investing activities and secures the company value while generating a capital market-oriented return for the owners. The weighted average cost of capital (WACC) is of essential importance. The WACC serves as the basis for determining the minimum yield requirements for Group management and is therefore used as a yardstick for value generation in the Company.

Energie AG calculates the cost of capital as the weighted average of equity and borrowing costs. The parameters specified by the regulatory authority are used for the regulated business units. The capital costs of the business units with activities on non-regulated markets are determined using the reporting-date principle and based on market conditions. In a further step, the bottom-up method is used to weigh these costs up unto the Segment and Group capital costs.

This WACC method is subjected to on-going evaluation taking current publications and expert opinions into consideration. Adaptations are made as needed. The costs of capital are continuously monitored, especially against the background of a volatile financial market environment. The consolidated WACC for the fiscal year 2019/2020 was 4.2% (previous year: 4.3%).

One of the most important key indicators for operational Group management during the fiscal year is the ROCE (Return on Capital Employed), which indicates how efficiently and profitably the available capital is utilized. The ROCE is calculated as the quotient of Net Operating Profit After Tax (NOPAT) and average Capital Employed. The ROCE minus the WACC results in the relative value contribution. The absolute value added is calculated by multiplying it by the capital employed. The higher this value is, the more economically successful the respective activity has been.

The value contribution is influenced by various variables. In addition to the development of operating earnings, the level of ROCE and value added specifically depends on the capital employed. NOPAT corresponds to EBIT less related taxes in the amount of EUR -33.2 million and other items of EUR -12.7 million. For information on Capital Employed, please refer to the [Notes to the Consolidated Financial Statements > page 131](#).

In the Energie AG Group, in addition to strategic considerations, resources for future capital investments and acquisitions are allocated by prioritising projects exclusively on the basis of the presented value-oriented criteria and methods.

In the 2019/2020 fiscal year, the ROCE of the Energie AG Group was 5.9%, 3.1 percentage points above the previous year (2.8%). The increase in the 2019/2020 ROCE is attributable to a higher NOPAT. The low ROCE in the 2018/2019 fiscal year was mainly attributable to various exceptional accounting measures.

Treasury stocks

By resolution of the Annual General Meeting on 18 December 2019, the share capital of Energie AG Oberösterreich was reduced by EUR 73,682.00 from EUR 88,729,206.00 to EUR 88,655,524.00 by means of a simplified capital reduction by cancellation of 73,682 no-par value registered shares of treasury stock in the form of non-voting preferred shares. As a result, § 4 of the Company's Articles of Association was amended accordingly.

In certain cases, the Energie AG Oberösterreich employee stock option plan provides for the right or the obligation to purchase Energie AG Oberösterreich employee shares. In fiscal year 2019/2020, the following changes in treasury stock resulted from this security:

Treasury stocks

	Treasury stocks Shares	Share in capital stock %	Share in capital stock EUR 1,000
Treasury stocks as of 30.09.2019	73,682	0.083	73.7
Disposals 2019/2020	-73,682	-0.083	-73.7
Additions 2019/2020	1,742	0.002	1.7
Treasury stocks as of 30.09.2020	1,742	0.002	1.7

Related party disclosures

For Energie AG's transactions with related parties in the reporting period, please refer to the disclosures in the [Notes to the Consolidated Financial Statements › page 189](#).

Changes under corporate law

In the course of finalising the reorganisation in Sales, the investment in ENAMO GmbH was transferred to Energie AG Oberösterreich Vertrieb GmbH. Furthermore, the "Key Accounts Sales" operational unit of ENAMO GmbH was transferred to the newly founded Energie AG Oberösterreich Businesskunden GmbH, and the investment in ENAMO Ökostrom GmbH was transferred to Energie AG Oberösterreich Vertrieb GmbH. All contributions were made retroactively as of 30 September 2019. In a further step, the operational unit "stromdiskont.at" of ENAMO Ökostrom GmbH was spun off to Energie AG Oberösterreich Vertrieb GmbH with retroactive effect as of 31 March 2020. Subsequently ENAMO GmbH was liquidated on 8 August 2020.

To complete the restructuring of the Czech Republic Segment, which occurred in the 2018/2019 fiscal year, Vodospol s.r.o. was merged with ČEVAK a.s. with effect as of 1 October 2019. Furthermore, VODOS s.r.o. was merged with MTH Kolín s.r.o. with effect as of 1 October 2019 and converted into a joint stock company, in which the city of Kolín holds a 2.7% investment. The entity now trades under the name of Energie AG Kolín a.s. Furthermore, 100% of the shares in the Czech water supply and waste water management company VaK Zapy s.r.o. were acquired on 6 December 2019.

Trend in staff levels

In the 2019/2020 fiscal year, the Group's average consolidated workforce stood at 4,506 full time equivalents (FTE), representing an increase of 1.2% over the average of the 2018/2019 fiscal year (4,506 FTE).

The increase in the Energy Segment is essentially due to the full consolidation of the staff figures from the former ENAMO GmbH and the former Energie AG Oberösterreich Vertrieb GmbH & Co KG, which have not been taken into account so far.

Staff levels ¹⁾

	Unit	2019/2020	2018/2019	Change
Energy Segment	FTE	469	449	4.5%
Grid Segment	FTE	534	537	-0.6%
Waste Management Segment	FTE	828	860	-3.7%
Czech Republic Segment	FTE	1,681	1,618	3.9%
Holding & Services Segment	FTE	1,048	1,042	0.6%
Group total	FTE	4,560	4,506	1.2%

1) yearly average of the fully-consolidated and proportionately consolidated entities

| INTERNAL CONTROL SYSTEM

The **internal control system (ICS)** is a process embedded in the work and operating procedures of the Energie AG Group which is implemented by management and staff in order to identify and control existing risks and to be able to ensure with sufficient certainty that the following general objectives are achieved in the course of fulfilling the tasks of the Group:

- Effectiveness and efficiency of business activities
- Regularity and reliability of internal and external reporting
- Compliance with the internal regulations applicable to the Company and the pertinent legal provisions, in particular for the accounting process

In the Energie AG Group, the "Group Treasury", "Group Accounting" and "Controlling and Risk Management" departments have been established as company holding roles. The "Accounting" department acts as a service provider for the entire Group and is established in scope of Energie AG Oberösterreich Business Services GmbH (Business Services GmbH). The basis for valid financial reporting is a strongly IT-supported process as well as a high degree of standardisation in data acquisition and processing, starting with commercial services, through the preparation of the companies' annual reports, to consolidation in the consolidated financial statements. The above-mentioned departments thus form the core of the **ICS control environment** with regard to the accounting process.

The core processes of the above-mentioned departments, as well as the process-inherent, **material risks** and the corresponding controls, are recorded in a separate IT tool.

The concrete design of the **controls** is adapted to individual requirements which adequately consider risks and can include both manual and automated components. The dual control principle is strictly applied to approval processes. Conflicts of functional separation are avoided and monitored by compensatory controls.

Continuous monitoring and a cyclical audit of the control design and effectiveness of the controls by Group Internal Audit form the basis of quality validation and **monitoring** for these systems throughout the Group.

Structured, standardised **reporting** to the Management Board and supervisory bodies ensures that the legally prescribed monitoring tasks are performed.

Control awareness is well anchored in the operating units and is sustainably implemented in the business processes. In addition, maintaining and strengthening risk awareness and awareness of the importance of the ethical values laid down in the vision and mission statement is an essential component of the corporate governance culture.

The legal obligation to equal treatment in accordance with the Electricity Industry and Organisation Act (ElWOG) and the Gas Industry Act (GWG) are subject to appropriate ICS controls and are monitored by the Equal Treatment Officer.

The ICS thus satisfied the statutory requirements in the year under review.

I RISKS AND OPPORTUNITIES

Like all infrastructure companies, Energie AG bears a special responsibility against the backdrop of the COVID-19 pandemic and, as an operator of system-critical infrastructure, understands how to deal with such challenges. Energie AG has responded to the developments of the past few months with appropriate strategic and operational measures, such as the rapid establishment of a task force and proactive risk management by the intra-Group Risk Committee.

The workforce at the power plants, grid control centres, in water supplies, waste management and telecommunications – supported by many employees working from home – are ensuring that the infrastructure continues to function safely and reliably during this period.

From today's perspective, infrastructure companies are not as badly affected economically as other sectors. However, the COVID-19 outbreak in spring 2020, as well as the extensive economic and socio-political measures to prevent a further spread of the pandemic, are also making Energie AG's risks and opportunities more volatile. Thus, Energie AG expects the economic measures and the economic consequences to have an impact. For example, the decline in energy consumption of (business) customers, price trends on international markets and the risk of higher receivables and credit losses. Energie AG is meeting these and other challenges – such as changes in the market environment of the energy industry, as well as adjustments in the general energy-policy and regulatory conditions – with measures designed to improve efficiency, strict, value-based investment management, as well as new business models and innovations to open up additional revenue potential.

Energie AG's business activities are still exposed to certain risks, but no risks were identified in the fiscal year 2019/2020 that, either individually or collectively, would have the potential to jeopardize the continued existence of the Company.

For more details on the risks and opportunities situation, see the [Notes to the Consolidated Financial Statements](#) › page 183.

RESEARCH, DEVELOPMENT AND INNOVATION

Continuous improvement through research, development and innovation is one of Energie AG Group's key focuses.

