

Semi-Annual Consolidated Financial Statements

2019/2020 of Energie AG Oberösterreich

CONSOLIDATED STATEMENT OF INCOME

1 OCTOBER 2019 TO 31 MARCH 2020

	01.10.2019-31.03.2020 EUR 1,000	01.10.2018-31.03.2019 EUR 1,000
1. Sales revenues	1,107,108.2	981,965.6
Procurement costs for electricity and gas trading	-34,913.1	-56,501.8
Net sales revenues	1,072,195.1	925,463.8
2. Change in inventories of finished goods and work in progress	146.7	-331.3
3. Other capitalised corporate services	17,253.0	15,869.2
4. Share in result of companies consolidated at equity	11,143.8	29,475.0
5. Other operating revenue	17,907.1	21,298.7
6. Expenses for material and other purchased services	-722,536.3	-595,920.9
7. Personnel expenses	-150,845.5	-141,652.3
8. Depreciation, amortisation and impairments	-88,814.2	-71,110.7
9. Other operating expenses	-79,361.6	-75,767.1
10. Operating result	77,088.1	107,324.4
11. Financing expenses	-11,293.3	-11,343.9
12. Other interest income	423.6	-30.0
13. Other financial result	-2,297.0	494.7
14. Financial result	-13,166.7	-10,879.2
15. Earnings before taxes	63,921.4	96,445.2
16. Income taxes	-13,152.5	-20,653.5
17. Consolidated net earnings	50,768.9	75,791.7
Thereof attributable to non-controlling interests	876.4	1,014.8
Thereof attributable to investors in the parent company		
Consolidated net profit	49,892.5	74,776.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 OCTOBER 2019 TO 31 MARCH 2020

	01.10.2019-31.03.2020 EUR 1,000	01.10.2018-31.03.2019 EUR 1,000
1. Consolidated net earnings	50,768.9	75,791.7
2. Other comprehensive income		
Items that will not be subsequently reclassified to the income statement:		
Remeasurement of the defined benefit obligation	18,784.3	-11,316.2
Changes in value of at-equity companies recognised in equity	–	-414.0
Changes in value of investments and securities FVOCI	538.1	3,077.3
Deferred taxes	-4,830.6	2,059.3
Items that may be subsequently reclassified to the income statement:		
Hedge accounting	-42,982.3	-39,619.3
Changes in value of at-equity companies recognised in equity	83.3	-163.9
Translation differences	-5,431.2	-229.4
Deferred taxes	10,745.6	9,888.6
Total expenses and revenues recognised in other comprehensive income	-23,092.8	-36,717.6
3. Total comprehensive income after taxes	27,676.1	39,074.1
4. Thereof attributable to non-controlling interests	177.6	976.6
5. Thereof attributable to parent company	27,498.5	38,097.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2020

ASSETS		31 March 2020 EUR 1,000	30 September 2019 EUR 1,000
A. Non-current assets			
I. Intangible assets and goodwill		233,890.1	245,102.5
II. Property, plant and equipment		1,945,399.1	1,881,853.8
III. Investments (thereof at-equity companies: EUR 215,757.4 thousand (previous year: EUR 204,780.3 thousand))		242,662.8	228,088.3
IV. Other financial assets		52,340.3	56,639.6
		2,474,292.3	2,411,684.2
V. Other non-current assets		25,324.4	10,155.0
VI. Deferred tax assets		7,543.7	7,864.3
		2,507,160.4	2,429,703.5
B. Current assets			
I. Inventories		31,021.4	57,755.1
II. Receivables and other assets		436,353.8	348,190.2
III. Fixed term deposits and short-term investments		109,547.3	109,997.7
IV. Cash and cash equivalents		19,256.2	29,772.0
		596,178.7	545,715.0
		3,103,339.1	2,975,418.5
LIABILITIES		31 March 2020 EUR 1,000	30 September 2019 EUR 1,000
A. Equity			
I. Share capital		88,655.5	88,729.2
II. Capital reserves		216,528.8	216,455.1
III. Retained earnings		1,023,727.3	1,027,039.6
IV. Other reserves		-59,064.9	-36,672.7
V. Non-controlling interests		14,188.1	14,787.4
		1,284,034.8	1,310,338.6
B. Non-current liabilities			
I. Financial liabilities		591,561.5	428,429.6
II. Non-current provisions		280,549.4	308,093.1
III. Deferred tax liabilities		24,376.0	31,882.3
IV. Construction cost subsidies		293,838.5	293,166.8
V. Advances received		5,803.1	16,886.7
VI. Other non-current liabilities		92,045.7	77,423.8
		1,288,174.2	1,155,882.3
C. Current liabilities			
I. Financial liabilities		76,308.4	27,313.1
II. Current provisions		29,477.5	22,244.5
III. Tax provisions		781.5	328.0
IV. Trade payables		157,531.0	180,763.8
V. Other current liabilities		267,031.7	278,548.2
		531,130.1	509,197.6
		3,103,339.1	2,975,418.5

STATEMENT OF CHANGES IN EQUITY (CONDENSED)

	Equity of investors in parent company EUR 1,000	Non-controlling interests in equity EUR 1,000	Total EUR 1,000
Balance 30.09.2018	1,366,956.8	14,483.2	1,381,440.0
Adjustments from the initial application of IFRS 9, after taxes	2,961.8	15.6	2,977.4
Total comprehensive income	38,097.5	976.6	39,074.1
Dividends	-78,081.7	-804.1	-78,885.8
Balance 31.03.2019	1,329,934.4	14,671.3	1,344,605.7
Balance 30.09.2019	1,295,551.2	14,787.4	1,310,338.6
Total comprehensive income	27,498.5	177.6	27,676.1
Change in the scope of consolidation	-9.7	8.9	-0.8
Dividends	-53,193.3	-785.8	-53,979.1
Balance 31.03.2020	1,269,846.7	14,188.1	1,284,034.8

CASH FLOW STATEMENT (CONDENSED)

	01.10.2019-31.03.2020 EUR 1,000	01.10.2018-31.03.2019 EUR 1,000
Earnings before income taxes	63,921.4	96,445.2
Earnings after income taxes	44,640.7	87,507.3
Depreciation/Appreciation of non-current assets	90,791.6	64,502.5
Retained earnings of equity companies	-10,893.8	19,764.3
Other items	-11,307.9	-26,857.7
CASH FLOW FROM EARNINGS	113,230.6	144,916.4
Payments from hedging transactions	-62,432.2	-40,185.5
Change in fixed term deposits and short-term investments	450.4	61,115.0
Change in inventories and current receivables	-21,531.1	-28,246.6
Other change in working capital	-7,778.7	-39,868.5
CASH FLOW FROM OPERATING ACTIVITIES	21,939.0	97,730.8
Outflow for additions to property, plant, equipment and intangible assets	-117,087.0	-112,946.8
Other items	1,303.6	10,186.1
CASH FLOW FROM INVESTMENTS	-115,783.4	-102,760.7
Dividend distribution	-53,979.1	-78,885.8
Issuance of registered bond	100,000.0	–
Cash advances	44,000.0	9,000.0
Other items	-6,137.0	-1,716.9
CASH FLOW FROM FINANCING ACTIVITIES	83,883.9	-71,602.7
TOTAL CASH FLOW	-9,960.5	-76,632.6
Cash funds at beginning of period	29,772.0	101,436.6
Cash flow	-9,960.5	-76,632.6
Exchange rate effects on cash funds	-555.3	-32.9
Cash funds at end of period	19,256.2	24,771.1

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

1. General disclosures

The condensed semi-annual financial statements of Energie AG Oberösterreich as of 31 March 2020 were drawn up in accordance with IAS 34 (interim financial reporting), the International Financial Reporting Standards (IFRS) for interim financial reporting as applicable on the reporting date together with the applicable interpretations as published by the International Accounting Standards Board (IASB) and adopted by the European Union. The interim financial report provides an update to the consolidated financial statements as of 30 September 2019. The semi-annual financial statements were not subjected to a complete review or a review by a public auditor.

The accounting policies current as of 30 September 2019 were applied without changes, with the exception of the changes disclosed in this report.

2. Change in accounting methods

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

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

IFRS 16 (Leases)

IFRS 16 was published in January 2016 and replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. The new standard provides that all leases and the contractual rights and obligations associated with them must be reported on the lessee's statement of financial position. The previously different recognition of operating and finance leases under IAS 17 no longer applies. The lessee recognises a right-of-use asset representing its right to use an underlying asset and, at the same time, a lease liability in the amount of the present value of the lease payments. Discounting takes place at the lease-specific interest rate, or the incremental borrowing interest rate if the lease-specific interest rate cannot be determined. Depending on the term, an incremental borrowing interest rate of 1.2% or 1.7% is assumed. The right of use asset must then be amortised and the lease liability carried forward using the effective interest method.