The goal of Austria's climate neutrality set by the Federal Government poses great challenges. Energie AG meets these challenges proactively and with great commitment, in awareness of its social responsibility for future generations and for ensuring security of supply to its clients in all areas of the Group.

This gives rise to questions regarding the electrification and decarbonisation of sectors, the increase in energy production from renewable sources and its integration into the existing energy system while maintaining the accustomed high level of security of supply. Digitalisation and automation are important tools for development and innovation. Good networking with cooperation partners from science and industry guarantees an intensive exchange with valuable mutual benefits.

In addition, the subsidiary Wertstatt 8 GmbH launched its activities in the 2019/2020 fiscal year, focusing on the development of digital solutions and innovative business models relating to energy and the environment as driven by customer needs.

R&D&I key performance indicators

	Unit	2019/2020	2018/2019	Change
Number of R&D&I projects in the Group	Number	98	104	-5.8%
Staff involved in R&D&I projects	Number	418	364	14.8%
R&D&I expenses in the Group	EUR mill.	4.1	4.5	-8.9%

In fiscal year 2019/2020, research, development and innovation were pursued in the following projects (non-exhaustive list):

Gmunden HighTLink

This project seeks innovative solutions for the extraction of industrial high-temperature heat from the Gmunden cement plant in order to supply industrial, commercial and private customers with process heat and thus reduce greenhouse gases. In addition to flue gas treatment and the development and design of the heat extraction system itself, the use of alternative process media in the primary circuit is also being evaluated, research is being carried out into innovative and cost-optimised heat storage concepts and variants of high-temperature district heating transport are being tested.

Flex+

In the Flex+ project, different strategies are being developed and tested in large-scale real-life operation in order to economically leverage the flexibility of remotely controllable prosumer components such as heat pumps, boilers, PV storage systems and e-mobility for system-beneficial services, such as marketing on spot and control energy markets and minimising balancing energy. Taking into account the interests of all stakeholders, algorithms enable the cross-market use and marketing of the available flexibility. Based on the research results, remuneration models and tariffs for prosumers are being developed and essential processes are being implemented on the prosumer side and in companies along the entire value chain.

Efficiency of the purification performance of sewage treatment plants in the removal of non-priority substances

At several sewage treatment plants, the purification performance in the degradation of non-priority substances such as pharmaceuticals, pesticides, drugstore chemicals, drugs and hormones is being analysed. Investigations are being made as to whether these substances trigger androgenic and anti-androgenic effects that increase the risk of masculinisation or feminisation of aquatic fauna. Waste water samples from treatment stages are being assessed, each using different technologies. The project is part of the monitoring of illegal drugs in waste water in over 90 cities worldwide. Partners in this project are the University of South Bohemia in České Budějovice, the Vodňany Fisheries and Hydrobiology Research Institute and the T. G. Masaryk Water Management Research Institute.

RestoreGrid4RES

In the course of this project, Netz Österreich GmbH (Netz OÖ GmbH) in cooperation with the Technical University of Vienna and the Technical University of Kaiserslautern as well as KNG-Kärnten Netz GmbH has developed reconstruction strategies for the electricity grid, paying special attention to the role of renewable energy technologies and their potential positive contributions. One particular challenge was the location of connections for renewable energy technologies, which are often found at the distribution grid level to which the transmission system operator does not have direct access. In the RestoreGrid4RES project, appropriate software tools were developed and implemented in the simulator at the grid management training centre. Among other activities, the Austrian distribution grid operators use the centre to train grid operators in measures for avoiding grid outages, and for ensuring grid reestablishment, in cooperation with the transmission grid operator. In the future, several of the functions developed in the scope of the project will be integrated into the grid control systems to support the grid operators in the grid reestablishment process with specific regard to renewable energy technologies, and with a view to providing meaningful information on potential next steps and their consequences.

110 kV earth fault detection and extinction

To help locate single-pole faults in the 110 kV electricity grid (earth faults), the behaviour of the 110 kV grid in the event of an earth fault was investigated by means of appropriate tests. In the process, new findings on the extinguishing behaviour and the characteristics of the earth fault current occurring in the extended grid were made. The suitability for operation of the earth fault detection method based on travelling waves, a prototype of which had already been installed in previous fiscal years, was thus demonstrated. This new technical development in the area of 110 kV electricity grids is expected to bring about operational improvements in the future, thus ensuring even greater security for people and supply.

KEY PERFORMANCE INDICATORS

Group overview

	Unit	2019/2020	2018/2019	Change
Electricity procurement	GWh	15,965	16,794	-4.9%
Electricity procured from third parties	GWh	12,511	12,978	-3.6%
Proprietary electricity procurement ¹⁾	GWh	3,454	3,816	-9.5%
Thermal power plants	GWh	816	1,115	-26.8%
Renewable energy	GWh	2,638	2,701	-2.3%
Group's own hydropower plants	GWh	1,112	1,160	-4.1%
Procurement rights from hydroelectric power	GWh	1,321	1,358	-2.7%
Other renewable energy (photovoltaics, wind, biomass)	GWh	205	183	12.0%
Electricity grid distribution volume to end customers	GWh	7,677	8,067	-4.8%
Electricity sales volume ²⁾	GWh	7,327	7,898	-7.2%
Natural gas grid distribution volume to end customers	GWh	19,205	20,831	-7.8%
Natural gas sales volume	GWh	6,113	6,031	1.4%
Heat procurement	GWh	1,685	1,758	-4.2%
Heat sales volume	GWh	1,566	1,625	-3.6%
Total waste volume handled	1,000 t	1,691	1,745	-3.1%
Thermally processed waste volume	1,000 t	624	614	1.6%
Invoiced drinking water volume	m ³ mill.	56.6	56.6	0.0%
Invoiced waste water volume	m ³ mill.	44.3	44.3	0.0%
Length of fibre-optic network	km	6,600	6,100	8.2%

1) of which in the fiscal year 2019/2020 3,451 GWh on the domestic market (previous year: 3,814 GWh)

2) of which in the fiscal year 2019/2020 5,354 GWh distribution to consumers on the domestic market (previous year: 5,587 GWh)

Unless otherwise stated, the key performance indicators given in the following segment report always refer to the respective segment.

I DEFINITION OF SEGMENTS

In accordance with internal reporting and pursuant to IFRS 8 “Operating Segments”, the Energy, Grid, Waste Management, Czech Republic and Holding & Services Segments will be reported on in the [Notes to the Consolidated Financial Statements › page 131](#).

Segment name	Activities included
Energy	Production, trade and sales of electricity, natural gas, heat and telecommunications services
Grid	Construction and operation of the electricity and natural gas grids
Waste Management	Acceptance, sorting, incineration and landfilling of waste
Czech Republic	Supplying drinking water, waste water management, and supplying heat in the Czech Republic
Holding & Services	Telecommunications and metering services, service companies and management functions; associated at-equity companies which are not allocated to other segments

ENERGY SEGMENT

Energy Segment overview

	Unit	2019/2020	2018/2019	Change
Total sales	EUR mill.	1,087.8	1,057.5	2.9%
EBIT	EUR mill.	59.5	117.3	-49.3%
Investments in property, plant and equipment and intangible assets	EUR mill.	22.0	19.1	15.2%
Workforce (on average)	FTE	469	449	4.5%
Electricity procurement ¹⁾	GWh	15,759	16,617	-5.2%
Proprietary electricity procurement	GWh	3,248	3,639	-10.7%
Electricity sales volume	GWh	7,327	7,898	-7.2%
Natural gas sales volume	GWh	6,113	6,031	1.4%
Heat procurement	GWh	1,299	1,381	-5.9%
Heat sales volume	GWh	1,197	1,264	-5.3%

1) incl. third-party procurement

I ECONOMIC ENVIRONMENT FOR THE ENERGY SECTOR

During the first half of the 2019/2020 fiscal year, the forward market prices for electricity for delivery in 2021 in Austria showed a clear downward trend, which had already started before the outbreak of the COVID-19 pandemic and was subsequently accelerated by it. After prices reached their lowest point in March 2020, the trend was slightly upwards again in a volatile environment by the end of the fiscal year. The main influencing factors here were the prices for coal, gas and CO₂ emission allowances. The price for the annual base of 2021 in the price zone Austria reached its highest value on 16 October 2019 at EUR 52.7/MWh, the lowest value was reached on 23 March 2020 at EUR 36.5/MWh. In the 2019/2020 fiscal year, the average value for the front year base was EUR 44.5/MWh.

On the spot market, prices dropped by around a quarter compared with the same period of the previous year. The average European Power Exchange (EPEX) spot price base for delivery in Austria in the reporting period was EUR 32.6/MWh with a volatile development.

The oil price for delivery in December 2020 fell from a high of USD 63.0/barrel of Brent crude oil on 6 January 2020 to a low of USD 31.1/barrel on 28 April 2020. The massive slump from the end of February can be explained on the one hand by the drop in demand in the wake of the COVID-19 pandemic and on the other by a price war between Saudi Arabia and Russia. There was a slight recovery on the oil market from May onwards, but the price of oil is still well below the levels at the beginning of the fiscal year due to the global economic crisis.