IFRS 16 is not applied to short-term leases and leases concerning an underlying asset of minor value. In accordance with IFRS 16.4, the company has opted out of voluntary application of IFRS 16 for intangible assets. Application takes place with retrospective effect by recognising the accumulated effect at the time of initial application. The standard is applied for the first time in the 2019/2020 fiscal year. The Group applies IFRS 16 to all contracts concluded prior to 1 October 2019 and identified as leases under IAS 17 and IFRIC 4. Current finance leases will be continued; the assets will merely be reclassified as right-of-use assets.

The most important change concerns the Group's head office in Linz. The corporate headquarters building is used on the basis of a lease. A right of use asset and a lease liability

in the amount of EUR 39.9 million have been recognised as of 1 October 2019. In the Waste Management Segment, portfolio contracts concerning properties resulted in the recognition of a right-of-use asset and a corresponding liability in the amount of EUR 25.7 million.

In the 2007/2008 fiscal year, plant and equipment assets were sold and leased back for a term of 15 years ("sale-and-leaseback") in the Waste Management Segment. In accordance with IAS 17, the lease was classified as a finance lease. As of 1 October 2019, the carrying amount of the assets of EUR 19.3 million was transferred into a right of use asset. The liability amounts to EUR 46.2 million.

As of 1 October 2019, rights of use assets in an amount of EUR 93.0 million were recognised in the property, plant and equipment item, while lease liabilities in an amount of EUR 120.0 million were recognised in the financial liabilities item.

As of 31 March 2020, the lease liability amounts to EUR 116.7 million (up to 1 year: EUR 6.9 million, 1-5 years EUR 57.2 million, more than 5 years EUR 52.6 million).

The reconciliation of the obligations from rentals and leases to the lease liability as of the date of the first-time application of the standard presents as follows:

	EUR mill.
Obligations from the utilisation of property, plant and equipment assets not reported on the Statement of Financial Position as of 30.09.2019	49.2
Liability from the sale-and-leaseback contract from the year 2007/08 in the Waste Management Segment	46.2
Difference from the appraisal of the commitment period and the term of the lease in accordance with IFRS 16, as well as the purchase option for the corporate headquarters in Linz	35.3
Other items	-7.1
	123.6
Discounting effect	-3.6
Lease liability as of 01.10.2019	120.0

Other changes

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

The other changes to standards and interpretations are without any significant effects on the consolidated financial statements.

2.2. Standards and interpretations that have not been applied early

In the 2019/2020 semi-annual financial statements, the following amendments adopted by the EU were not applied ahead of their effective date:

Entry into force in the EU on 1 January 2020:

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

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

- IFRS 17 (Insurance Contracts)
- IAS 1 (Amendments: Classification of Liabilities as Current or Non-current)

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

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

- IFRS 14 (Regulatory Deferral Accounts)

Entry into force of the following standard was postponed indefinitely:

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

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

3. Scope of consolidation

Energy Segment

Energie AG Oberösterreich Businesskunden GmbH (share 100%) was formed on 26 February 2020 and is fully consolidated in the Consolidated Financial Statements. The key account sales of ENAMO GmbH will be transferred to this company in the second half of the fiscal year. ENAMO GmbH will then be liquidated.

Additionally, the operational unit "Stromdiskont" of ENAMO Ökostrom GmbH will be spun off to Energie AG Oberösterreich Vertrieb GmbH.

Czech Republic Segment

In the Czech Republic Segment, Městské tepelné hospodářství Kolín, spol. s r.o. was merged with VODOS s.r.o. and changed the company name to Energie AG Kolin a.s. VODOSPOL s.r.o. was further merged with CEVAK a.s.

Holding & Services Segment

As of 30 November 2019, Wertstatt 8 GmbH (formerly: baulounge GmbH) is fully consolidated in the Consolidated Financial Statements.

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

4. Accounting policies

Impairment of intangible assets and property, plant and equipment

The current market conditions with falling electricity prices and negative implications of the System Utilization Tariff Directive resulted in deteriorated framework conditions for the CCGT (combined-cycle gas turbine) power plant in Timelkam.

In the Energy Segment, this resulted in a write-down of the CCGT power plant in Timelkam in an amount of EUR 0.7 million (31 March 2019: reversal of impairment: EUR 6.6 million).