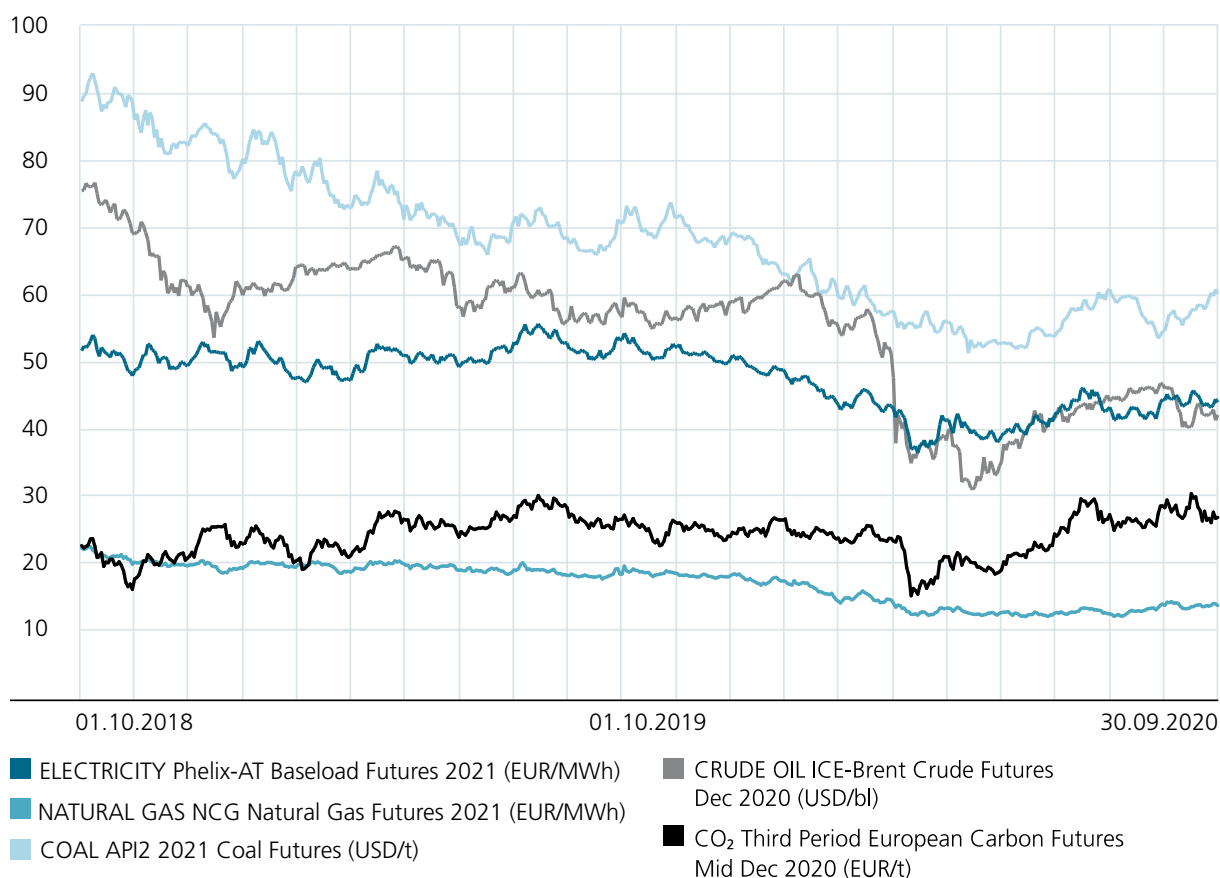
The NetConnect Germany (NCG) gas price for the front year 2021 fell in the first half of the 2019/2020 fiscal year from EUR 18.8/MWh at the beginning of October 2019 to EUR 12.5/MWh at the end of March 2020. In the second half of the fiscal year, gas prices moved sideways with a slight recovery towards the end. Coal prices also declined over the course of the fiscal year, although the slump was less severe than for other commodities.

In the reporting period, prices for CO₂ emission allowances fluctuated between EUR 15.3/t and EUR 30.5/t. Initially, the concern about an unregulated Brexit and the associated effects on the European emissions trading system repeatedly provoked rapid price movements.

In March, however, this receded into the background, and the decline in CO₂ pricing was largely driven by concerns about economic development. Subsequently there was a significant recovery with prices rising to the highest levels seen during the reporting period. This increase was mainly triggered by discussions on tightening the EU climate targets.

Price development on international energy markets

Sources: EEX, Reuters



BUSINESS DEVELOPMENT IN THE ENERGY SEGMENT

In the 2019/2020 fiscal year, sales revenues in the Energy Segment amounted to EUR 1,087.8 million. Compared to the previous year, this represents an increase of EUR 30.3 million or 2.9%. The increase in sales revenues was mainly due to the full-year consolidation of ENAMO GmbH, ENAMO Ökostrom GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG, which were not fully consolidated until 1 April 2019 in the previous year. Declining sales revenues from power plants were compensated for by increased sales revenues in gas management.

The Energy Segment generated an operating result of EUR 59.5 million in the reporting period (previous year: EUR 117.3 million). In the previous year, an upward revaluation in the amount of EUR 48.2 million due to the acquisition of shares in ENAMO GmbH and Energie AG Oberösterreich Vertrieb GmbH & Co KG, as well as reversals of impairment in the amount of EUR 7.9 million for the combined-cycle gas turbine power plant (CCGT) at Timelkam had a positive impact on the EBIT of the Energy Segment. In the 2019/2020 fiscal year, lower expectations of future earnings contributions led to impairments in the amount of

EUR 1.8 million for the CCGT power plant at Timelkam. In addition, impairments in the amount of EUR 7.0 million for the 7Fields gas storage facility and impairments in the amount of EUR 2.1 million for district heating plants were recognised in the reporting period.

In addition to the stated one-off special effects, the EBIT in the reporting period was characterised by lower profit contributions in sales, not least due to the COVID-19 lockdown. Moreover, the expiration of a contract concluded with Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ GmbH), lower use of the CCGT power plant Timelkam, higher maintenance costs for power plants and a decline in proprietary electricity procurement on account of the lower water level impacted on the operating result of the Energy Segment. Positive effects in gas storage management partially compensated for the negative effects.

LOWER PROPRIETARY ELECTRICITY PROCUREMENT FROM THERMAL AND HYDROELECTRIC POWER

Total electricity procurement in the Energy Segment in the 2019/2020 fiscal year totalled 15,759 GWh and was 5.2% lower than in the previous year (16,617 GWh). The main reasons for the negative development were lower levels of electricity procured from third parties, the low use of thermal power plants and the lower water level compared to the previous year. As a result, proprietary electricity procurement of 3,248 GWh in the reporting period was 10.7% lower than in the previous year (3,639 GWh).

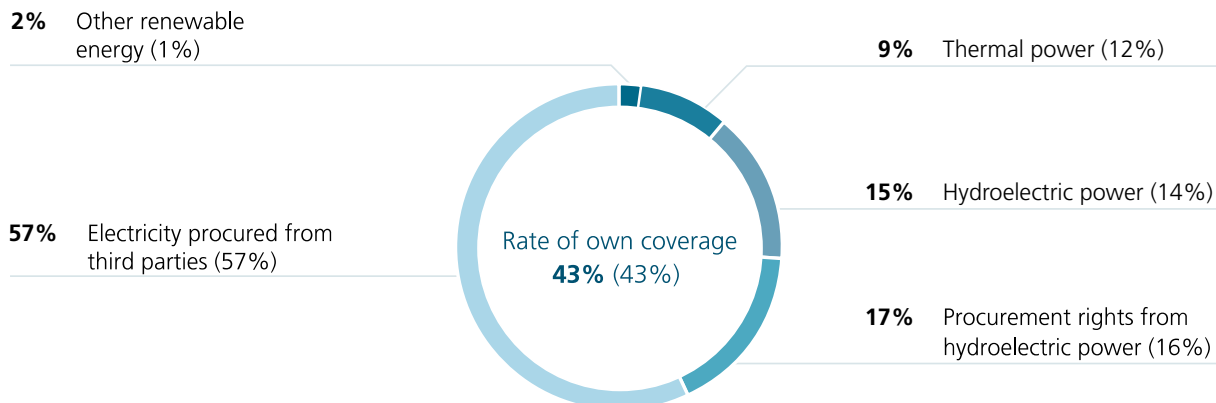
Electricity production from thermal capacities in the Energy Segment dropped sharply by -31.2% from the previous year's value of 1,000 GWh to 688 GWh. This development is attributable on the one hand to the lower utilisation of the CCGT power plant Timelkam compared to the previous year; in the reporting period, the plant recorded lower levels of deployment on the electricity market, beyond year-round provisions for grid reserve management and congestion management, than in the previous year.

As the water level was 5.3% lower compared with the previous year, **proprietary electricity procurement in the hydraulic power plants** during the 2019/2020 fiscal year totalled 2,433 GWh, which is 3.4% below the previous year's figure of 2,518 GWh. Compared with the long-term average, water levels were 3.6% below average in the reporting period. The hydro coefficient of the Group's own power plants and procurement rights was 0.96 during the reporting period (previous year: 1.02).

The electricity procurement structure in the Energy Segment was as follows in the reporting period:

Electricity procurement structure without electricity trading

2019/2020; previous year's figures in brackets



Work on building a replacement facility for the Dürnau hydropower plant continued in the 2019/2020 fiscal year. The old facility was shut down and dismantled at the beginning of March.

To expand electricity generated from renewable energies, the preliminary projects for the construction of the new Weissenbach power plant and the preliminary environmental impact assessment (EIA) procedure for the replacement of the Traunfall power plant were initiated and pushed forward.

In autumn 2019, damage to the dam seal at the Traun-Pucking power plant was discovered. The affected section was thoroughly refurbished and a new subsoil sealing system was installed.