The recoverable amount (value in use) is EUR 48.8 million (31 March 2019: EUR 52.2 million). The maximum output of the power plants amounts to 422 MW, maximum district heating supply is 100 MW. Efficiency was estimated at 55.7%. Annual electricity generation was recognised at up to 1,411 GWh per year. The assumptions for the future electricity and gas prices are based, where available, on market data; if no market data were available, estimates were made based on market studies. Expenses for maintenance and repair were recognised according to maintenance plans and contracts. Other material expense items such as personnel costs, insurance and infrastructure costs are annually increased by an estimated increase rate. The discount rate is 4.6% (31 March 2019: 4.9%).

Additionally, an impairment of EUR 7.2 million was recognised for the cash generating unit "7-Fields gas reservoir". The impairment was based on a new assessment of the future long-term gas prices on the trading market during the summer and winter months ("summer-winter spread"), as well as the possible utilisation of the gas reservoir over the long term. A discount rate of 5.0% was applied (30 September 2019: 5.3%). The recoverable amount (value in use) is EUR 1.5 million.

5. Segment reporting

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

Segment reporting covers the Energy, Grid, Waste Management, Czech Republic and Holding & Services Segments.

The accounting policies applied to the reported segments are the same as those applied throughout the Group. Sales transactions between the segments (internal sales) are billed at market prices, or on the basis of costs incurred. The operating result is the profit or loss for the period that is monitored regularly by the chief decision-makers and used as the primary basis for assessing success and allocating resources. In the previous year, the heat activities of the Group in the Czech Republic were transferred from the Energy Segment to the Czech Republic Segment (previously: Water Segment). The previous year's segment reporting was adapted to reflect the new structure for better comparability.

2019/2020	Energy EUR mill.	Grid EUR mill.	Waste Manage- ment EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Recon- ciliation EUR mill.	Group EUR mill.
Sales to third parties	704.8	192.9	110.0	83.2	16.2	–	1,107.1
Intersegment sales	2.6	6.7	4.2	–	99.8	-113.3	–
Total sales	707.4	199.6	114.2	83.2	116.0	-113.3	1,107.1
Operating result	31.9	27.5	6.8	7.2	3.7	–	77.1

Restated 2018/2019	Energy EUR mill.	Grid EUR mill.	Waste Manage- ment EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Recon- ciliation EUR mill.	Group EUR mill.
Sales to third parties	571.5	194.6	111.5	81.2	23.2	–	982.0
Intersegment sales	0.9	6.8	2.8	0.5	83.6	-94.6	–
Total sales	572.4	201.4	114.3	81.7	106.8	-94.6	982.0
Operating result	49.2	34.7	7.7	8.3	7.4	–	107.3

The operating result in the balance column corresponds to the result stated in the Consolidated Income Statement. The reconciliation statement with earnings before income taxes can be obtained from the consolidated income statement.

6. Financial instruments

6.1. Carrying amounts in accordance with IFRS 9

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

	Category acc. to IFRS 9	Carrying amount 31.03.2020 EUR 1,000	Carrying amount 30.09.2019 EUR 1,000
Investments		26,905.4	23,308.0
Shares in affiliated companies	FVOCI	3,921.0	2,094.5
Other investments	FVOCI	22,984.4	21,213.5
Other financial assets		52,340.3	56,639.6
Lendings to companies in which an interest is held	AC	10,043.2	10,817.3
Other lendings	AC	5,301.7	5,559.7
Securities FVOCI	FVOCI	7,936.8	9,243.0
Securities FVPL	FVPL	29,058.6	31,019.6
Receivables and other financial assets (non-current and current) acc. to the Statement of Financial Position		461,678.2	358,345.2
Thereof non-financial assets		42,829.3	38,490.1
Thereof financial assets		418,848.9	319,855.1
Trade receivables	AC	288,407.9	254,399.0
Receivables from affiliated companies	AC	154.7	181.8
Receivables from joint arrangements and associated companies	AC	15,092.5	8,583.6
Derivatives designated as hedging instruments (cash flow hedge)	n/a	17,859.8	7,214.4
Derivatives not designated as hedging instruments	FVPL	27,652.9	6,629.1
Other financial assets	AC	69,681.1	42,847.2
Fixed term deposits and short-term investments	AC	89,688.1	89,903.3
Fixed term deposits and short-term investments	FVPL	19,859.2	20,094.4
Cash and cash equivalents	AC	19,256.2	29,772.0
Total financial assets		626,898.1	539,572.4

	Category acc. to IFRS 9	Carrying amount 31.03.2020 EUR 1,000	Carrying amount 30.09.2019 EUR 1,000
Financial liabilities (non-current and current)		667,869.9	455,742.7
Bonds	FLAC	301,790.5	301,846.3
Liabilities to banks	FLAC	74,388.7	32,354.4
Lease liabilities	IFRS 16/IAS 17	116,759.8	46,249.4
Other financial liabilities	FLAC	174,930.9	75,292.6
Trade payables (current)	FLAC	157,531.0	180,763.8
Other liabilities (non-current and current) acc. to the Statement of Financial Position		359,077.4	355,972.0
Thereof non-financial liabilities		243,122.5	276,057.3
Thereof financial liabilities		115,954.9	79,914.7
Liabilities to affiliated companies	FLAC	9,727.0	15,053.4
Liabilities to joint arrangements and associated companies	FLAC	9,679.1	6,156.1
Derivatives designated as hedging instruments (cash flow hedge)	n/a	49,203.2	24,091.9
Derivatives not designated as hedging instruments	FVPL	26,729.7	6,570.0
Other financial liabilities (non-current and current)	FLAC	20,615.9	28,043.3
Total financial liabilities		941,355.8	716,421.2
Carrying amounts grouped to measurement categories according to IFRS 9			
Financial Assets at Amortized Costs (AC)		497,625.4	442,063.9
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		34,842.2	32,551.0
Financial Assets at Fair Value through Profit or Loss (FVPL)		76,570.7	57,743.1
Financial Liabilities at Amortized Cost (FLAC)		748,663.1	639,509.9
Financial Liabilities at Fair Value through Profit or Loss (FVPL)		26,729.7	6,570.0

6.2. Measurement at fair value

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

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

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

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

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

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

The financial instruments measured at fair value are assigned to levels 1 to 3 as follows:

		Measurement on the basis of inputs observable on the market			
	Carrying amount	Measurement at market prices Level 1	Level 2	Other measurement methods Level 3	Total fair value
31.03.2020	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Assets					
Shares in affiliated companies (FVOCI)	3,921.0	–	–	3,921.0	3,921.0
Other investments (FVOCI)	22,984.4	721.7	–	22,262.7	22,984.4
Securities (FVOCI)	7,936.8	7,936.8	–	–	7,936.8
Securities (FVPL)	29,058.6	29,058.6	–	–	29,058.6
Derivatives designated as hedging instruments (cash flow hedge)	17,859.8	–	17,859.8	–	17,859.8
Derivatives not designated as hedging instruments (FVPL)	27,652.9	–	27,652.9	–	27,652.9
Fixed term deposits and short-term investments (FVPL)	19,859.2	19,859.2	–	–	19,859.2
Total	129,272.7	57,576.3	45,512.7	26,183.7	129,272.7
Liabilities					
Derivatives designated as hedging instruments (cash flow hedge)	49,203.2	–	49,203.2	–	49,203.2
Derivatives not designated as hedging instruments (FVPL)	26,729.7	–	26,729.7	–	26,729.7
Total	75,932.9	–	75,932.9	–	75,932.9

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

Level 3 financial instruments have developed as follows:

	2019/2020 EUR 1,000	2018/2019 EUR 1,000
Carrying amount as of 01.10.	22,210.9	10,631.6
Initial application IFRS 9	–	4,702.0
Gains (losses) – not recognised in profit or loss	2,219.8	6,877.6
Additions	2,523.6	–
Transfers	-532.7	0.7
Currency translation	-237.9	-1.0
Carrying amount	26,183.7	22,210.9

The upward revaluation in the previous fiscal year resulting from the initial application of IFRS 9 in the amount of EUR 4,702.0 thousand and the appreciation in the amount of EUR 2,219.8 thousand (previous year: EUR 6,877.6 thousand) concern the most important one of Other Investments (FVOCI). The fair value of this other investment is determined using a measurement method based on capitalisation of earnings. Essential input factors are the cash flow assumptions from mid-term planning and the discount rate. The appreciation was recognised as other comprehensive income in the item "Change in value of investments and securities FVOCI".

An increase (reduction) of the cash flow assumptions by 25% would have resulted in an increase (reduction) of the OCI in the amount of EUR 3,501.9 thousand (EUR -3,501.9 thousand) (previous year: EUR 3,085.7 thousand (EUR -3,085.7 thousand)). An increase (reduction) of the discount rate by 50 basis points would have resulted in a reduction (increase) of the OCI in the amount of EUR -900.2 thousand (EUR 1,033.0 thousand) (previous year: EUR -786.2 thousand (EUR 900.9 thousand)).