Ennskraftwerke AG, in which Energie AG holds a participating interest of 50%, also reported electricity production below the long-term average in the 2019/2020 fiscal year, with a hydro coefficient of 0.96. Energie AG holds electricity procurement rights in power plants on the rivers Enns and Danube and the Malta/Reißeck II power station group, amounting to some 1,406 GWh.

Energie AG's wind power portfolio in Austria comprises investments in four wind parks with a pro rata overall performance of nearly 14.7 MW. Generation from wind power in the reporting period was 37 GWh (previous year: 35 GWh).

In the photovoltaic (PV) business area, Energie AG Oberösterreich Erzeugung GmbH is the 100% owner of Energie AG Oberösterreich Renewable Power GmbH and the Italian entities ECOFE S.R.L. and Salvatonica Energia S.R.L. Together with the other PV and PV contracting systems, the Energie AG Group has a total PV capacity of around 12 MW_p. The electricity generated is fed directly into the public grid.

The distribution of 232 GWh of district heating from the power plant locations in Riedersbach and Timelkam in the reporting period was slightly below the level of the previous year (237 GWh).

In the Gmunden district heating supply project, initial customers were already supplied with waste heat from the cement plant during the previous heating period. In September 2020, heat supplies to the Gmunden hospital were installed.

In Laakirchen, CMOÖ GmbH supplies a key account customer with electricity and process heat through a CCGT power plant, as well as several adjacent companies with district heating. The volume of process heat and district heating distributed to customers during the 2019/2020 fiscal year amounted to 726 GWh and was therefore 9.5% below the previous year's value (802 GWh).

NEW SALES COMPANY INITIATES FIRST NOTICEABLE TRENDS FOR CUSTOMERS

The 2019/2020 fiscal year was challenging for Energie AG Oberösterreich Vertrieb GmbH (Vertrieb GmbH) in many respects. In addition to declining economic development and the challenging general energy policy conditions, the effects of the mild winter were also felt in all temperature-dependent sectors. The number of heating degree days in Upper Austria in the reporting period was at exactly the same level as last year, and 3.4% below the average for the last five years.

In the business customer segment of the electricity and natural gas sectors sales revenues were significantly reduced due to the COVID-19 lockdown. The lockdown restrictions had a significant impact on sales opportunities and construction activities in the telecommunications sector (Fibre to the Home/FTTH). In addition, Energie AG supported the industry's goodwill arrangements for customers with financial difficulties during the COVID-19 crisis.

According to E-Control Austria, the switching behaviour of electricity and natural gas customers, which is essential for the industry, reached its highest level since the liberalisation of the markets in 2001 and 2002 in 2019. In the first half of 2020 significantly fewer energy customers throughout Austria switched suppliers than in a year-on-year comparison. Especially during the COVID-19 lockdown in the second quarter, switching activity declined significantly, according to E-Control Austria.

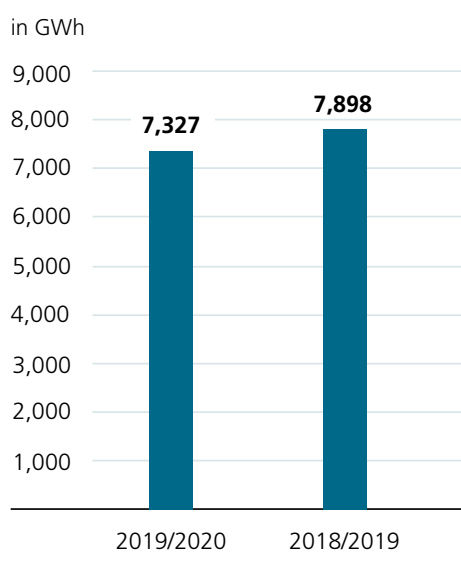
As a result of the reorganisation in Sales, a new product landscape was launched in autumn 2019. On top of harmonised electricity, natural gas and internet products, customers are now being offered combined products for the first time.

Electricity

Energie AG's consolidated electricity sales volume was 7,327 GWh in the 2019/2020 fiscal year (previous year: 7,898 GWh). This means that 571 GWh (-7.2%) less electricity was distributed to customers compared to the previous year.

Due to the COVID-19 pandemic, volumes in the business and industrial customer sectors fell by between 5 and 10%, depending on the sector. In the private, commercial and municipal customer sector, this mainly reduced the volumes in the commercial sectors, while the household segment remained relatively stable. The remainder of the decline is due to ongoing supplier switching, although, encouragingly, this fiscal year's figure was lower than in previous periods.

Electricity sales volume



Natural gas

At 6,113 GWh, the volume of natural gas sold by the Energie AG Group in the 2019/2020 fiscal year was 1.4% above the previous year's figure of 6,031 GWh.

Although sales volumes declined for business and private customers who primarily use space heating, this effect was offset by significant volume growth in the key account sector. Professional customer support made it possible to successfully fend off intense competition here. Apart from that, the impact of the COVID-19 crisis remained fairly low due to the nature of the industry.

Encouragingly, the number of customers switching in the domestic sector declined during the reporting period.

Heat

During the 2019/2020 fiscal year, the heat sales volume in Austria, which remained in the Energy Segment, totalled to 1,197 GWh and was thus 5.3% lower than in the previous year (1,264 GWh).

In addition to the district heating sales volume and the heat sales volume supplied to customers by CMOÖ GmbH, the heat sales volume also includes the energy contracting business area where heat is supplied to customers such as public institutions, the housing industry, trade and commerce via state-of-the-art energy centres.

Telecommunications

In the year under review 2019/2020, the figure of 8,000 subscribers was exceeded for the first time – by the end of the fiscal year, some 8,800 customers were actively using these products (previous year: 5,500).

Despite the challenging competitive environment, Vertrieb GmbH was able to convince more customers of its product benefits, particularly in the business customer sector, thanks to offers tailored to the individual needs of potential customers.

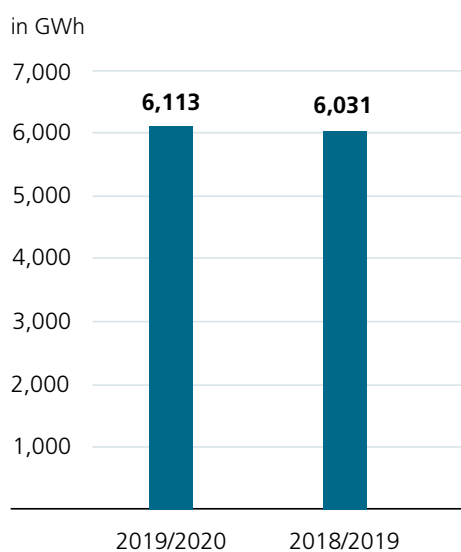
Photovoltaics

In the course of the 2019/2020 fiscal year, 14 new photovoltaic plants with an output of 2,800 kW_p were installed on the basis of a contracting service.

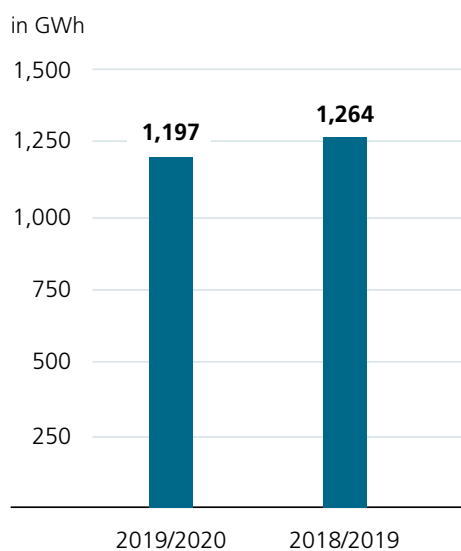
Electromobility

The activities of Vertrieb GmbH in the field of electromobility currently focus on charging solutions (business solutions for company locations, residential buildings, public and private charging infrastructure). Parallel to this, the targeted installation of public charging stations including operations management and service packages with local partners was continued. Energie AG currently operates 100 publicly accessible charging stations with various output ranges from 3.7 kW to 50 kW, including a billing system, and manages a total of over 240 charging points.

Natural gas sales volume



Heat sales volume Austria



GRID SEGMENT

Grid Segment overview

	Unit	2019/2020	2018/2019	Change
Total sales	EUR mill.	366.6	362.6	1.1%
EBIT	EUR mill.	36.9	-77.4	–
Investments in property, plant and equipment and intangible assets	EUR mill.	94.6	96.0	-1.5%
Workforce (on average)	FTE	534	537	-0.6%
Electricity grid distribution volume to end customers	GWh	7,677	8,067	-4.8%
Natural gas grid distribution volume to end customers	GWh	19,205	20,831	-7.8%

STATUTORY AND REGULATORY FRAMEWORK IN THE GRID SEGMENT

The Renewable Energies Expansion Act, which is currently under review, will also bring about innovations for the Grid Segment when it comes into force on 1 January 2021. For further information, see the [Group Management Report, section General conditions – energy and climate policy environment](#). > page 10

As an operator of essential services, Netz OÖ GmbH is required by the **Austrian Network and Information System Security Act (NISG)** to comply with stricter requirements for the information security of its ICT services (network and information systems). The implementation measures within the Group include the introduction of an information security management system (ISMS) in line with ISO/IEC, taking into account ISO 27019, the NIS fact sheets and the utility minimum standard of the electricity industry.

As of 1 January 2020, the grid usage fees of the electricity sector rose by between 8.4% at grid level 7 and 11.7% at grid level 4. This was due to higher investing activities in the grids and higher costs in upstream grids. The **regulatory parameters** established remained stable in the 4th regulatory period. In the System Usage Fees Ordinance for Electricity 2018 and its 2020 amendment, the metering charges were newly regulated, with the metering charges for low-voltage load profile metering and quarter-hour maximum metering being significantly reduced as of 1 January 2020.

In the natural gas sector, the grid usage fees for consumers at grid level 3 fell by 2.6% on 1 January 2020, while grid level 2 increased by 6.9% for consumers.

The general economic conditions for natural gas have been defined for the 3rd regulatory period since 1 January 2018, but the Austrian Federal Economic Chamber and the Federal Chamber of Labour have objected against the stipulations made by the regulatory authority. The decision for the year 2020 is currently still pending, while a decision for the years 2018 and 2019 was issued by the Federal Administrative Court in the reporting period. This decision defined the regulatory framework, which is tantamount to a deterioration for the industry compared to the original decision. The parameters of the 3rd regulatory period remain stable on this reduced basis.

BUSINESS DEVELOPMENT IN THE GRID SEGMENT

The Grid Segment generated sales revenues of EUR 366.6 million in the reporting period. This represents a moderate increase of 1.1% compared with the previous year's sales revenues. In fiscal year 2019/2020, the EBIT of the Grid Segment amounted to EUR 36.9 million and was EUR 114.3 million up on the previous year's EBIT of EUR -77.4 million.

A necessary change in the valuation method as of 30 September 2019 prompted an impairment of EUR 109.3 million, which had a negative impact on the operating result in the previous year and accounts for the main deviation from EBIT in the reporting period.

Concerning operational activities, the regulatory tariff increase combined with lower upstream grid costs in the electricity sector had a positive effect on results in the reporting period. The regulatory cuts in gas grid tariffs and volume reductions in both the electricity and gas grids partially offset this effect.

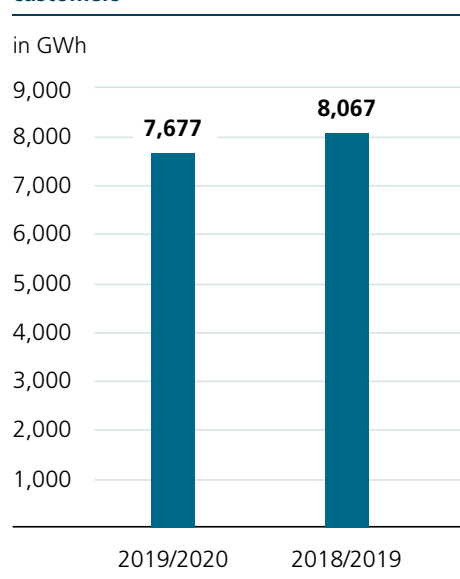
ELECTRICITY AND NATURAL GAS GRID AS THE BACKBONE OF THE UPPER AUSTRIAN SUPPLY INFRASTRUCTURE

In the 2019/2020 fiscal year, 7,677 GWh of electricity was distributed to end customers from the **electricity grid** (previous year: 8,067 GWh). This represents a decrease of 390 GWh (-4.8%) compared with the previous year. The decline in volume is mainly due to a decline in the industrial and commercial customer sector in the second half of the fiscal year in the wake of the COVID-19 lockdown. As of 30 September 2020, Netz OÖ GmbH supplied approx. 510,000 active customer installations.

One major challenge in grid operation with a tangible influence on the availability characteristics of the electricity grid was a consequence of several storms in February 2020, with storm "Sabine" on 10 February 2020 having the greatest impact on the electricity supply. In this situation, the 110 kV high-voltage grid once again proved to be the strong and reliable backbone of the Upper Austrian electricity supply.

In the 2019/2020 fiscal year, the activities of the Grid Segment focused on the consistent implementation of the "Electricity Grid Master Plan Upper Austria 2028" (Stromnetz-Masterplan Oberösterreich 2028) in addition to regular grid upgrade and expansion measures. Despite the extremely difficult project environment, the "Alm- und Kremstal Electricity Supply" project has been consistently pursued since construction activities resumed in August 2019 and is expected to be completed in spring 2021. In July 2020, line construction work began on the "Pramtal South Electricity Supply" project, and the Raab transformer station was completed in September 2020. In the "Mühlviertel Electricity Supply" project, landowner information events were held and a detailed route in the preferential corridor is available. Public communication, detailed planning and routing have commenced in the joint project "Central Region Upper Austria Electricity Supply" with Austrian Power Grid AG and LINZ NETZ GmbH. Submission for environmental impact assessment is planned for autumn 2021.

Electricity grid distribution volume to end customers



In the year under review, the programme to replace overhead medium-voltage lines that are particularly susceptible to disruption with underground cable proceeded according to plan. In the twelfth year of this programme, a further 14 kilometres of overhead power lines were replaced by underground cables.

Due to the ongoing integration of local electricity generation facilities, ensuring voltage quality for grid customers on the low-voltage grid remains a challenge. The installed capacity from photovoltaics is already around 283 MW (previous year: 243 MW) with around 24,100 connected systems (previous year: 20,000 systems). Lessons learned from research and development projects are being successfully adopted for efficient grid integration.

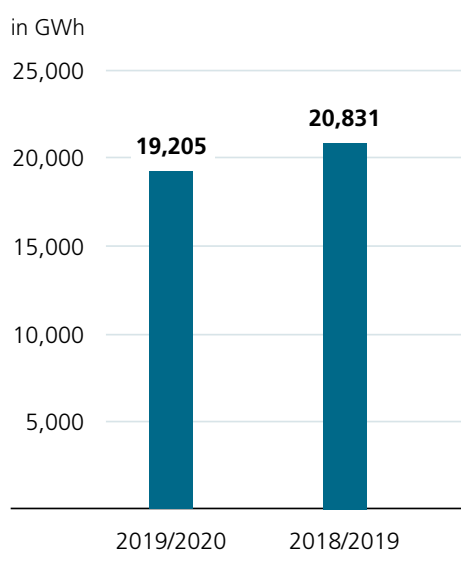
The **volume of natural gas** transported for end customers in the Company's own grid dropped by 7.8% to 19,205 GWh year-on-year in the 2019/2020 fiscal year (previous year 20,831 GWh). In the high-pressure area, natural gas volumes dropped, primarily due to lower proprietary electricity generation by industrial operations and power plants. Volumes in the household and trade sectors were slightly above the previous year's level.

In the year under review, in addition to the standard grid expansion, grid connections were also built for larger business customers in St. Florian am Inn, Ranshofen, Altenfelden, Engerwitzdorf, St. Georgen bei Grieskirchen, Gmunden, Schwanenstadt and Pöndorf. A new distribution station was built in Pöndorf, while in Neukirchen an der Vöckla/Zipf the existing distribution station was replaced by a new one.

Three high-pressure natural gas pipelines over a total length of 9.3 km were investigated using intelligent pigging. Various repairs to high-pressure pipelines (undercoverage) were carried out, and five pig locks were replaced or retrofitted in the year under review.

In the Grid Segment, the implementation of a workforce management system, "DigiWork", started during the reporting period, with the aim of implementing further digitalisation steps. The smart meter roll-out was completed at the end of the fiscal year in the Netz OÖ GmbH concession territory. In order to continue to successfully implement new market models on this basis, a smart meter upgrade project was launched in the 2019/2020 fiscal year.

Natural gas grid distribution volume to end customers



WASTE MANAGEMENT SEGMENT

Waste Management Segment overview

	Unit	2019/2020	2018/2019	Change
Total sales	EUR mill.	232.7	233.5	-0.3%
EBIT	EUR mill.	27.1	13.4	–
Investments in property, plant and equipment and intangible assets	EUR mill.	16.1	14.6	10.3%
Workforce (on average)	FTE	828	860	-3.7%
Total waste volume handled	1,000 t	1,691	1,745	-3.1%
Thermally processed waste volume	1,000 t	624	614	1.6%

ECONOMIC ENVIRONMENT FOR THE WASTE MANAGEMENT SECTOR

In the first six months of the 2019/2020 fiscal year, the waste management industry continued to benefit from favourable general economic conditions. In the second half of the year, however, the environmental parameters of the waste management sector showed a differentiated picture due to the COVID-19 lockdown. However, the import ban on various recyclable material fractions imposed by the Chinese Ministry of the Environment on 1 January 2018 and subsequently by other Asian countries continues to exert a strong influence on the entire waste management sector, resulting in shifts in global volume flows all told. The resulting high volumes of lower quality plastic waste ensured that all waste incineration plants across Europe continued to operate at high capacity in the reporting period.

Both nationally and internationally, the issue of responsible materials management continues to be at the centre of attention. In order to close the gap between waste management and production, mandatory requirements for reusable or recyclable product designs, including the use of secondary raw materials, are being addressed. Corresponding targets defined at European level in the form of the Circular Economy Package pose major challenges for the actors involved, for example, in the establishment of new collection and sorting channels.

The European Disposable Plastics Directive stipulates that 77% of disposable plastic bottles must be collected separately by 2025 (increasing to 90% by 2029). In Austria, the collection rate is still significantly lower than this. In order to be able to achieve the high targets nevertheless, the introduction of a deposit system for single-use bottles and beverage cans and the strengthening of reusable containers to avoid waste is the subject of political discussion.