6.2.2. Valuation techniques and input used in measuring fair values

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

The following valuation techniques and inputs were used:

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

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

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

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

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

	Category acc. to IFRS 9	Carrying amount 31.03.2020 EUR 1,000	Fair value 31.03.2020 EUR 1,000	Carrying amount 30.09.2019 EUR 1,000	Fair value 30.09.2019 EUR 1,000	Level
Assets						
Other financial assets		15,344.9	16,896.2	16,377.0	19,044.9	
Lendings to companies in which an interest is held	AC	10,043.2	11,429.9	10,817.3	13,293.9	Level 3
Other lendings	AC	5,301.7	5,466.3	5,559.7	5,751.0	Level 3
Liabilities						
Financial liabilities		551,110.1	609,582.0	409,493.3	496,521.6	
Bonds	FLAC	301,790.5	357,231.0	301,846.3	370,845.0	Level 1
Liabilities to banks	FLAC	74,388.7	75,351.1	32,354.4	33,441.9	Level 3
Other financial liabilities	FLAC	174,930.9	176,999.9	75,292.6	92,234.7	Level 3

The fair values of the level 3 financial liabilities disclosed above were determined in accordance with generally accepted valuation techniques that are based on discounted cash flow analyses. Material input is the discount rate, which takes into account the default risk of the counterparty.

7. Risk management

7.1. Risk management process

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

As an established part of the management and controlling system, the risk management plays a role in strategic management, investment/project management and the operational activities.

Based on the operational risk management in the decentral business units, the operational and strategic risk management are controlled by the central risk management unit. Risks, opportunities and measures are updated on a quarterly basis and recorded in a group-wide implemented software tool. The identified opportunities and risks are analysed on group level and aggregated to form the total risk position.

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

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

7.2 Strategic risks

Making the right strategic decisions is quintessential for the success of any company. Climate change, changing framework conditions in energy politics and the energy industry sector, technological development and a changing market environment entail strategic risks and opportunities for Energie AG. Based on an intensive surveillance of markets, competitors and technologies, the strategic direction is continually being reviewed and adapted to new circumstances.

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

7.3 Risks from operational activities

The profitability and value of the assets, procurement rights and participating interests of the Energie AG Group are exposed to significant market price risks (prices for electricity, gas, biomass, emissions allowance pricing etc.). Because the majority of the generated volume has already been contracted, the lower electricity prices are not expected to have any major effect on the result for the 2019/2020 fiscal year. To enable the utilisation of synergies within the Group as well as risk strategies that are geared to the market environment, the know-how concerning the management of commodity price risks has been bundled in Energie AG Oberösterreich Trading GmbH.

The **electricity production from thermal capacities** in the Energy Segment has declined from the previous fiscal year. The continued high electricity prices and relatively stable gas prices in the winter half year allowed for the utilisation of the CCGT (combined-cycle gas turbine) power plant in Timelkam, which is kept as a reserve for grid reserve and congestion management.

Another important parameter affecting the business development of Energie AG are the **developments relating to weather and climate**. These developments affect the electricity generation volumes from hydroelectric power – due to hydrological conditions that are outside of human control – and also the space heat-driven sales volumes of electricity, gas and heat. The electricity procurement in the reporting period benefitted of water levels that were higher than the long-term average, but slightly lower than in the previous fiscal year. All temperature-exposed units experienced the effects of the – in relation to the long-term average – mild winter temperatures.

The COVID-19 pandemic, the ensuing subdued economic development and demanding energy policy framework conditions presented great challenges for the **end customer market for electricity, gas, heat and telecommunication services**. According to internal assessments, the COVID-19 pandemic will result in significantly lower revenues in the electricity and gas sectors. In the area of private customers, the continued curfew measures

are expected to result in slightly higher sales volumes. The risks associated with the current situation are analysed and assessed frequently, suitable measures are taken as required. According to E-Control Austria, the year 2019 saw the greatest number of customers switching their electricity and gas provider since the liberalisation of the markets. Numerous measures are implemented to keep provider switches for Energie AG at the lowest possible level and to win over new customers – such as the bundling of the sales organisations, price guarantees, service and financial assistance offers, focus on digitalisation in product development and positioning as an energy service provider.