In the case of recycling materials, a negative trend – partly due to the import restrictions explained above – continued to be observed for both scrap metal and recovered paper/ cardboard in the year under review. In the case of recovered paper, the Wiesbaden Paper Index reached a historic low in March 2020, before recovering significantly in the COVID-19 lockdown months and, after volatile performance, finally ending the fiscal year slightly above the level at the start of the fiscal year. The price of scrap steel remained at a low level throughout the fiscal year and was exposed to strong fluctuations.

BUSINESS DEVELOPMENT IN THE WASTE MANAGEMENT SEGMENT

In the 2019/2020 fiscal year, sales revenues in the Waste Management Segment amounted to EUR 232.7 million, thus remaining largely stable compared with the previous year (EUR 233.5 million). EBIT increased by EUR 13.7 million to EUR 27.1 million compared with the previous year (EUR 13.4 million).

In the first half of the 2019/2020 fiscal year in particular, good price trends for commercial and industrial waste, hazardous waste and the services offered made a positive contribution to the development of sales revenues. On the other hand, the development of the recycling materials waste metal and waste paper/cardboard in particular negatively affected total sales noticeably. In order to maintain general waste management reliability, companies in the sector were exempted from plant closures due to the COVID-19 lockdown. Nevertheless, the waste management sites were not fully utilised during this period, with significant regional differences and a resulting decline in sales revenues. From July 2020 the situation eased again, both in terms of capacity utilisation and price development.

The year-on-year increase in results is largely attributable to one-time effects. On 10 October 2019, a serious explosion occurred at the Hörsching sorting plant, resulting in one death and several injuries. The buildings and the sorting plant itself were so badly damaged that a large part had to be demolished. The material damage and the additional costs incurred by the replacement sorting carried out by external third parties were covered by insurance policies. The effect on earnings of EUR 9.8 million resulting from the insurance compensation is mainly responsible for the year-on-year increase in EBIT.

STABLE THROUGHPUT RATES AT THERMAL PLANTS DESPITE COVID-19

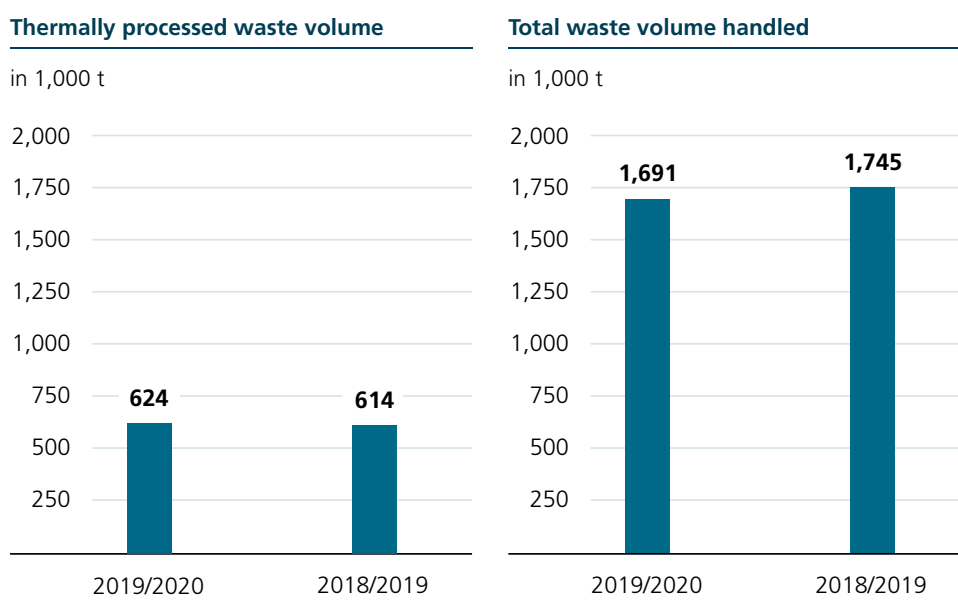
The **incineration plants at Wels and Lenzing** achieved a throughput of about 623,500 tonnes of thermally processed waste. This is equivalent to a slight increase of 1.6%.

The annual plant overhaul at Lenzing took place at the beginning of the COVID-19 lockdown. It was successfully completed in compliance with strict hygiene regulations. Due to the plant shutdown at Lenzing and the lower demand for process heat in May, the thermally processed waste volume declined slightly. At the incineration plant at Wels, throughput rates were increased significantly despite COVID-19 lockdown conditions. To prevent a possible plant closure due to COVID-19 infections, a safety strategy was developed and consistently implemented. On the maintenance side, the focus was on the renewal of the refuse crane.

In the reporting period, the waste incineration plant in Wels distributed 198 GWh of **heat** (previous year: 186 GWh) to the district heating network of the town of Wels and to one other key account customer. Electricity procurement totalled 206 GWh (previous year: 177 GWh). The increase is attributable to the turbine overhaul carried out at 10-year intervals in the previous year.

The **treatment plants for hazardous waste in Steyr** were again very well utilised in the year under review. In terms of maintenance, the focus was primarily on the renovation of the CPO plant (chemical/physical treatment plant for organic waste) and laboratory optimisation. In addition, a digitalisation project was launched to improve occupational safety.

Compared with the fiscal year 2018/2019, the **total volume handled** in Austria and South Tyrol fell by approximately 3.1% to 1,691,000 t (previous year: 1,745,000 t). Both Austria and South Tyrol were affected by the decline as a result of the COVID-19 pandemic.



The focus in the Waste Management Segment in the 2019/2020 fiscal year was again on the conclusion of long-term indexed contracts with defined delivery volumes and prices. In addition to industrial and business customers, cooperation with the public sector was further intensified. It is above all the municipalities which continue to represent a material target group for the Waste Management Segment. In addition to the further development of digitalisation projects, activities in the reporting period focused on the conversion of the sorting plant in Linz.

In the year under review, construction work started for the **relocation** of the Energie AG Oberösterreich Umwelt Service GmbH headquarters from Hörsching to the Wels waste incineration plant. Since the four-track expansion of the western railway line with a connection to the airport affects the Hörsching site, parts of the site will be sold to ÖBB Infrastruktur AG in the course of the project. Completion of the new company headquarters, which is being built as an extension to the existing office premises at the Wels waste incineration plant, is expected for autumn 2021 after a construction period of approximately one year.

Italy was hit particularly hard by the COVID-19 pandemic in the year under review. In addition to the extensive protective measures taken to contain the pandemic and the extensive lockdown measures in Italy, the Neumarkt site in **South Tyrol** had to contend with declining prices for waste paper as well as declining earnings in glass recycling. In addition, it proved impossible to carry out a planned slag processing campaign for a customer due to delays in issuing the official approval required for this.

Despite COVID-19, **WDL-WasserdienstleistungsGmbH** enjoyed largely stable conditions in the fiscal year 2019/2020. The main focus was on maintaining security of supply of drinking water and further developing the services offered.

CZECH REPUBLIC SEGMENT

Czech Republic Segment overview

	Unit	2019/2020	2018/2019	Change
Total sales	EUR mill.	160.5	160.0	0.3%
EBIT	EUR mill.	9.8	10.9	-10.1%
Investments in property, plant and equipment and intangible assets	EUR mill.	9.5	11.3	-15.9%
Workforce (on average)	FTE	1,681	1,618	3.9%
Invoiced drinking water volume	m ³ mill.	47.5	47.6	-0.2%
Invoiced waste water volume	m ³ mill.	44.3	44.2	0.2%

I GENERAL CONDITIONS IN THE CZECH REPUBLIC

In the first half of the reporting period in particular, the favourable economic development in the Czech Republic was reflected in a positive trend in sales and an increasing volume of orders in services business, while from March 2020 COVID-19 restrictions were also felt in the Czech Republic Segment. There were no significant changes as part of the annual adjustment of the pricing regime in the Czech Republic, which focuses on the appropriate profit of operating and infrastructure companies. Due to weather conditions, sales in the heating business were slightly impaired as the winter was milder than the previous year's.

Competition on the labour market continued to be at a high level in the first six months, not least due to the positive economic development in the Czech Republic. However, due to the economic impact of the COVID-19 pandemic, there were some initial signs in the second half of the year that job security in the infrastructure business is definitely a positive argument in competition on the labour market.

The Czech koruna remained largely constant against the euro during the 2019/2020 fiscal year until COVID-19 restrictions were imposed and, after a weaker performance in the second half of the fiscal year, stabilised towards the end of the reporting period at a slightly lower level than in the first half of 2019/2020.

I BUSINESS DEVELOPMENT IN THE CZECH REPUBLIC SEGMENT

In the 2019/2020 fiscal year, the Czech Republic Segment generated stable sales revenues of EUR 160.5 million in its water and heating business (previous year: EUR 160.0 million).

The operating result amounted to EUR 9.8 million in the reporting period (previous year: EUR 10.9 million). The 10.1% decline in EBIT in the Czech Republic Segment is mainly attributable to a decline in demand and temporary factory closures in regions with higher industrial sales volumes as a result of the COVID-19 pandemic. The developments of water and waste water were in line with the long-term seasonal fluctuation margins.

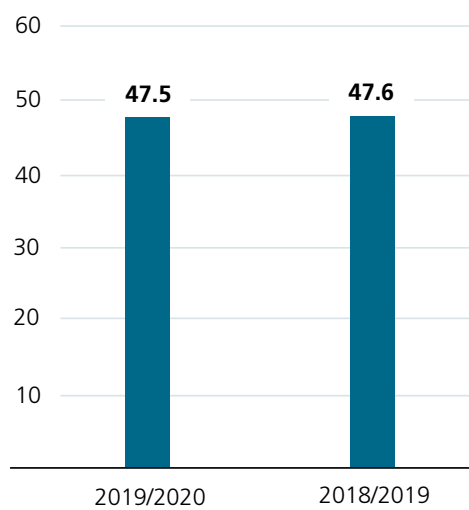
Due to the higher than average temperatures and resulting lower sales volumes in the reporting period, the income generated by the heat-related business in the Czech Republic was slightly lower than in the previous year.

I STABLE DEVELOPMENT IN THE CZECH REPUBLIC

In the Czech Republic Segment, a total of 47.5 million m³ of **drinking water** and 44.3 million m³ of **waste water** were invoiced in the reporting period.

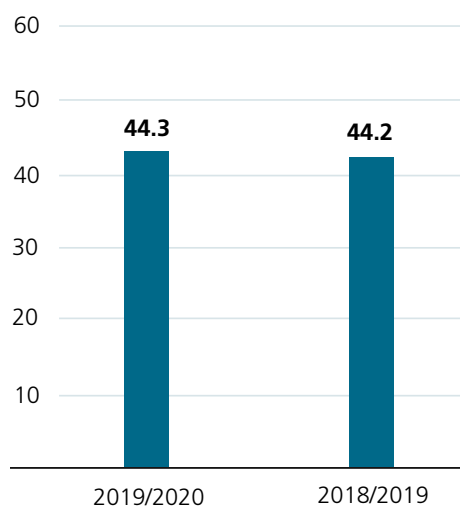
Invoiced drinking water volume

in m³ mill.



Invoiced waste water volume

in m³ mill.



Like every year, fee negotiations with the municipal contracting parties were scheduled for numerous operator contracts in the water business during the reporting period. Smaller bidding procedures additionally took place in a number of supply areas. The number of operating or concession agreements and heat supply agreements has remained constant since the beginning of the fiscal year.

VaK Zapy s.r.o., which was acquired on 6 December 2019, is based in the municipality of Zapy, about 30 km west of Prague. 23 employees provide services in the field of maintenance, repair and overhaul of water supply systems for 15 towns and municipalities and waste water management systems for 23 municipalities. More than 700,000 m³ of drinking water are supplied to customers each year. The operating area borders on that of the Energie AG subsidiary VAK Beroun a.s. to the north-west, and on that of Energie AG Kolín a.s. to the east.

In the areas of research, development and innovation, the focus in the reporting period was on reducing non-revenue water as well as on digitalising operations and customer services. Significant development steps were taken in each of these areas. In the smart water meter sector, the application "Water under Control", developed by ČEVAK a.s., České Budějovice, is a trend-setting solution for water customers and suppliers; it is also currently being tested in Austria in the scope of a pilot project.

The **heat sales volume** in the Czech Republic amounted to 171 GWh in the reporting period, which is lower than the previous year's level (175 GWh).

HOLDING & SERVICES SEGMENT

Holding & Services Segment overview

	Unit	2019/2020	2018/2019	Change
Total sales	EUR mill.	259.9	249.4	4.2%
EBIT	EUR mill.	14.4	8.8	63.6%
Investments in property, plant and equipment and intangible assets	EUR mill.	55.0	72.1	-23.7%
Workforce (on average)	FTE	1,048	1,042	0.6%
Length of fibre-optic network	km	6,600	6,100	8.2%

BUSINESS DEVELOPMENT IN THE HOLDING & SERVICES SEGMENT

Sales revenues in the Holding & Services Segment amounted to EUR 259.9 million in the reporting period, which was up 4.2% on the previous year's figure of EUR 249.4 million. This positive development was attributable to sales revenue growth in the telecommunications business area and across all service companies.

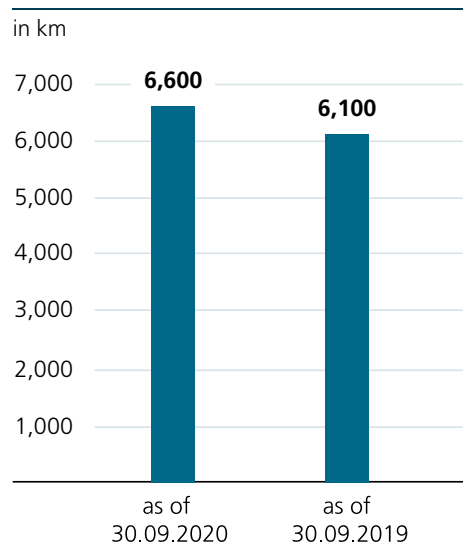
The operating result grew from EUR 8.8 million in the 2018/2019 fiscal year to EUR 14.4 million in the 2019/2020 fiscal year. Increased profit shares from investments consolidated at equity in the Holding & Services Segment contributed to the increase in the operating result in the Holding & Services Segment, as did a higher EBIT contribution from the telecommunications business area and lower expenses in the Holding & Services Segment. Impairments were recognised for telecommunications equipment in the reporting period. In the previous year, EBIT included higher property sales than in the reporting period in addition to impairments on telecommunications equipment.

FUTURE-PROOF FIBRE-OPTIC TECHNOLOGY INDISPENSABLE IN TIMES OF CRISIS

The need for fast data connections was clearly demonstrated in the reporting period by the exceptional situation of the COVID-19 pandemic: more intensive home-office activities and the increased use of entertainment services caused a significant additional load on the data network, but fibre-optic technology was able to handle this without any noticeable restrictions for customers. It was thus possible to guarantee the required bandwidths and a high connection quality throughout. The Energie AG Group's strategy of relying on future-proof glass fibre technology was again confirmed by these developments. As of 30 September 2020, the Group's own fibre-optic network comprised approx. 6,600 km (previous year: 6,100 km).

Fibre-To-The-Home (FTTH) expansion continued to make progress almost as planned in the year under review. By now, more than 35,000 households in 199 municipalities can choose from Energie AG Group's FIBER product portfolio (internet with download speeds of up to 500 Mbps, plus a TV product and telephony). In the

Length of fibre-optic network



wholesale sector, Energie AG Oberösterreich Telekom GmbH (Telekom GmbH) offers other providers the possibility to connect their mobile communications facilities with optical fibre or to serve customers via the Group's own fibre-optic network.

Another area of Telekom GmbH's business activity is providing electricity metering services for Netz OÖ GmbH. During the 2019/2020 fiscal year, the mass roll-out for smart metering devices (IME-VO Amendment 2017) was completed on schedule. As at 30 September 2020, 651,596 AMIS meters were installed (previous year: approx. 633,000). At a roll-out level of around 99% (previous year: 94%), the legal requirements are thus fully met.

I STRATEGIC INVESTMENTS

The at-equity consolidated entities Wels Strom GmbH and Salzburg AG, as well as further minority holdings complete the business portfolio of Energie AG.

Wels Strom GmbH, in which Energie AG holds a 49% interest, is the integrated electricity supply company of the city of Wels. Other business areas include heat generation for the municipal district heating network and energy systems for key account customers.

Construction work on the new Traunleiten hydropower plant, originally built in 1901, which started in September 2017, was completed at the beginning of 2020 and the power plant resumed normal operation. The investment volume amounted to EUR 48.0 million; from 2020 onward, this will enable full coverage of the domestic electricity demand for the greater Wels area solely with green electricity from hydroelectric power. This doubled output to 19 MW with annual production of 90 GWh in the future.

In the last completed fiscal year (1 January 2019 to 31 December 2019), the electricity sales volume to customers increased to 723 GWh (2018: 630 GWh), 7.2% of which was covered by own production, mainly from hydroelectric power. Some 27% of the electricity sales volume was generated outside the grid area of Wels Strom GmbH.

In the scope of an extensive strategy project, the owners of Wels Strom GmbH – eww ag and Energie AG – intend to intensify cooperation together with the subsidiary in the supply of heat and electricity to the Wels area. The aim is to leverage synergy potentials and improve service quality by creating a single point of contact for the Wels supply networks for electricity, district heating, gas, water and waste water. After concretisation and content elaboration in autumn 2020, this future initiative is to be implemented in 2021 and 2022.

Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg AG) is in transition from a simple utility and regional infrastructure service provider with activities in the fields of electricity, natural gas, district heating, water, mobility and telecommunications to a digital technology company. Energie AG holds a 26.13% interest in the entity.

In the last reporting period (1 January 2019 to 31 December 2019), the focus was mainly on pushing forward with climate protection and digitalisation in the scope of in-house projects and in collaboration with start-ups, as well as on traditional business units. In addition to the expansion of the electricity grid by subsidiary Salzburg Netz GmbH, the expansion of broadband and 5G, and thus the strengthening of the telecommunications infrastructure, took priority for the Company with an investment volume of around EUR 75.3 million in 2019. Innovative approaches in the field of product development were taken in the form of new photovoltaic offerings among other things. Artificial intelligence and data science were used in collaboration with partners to develop a forecast model for the Austrian electricity price based on fundamental, market and weather data. At the same time, the company is the

largest mobility provider in the federal state of Salzburg with some 52 million passengers annually.