In the **Waste Management Segment**, the traditional waste management services benefitted of favourable economic conditions in the half-year under review and continued the positive trend from the previous fiscal year. As a result of the permanent high volumes of waste requiring thermal treatment, waste incineration plants throughout Europe continued to operate at high capacity utilisation rates. The negative trend from the previous year continued for the recycling materials paper/cardboard and metals where prices are expected to recover after bottoming out at the end of the first year.

Stable sales revenues and results will be assured by intensifying the cooperation with the public sector, a stringent strategic cost management, and ongoing implementation of optimisation projects.

The Austrian waste management companies were expressly excluded from the COVID-19 lockdown that started in mid-March 2020. To warrant a reliable disposal of waste, the operating business operated from the second half of March onward under aggravated framework conditions and in compliance with the safety and personal hygiene requirements.

In the **Czech Republic Segment**, the favourable macroeconomic data were – up to the onset of the COVID-19 pandemic – reflected in a positive sales development and in increasing order volumes in the service business. Due to weather conditions, sales in heating were slightly impaired by the mild winter. It is difficult to estimate the implications of the COVID-19 pandemic, and particularly so with respect to upcoming concessionaires. The operating business is likely to experience a contraction in the producing sector, which will to some degree be compensated by higher demand from households. The restructuring of the Czech Republic Segment included the start of a synergy project. This project and the ongoing participation in (concession) tenders for water/waste water are the most important measures aimed at securing and increasing our market share.

Because of the rapidly advancing digitalisation, the expansion of **Fibre To The Home** (FTTH) and the fitting of **smart meters** is gaining in importance. The COVID-19 pandemic clearly highlighted the great importance of lightspeed broadband internet for Upper Austria as a business location. Energie AG is continuing the installation of FTTH, but the COVID-19 pandemic is expected to affect the acquisition and construction activity. As of 31 March 2020, smart meters accounted for 98.25% of metering installations, a high value by industry standards that fully satisfies the statutory requirements. These expansions to the business model also offer new opportunities and risks, particularly in terms of IT protection regulations for end customers.

In the business units of Energie AG, systems are exposed to risks from technical failures or other damage events that may also affect their availability. Energie AG responds to these asset risks by carrying out maintenance and quality inspections, as well as implementing an optimised maintenance strategy.

The storm fronts at the beginning of the year created a challenging situation due to the difficulties caused in electricity grid operations. In this situation, the 110 kV high-voltage grid

once again proved to be the strong and reliable supply backbone of the electricity supply in Upper Austrian. The strategic programmes to replace overhead low-voltage lines and overhead medium-voltage lines that are particularly susceptible to disruption with underground cable and the systematic expansion of grid automation are continued as planned. This further reduces the effects of windstorm events on the power supply and increases the availability of the grid.

As an operator of critical infrastructure, Energie AG has installed a suitable crisis and emergency management that enables the Group to respond appropriately to a crisis like the current COVID-19 pandemic, and assure the availability of its systems.

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

7.4. Political, regulatory and legal risks

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

Climate-related EU requirements and their implementation in Austria as well as the statutory environment for project development and implementation for infrastructure companies are of essential significance for infrastructure companies such as Energie AG. Efforts are made to counter these risks by engaging in an intensive and constructive dialogue with government agencies and political stakeholders.

The general regulatory conditions for grid operators continue to be viewed as stable. The parameters for the current electricity regulation period are fixed for five years. In terms of the general economic conditions for natural gas, it can be assumed that the parameters will be fixed in the vein of the proceedings already completed for the industry and will be applied throughout the third regulatory period. The objective continues to be the safeguarding of a stable economic environment for grid operators.

7.5. Risks from investments in other companies

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

7.6. Financial risks

The management of financial risks has never been more important than in the current turbulent environment on the financial and capital markets. Financial risks, such as the interest rate risk, currency and liquidity risks as well as the market price risk from financial investments, are managed and monitored centrally by Energie AG Oberösterreich. The credit risk is managed in close consultation with the individual business units and mitigated by carrying out regular credit analyses for major counterparties.

The provisions carry a potential opportunity or risk, because the present value of the provisions declines with an increasing discount rate and increases with a lower discount interest rate.

8. Related party disclosures

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

		Revenues EUR 1,000	Expenses EUR 1,000	Receivables EUR 1,000	Liabilities EUR 1,000
State of Upper Austria	2019/2020	669.9	280.4	205.0	2.7
	2018/2019	166.9	292.4	1.8	5.8
OÖ Landesholding and subsidiaries	2019/2020	5,540.4	129.1	834.5	3,195.7
	2018/2019	1,566.3	32.2	168.7	29,070.4
Associated companies	2019/2020	28,920.1	6,453.1	3,584.1	62.3
	2018/2019	8,515.4	594.5	1,407.7	0.2
Joint ventures	2019/2020	1,579.6	2,053.7	4,721.5	434.8
	2018/2019	137,553.5	12,403.2	8,740.4	51,065.5

Performances are rendered on the basis of market terms and conditions or costs incurred.

9. Other disclosures

Fire in the plastics sorting facility

On 10 October 2019, an explosion in the plastics sorting facility in Hörsching (Waste Management Segment, Austria) caused a major fire. The fire destroyed most of the building and technical equipment, which lead to the recognition of an impairment in an amount of EUR 2.4 million in the first half of 2019/2020. The insurers are expected to confirm insurance coverage in the second half of the fiscal year.

COVID-19 pandemic

The implications of the COVID-19 pandemic include lower prices on the energy markets, an expected decline in future energy supplies, and a higher planning uncertainty for the Consolidated Financial Statements as of 31 March 2020. A gradual reversal of restrictions and first signs of economic recovery are expected in the second half of the fiscal year. The economic environment is expected to return to normal over the two following years.

In the Energy Segment, electricity volumes for supply contracts were procured in advance. From today's perspective, it is expected that partial electricity volumes will be without customer demand and will therefore have to be marketed otherwise. Due to the recent decline of prices on the electricity market, a provision in an amount of EUR 1.0 million was formed.

The COVID-19 pandemic triggered an adjustment of expected credit losses, which resulted in the recognition of an additional impairment of EUR 0.6 million.

Other disclosures

Weather-related fluctuations in revenues and earnings during the fiscal year are particularly noticeable in electricity generation as well as electricity and gas sales. For the Energy Segment, this means that the earnings in the first half year are frequently higher than in the second half year. Due to subdued construction activity in the autumn and winter months, investment in property, plant and equipment is generally lower in the first half year than in the second. In the first six months of the year, the hydro coefficient was 1.08 (previous year: 1.13).

In the first six months of the 2019/2020 fiscal year, additions to property plant and equipment amounted to EUR 73.1 million (previous year: EUR 73.1 million), while the carrying amount of disposals was EUR 2.4 million (previous year: EUR 8.5 million). Obligations for the acquisition of property, plant and equipment amount to EUR 57.1 million (previous year: EUR 50.5 million).

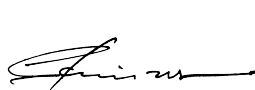
Registered bonds with a volume of EUR 100.0 million, a term of 20 years and an interest rate of 1.25% were issued in the reporting period.

The first six months of the 2019/2020 fiscal year saw EUR 53.2 million (previous year: EUR 78.1 million) in dividends distributed to the shareholders of Energie AG Oberösterreich.

Contingent liabilities amounted to EUR 3.6 million (previous year: EUR 6.5 million).

Linz, 29 May 2020

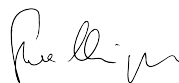
The Management Board of Energie AG Oberösterreich



Chief Executive Officer
DDr. Werner Steinecker MBA
Chairman of the Management Board
CEO



Dr. Andreas Kolar
Member of the Management Board
CFO



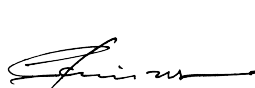
Dipl.-Ing. Stefan Stallinger MBA
Member of the Management Board
COO

STATEMENT BY THE MANAGEMENT BOARD PURSUANT TO § 125 PARA 1 SUBPARA 3 OF THE STOCK EXCHANGE ACT [BÖRSEGESETZ (BÖRSEG)]

We hereby confirm that, to the best of our knowledge, the condensed semi-annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) convey a true and fair view of the assets, liabilities, financial position and profit or loss, and that the semi-annual management report of the Group conveys a true and fair view of the Group's assets, liabilities, financial position and profit or loss with respect to significant events that occurred during the first six months of the fiscal year and their effects on the condensed interim consolidated financial statements in terms of the significant risks and uncertainties in the remaining six months of the fiscal year.

Linz, 29 May 2020

The Management Board of Energie AG Oberösterreich



Chief Executive Officer

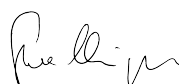
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COO