In economic terms, business development in the 2019 fiscal year was characterised by declining trading volumes in electricity and gas while sales to end users increased. At 3,471 GWh, the electricity sales volume to customers was 6.3% above the previous year's level with around 51% being covered by own production, 85.5% of which from renewable sources. Natural gas sales volumes increased by 3.0% to 1,721 GWh, while district heating volumes were up by 3.6% on the previous year at 778 GWh. As in the previous fiscal years, sales success was noted in cable TV, internet and telecommunications offerings. The number of internet customer systems exceeded a value of 100,000 for the first time.

I SHARED SERVICES

The four Group-wide service companies

- Energie AG Oberösterreich Business Services GmbH (Business Services GmbH),
- Energie AG Oberösterreich Customer Services GmbH (Customer Services GmbH),
- Energie AG Oberösterreich Personalmanagement GmbH (Personalmanagement GmbH) as well as
- Energie AG Oberösterreich Tech Services GmbH (Tech Services GmbH)

are combined in the Holding & Services Segment.

These service companies provide commercial and technical services for the entire Group in accordance with precisely defined quality and safety standards. These services are guided by external market conditions for similar products and services.

Business Services GmbH bundles services for the Energie AG Group in the areas of purchasing and logistics, real estate management, information technology, accounting, and insurance and legal services. The work focuses in the 2019/2020 fiscal year were the implementation of digitalised official mail, the realisation of projects within the framework of the Group's digitalisation strategy and the continuation of the security awareness campaign with a focus on remote work, data protection, internet and email security. The ongoing project to adapt the SAP system architecture for billing and customer services was continued. In the 2019/2020 fiscal year, work took place on the integration of the gas sector. The reporting period also saw the construction and conversion of office and workshop buildings at the Schalchen and Gmunden locations, while planning of the extension to the Group headquarters in Linz was completed.

Customer Services GmbH was also strongly involved in the project to adapt the SAP system architecture in the area of billing and customer services. This entity bundles the Group's customer services and data protection back office, billing, provider switch management, receivables management and payment processing in customer-facing operations. In addition to the reliable provision of customer services in the face of the COVID-19 pandemic, the 2019/2020 fiscal year was characterised by numerous projects. For example, billing processing for joint generation plants was implemented on the basis of the EDA (energy sector data exchange) user portal in the reporting period. In addition, the customer-consent management data release processes for customers regulated in the GDPR (General Data Protection Regulation), Art. 7, and in accordance with industry agreements were elaborated and came into force in October 2020. In the 2019/2020 fiscal year, employees provided services for around 1.5 million customer contracts.

The focus of **Personalmanagement GmbH**'s activities is both on governing matters related to personnel strategy and personnel policy for the Group, and on all agendas relating to personnel and management development, personnel support, personnel accounting and apprenticeship programs. In the 2019/2020 fiscal year, work again focused on several employer branding activities and the conclusion of a trainee program with a main focus on female trainees. In addition, the competency model introduced in 2014 was evaluated and adapted, and the "Charter of Agile, Cross-Divisional Cooperation in Energie AG" project was launched as an output of the "Energie AG Future Lab" management academy.

As the central expertise owner for all technical services at Energie AG, **Tech Services GmbH** is the expert point of contact for planning, implementation and maintenance. These services were primarily provided for affiliated companies in the Group in the 2019/2020 fiscal year. Orders from external customers were also accepted to balance capacity utilisation. The COVID-19 lockdown posed a very special challenge in the year under review. Numerous construction sites at which work was in progress had to be secured with work stopping at short notice. Work was resumed with great care, and appropriate protective measures in place. Despite these difficult conditions, a substantial volume of orders was processed in the reporting period and delays caused by the COVID-19 lockdown in the spring were made up, thus preventing any negative impact on results.

OUTLOOK

The economic and energy policy environment will continue to be dominated by the COVID-19 pandemic in the 2020/2021 fiscal year. The corresponding strategic and operational measures taken by Energie AG during the reporting period, such as the introduction of a task force and proactive risk management by the Risk Committee, will therefore be continued in the 2020/2021 fiscal year, so that critical infrastructure operations can be ensured.

In terms of the statutory environment, a political agreement on the introduction of a deposit on single-use plastic bottles and a mandatory share of reusable bottles in the retail trade, resulting from the implementation of the EU Circular Economy Action Plan and the directive on single-use plastic products, is expected by the end of the year for the Austrian waste management sector. Parliament is also expected to deal with the Renewable Energies Expansion Act in the first quarter of the new 2020/2021 fiscal year. Draft legislation on "green gas" in the building sector and on the national implementation of the EU Energy Efficiency Directive are also expected during this period.

The development of the energy markets in the 2020/2021 fiscal year will strongly depend on expectations of global economic development, which in turn will depend on the further course of the COVID-19 pandemic. The outcome of the Brexit negotiations will also be crucial for Europe, as will the continued implementation of climate targets at EU level, as this will have an impact on CO₂ prices. A situation of oversupply in oil, coal and gas is not expected to be particularly supportive for electricity prices. Bottlenecks on the supply side should not have a lasting effect. Against the backdrop of expected high volatility and major uncertainties, a sideways or downward trend for the 2020/2021 fiscal year seems more likely than a significant upward trend.

Energie AG's electricity production capacities from Group-owned thermal power plants continue to be highly significant for providing grid reserve management. The CCGT power plants of Energie AG will again be available to transmission system operators for national grid support in the 2020/2021 fiscal year.

On the sales side, the impact of the COVID-19 crisis means that the upcoming fiscal year will be characterised by a high degree of uncertainty, with further declines in sales revenues, particularly in the business and industrial customer segment, and higher bad debt losses in all areas. The decisive factor for Vertrieb GmbH will be the extent to which the general political conditions will enable it to position itself more strongly as an energy service provider. Vertrieb GmbH intends to again keep electricity and natural gas retail prices for private and business customers in the premium sector (with the exception of float prices) constant in the next fiscal year.

The statutory environment for the Grid Segment in the current electricity regulatory period has been defined for five years and continues to be viewed as stable. In terms of the general economic environment for natural gas, the decision for the year 2020 is still outstanding; having said this, it can be assumed that the parameters based on the decisions taken for the years 2018 and 2019 will be applied throughout the third regulatory period. The business activities in fiscal year 2020/2021 in the Grid Segment will again be characterised by the advancement of major projects, particularly those associated with the "Electricity Grid Master Plan Upper Austria 2028" (Stromnetz-Masterplan Oberösterreich 2028), as well as the consistent continuation of priority programmes in the grids for natural gas and electricity. Another material focus will be the implementation of the requirements of the Renewable Energies Expansion Act, which is currently under review.

Following completion of the smart meter roll-out and complete digitisation using AMIS technology, continuous ongoing development in the field of smart metering will also be essential

in the future. This primarily concerns support for point-to-point and transformer meters to enable customers in very sparsely populated areas to participate in new market models – such as joint generation, electric mobility or energy communities – at a reasonable cost.

Fibre-optic technology is the most reliable method currently available for the future provision of high bandwidth with the necessary quality of service. The future subsidy programmes are currently being prepared at federal level. Telekom GmbH intends to also apply for future calls from these funding programmes. In addition to fibreglass as a landline technology, LTE and/or 5G technology will become firmly established in the mobile sector. For this reason, the intent is to leverage business opportunities by connecting mobile transmitter sites to the company's own fibre-optic network.

The focus in the Czech Republic Segment in the 2020/2021 fiscal year is on further intensifying cooperation between water and heating companies and on leveraging synergies. A further focus will be the integration of VAK Zapy s.r.o., which was acquired on 6 December 2019. In addition, several major concession bidding procedures will take place in the regions currently supported; the Energie AG Bohemia Group and one of its subsidiaries will participate in these in the 2020/2021 fiscal year. The extent to which the COVID-19 pandemic will affect the course of these tenders cannot yet be assessed. This also applies to the short- and medium-term effects on current business. The effects on heating and drinking water sales and waste water generation were not yet significantly tangible in the year under review and cannot yet be reliably assessed with a view to the further development of the pandemic.

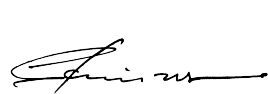
In the Waste Management Segment, too, the effects of the COVID-19 pandemic on the further development of prices for recycling materials cannot be reliably assessed at present. During the 2020/2021 fiscal year, activities will focus on reorganising cooperation between Energie AG and eww ag in Wels. In order to be able to supply the town of Wels and the neighbouring areas with district heating in an even better and more efficient way in future, district heating will be extracted from Wels' waste incineration plant to an even greater extent than to date, and district heating supply volumes will be significantly increased. The project will entail appropriate investments in the upcoming fiscal years.

With a view to the currently ongoing COVID-19 pandemic, Energie AG's focus in the 2020/2021 fiscal year will again continue to be on reliable performance of system-critical tasks, especially guaranteeing security of supply for customers, while at the same time ensuring the highest possible levels of health protection for the workforce. The previous strategic goals in the areas of customer orientation, environmental protection, decarbonisation, digitalisation and cost management will remain unchanged.

The impacts of continuing COVID-19 restrictions are expected to persist, for example due to a reduction in energy consumption by customers or price developments on international markets. Recognising the current difficulty in drawing up reliable results forecasts, results for the 2020/2021 fiscal year are expected to develop in a satisfactory manner, although at a lower level compared with the reporting period.

Linz, 2 December 2020

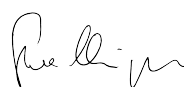
The Management Board of Energie AG Oberösterreich



Chief Executive Officer
Dr. 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