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Semi Annual Financial Report
for the period 1 October 2020 to 31 March 2021

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 **ENERGIE AG**
Oberösterreich

We care about tomorrow

Energie AG Oberösterreich at a glance

	Unit	1st HY 2020/2021	Change	1st HY 2019/2020
Sales revenues				
Energy Segment	EUR mill.	793.8	12.6%	704.8
Grid Segment	EUR mill.	201.3	4.4%	192.9
Waste Management Segment	EUR mill.	117.9	7.2%	110.0
Czech Republic Segment	EUR mill.	86.6	4.1%	83.2
Holding & Services Segment	EUR mill.	10.2	-37.0%	16.2
Group sales revenues	EUR mill.	1,209.8	9.3%	1,107.1
Result				
Operating result (EBIT)	EUR mill.	118.5	53.7%	77.1
EBIT margin	%	9.8	40.0%	7.0
Earnings before taxes (EBT)	EUR mill.	107.5	68.2%	63.9
Consolidated net earnings	EUR mill.	83.4	64.2%	50.8
Cash flow from operating activities				
	EUR mill.	164.9	–	21.9
		31.03.2021	Change	31.03.2020
Statement of Financial Position				
Balance sheet total	EUR mill.	3,125.4	0.7%	3,103.3
Equity	EUR mill.	1,400.5	9.1%	1,284.0
Equity ratio	%	44.8%	8.3%	41.4%
Workforce (on average)				
	FTE	4,594	0.7%	4,562

Contents

1	LETTER BY THE MANAGEMENT BOARD	27	SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
3	GROUP MANAGEMENT REPORT FIRST HALF-YEAR	27	Consolidated Statement of Income
3	Group	28	Consolidated Statement of Comprehensive Income
3	General conditions	29	Consolidated Statement of Financial Position
6	Business development in the Group	30	Statement of Changes in Equity
8	Risks and opportunities	31	Cash Flow Statement
9	Key performance indicators	32	Notes
10	Definition of Segments	50	Statement by the Management Board
11	Energy Segment		
16	Grid Segment		
18	Waste Management Segment		
21	Czech Republic Segment		
23	Holding & Services Segment		
25	Outlook		



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www.energieag.at/semiannualfinancialreport

Letter by the Management Board of Energie AG Oberösterreich



The SARS-CoV-2 virus has been a prominent feature of our everyday (working) lives for over a year now, as well as shaping our business decisions and the general conditions on the basis of which such decisions are made. In our position as a critical infrastructure operator, we have a particular responsibility vis-à-vis society to ensure that it continues to be supplied with energy, water, telecommunications and waste management services on a reliable basis and with as little disruption as possible even during the current exceptional situation. This is why the measures taken within the Company to protect our employees, customers and business partners at all times and to the best of our ability went beyond those required by law. Our established crisis management team ensured that the entire Group was able to fulfil its core duties at all times since the health crisis broke in spring 2020.

The Company's financial performance in the first half of the business year is reflective of its ability to withstand a crisis. It is thanks to our integrated business model and the diversity of our customer base that the COVID-19 pandemic had only a limited impact on the business performance of Energie AG Oberösterreich in the reporting period. Sales revenues increased by nearly 10% year-on-year to over EUR 1.2 billion. This increase is largely due to the development of raw material prices, which in turn resulted in a rise in electricity and gas trading activities. Such a strong increase in prices for electricity, gas and raw materials necessarily translates into higher contribution margins and, in turn, to a substantial improvement in the operating result of the Energy and Waste Management Segments. Furthermore, the larger volume of transmitted electricity, combined with adjustments to grid tariffs, goes hand-in-hand with improved earnings in the Grid Segment. Internal measures taken, such as reducing expense items, worked together with external factors (such as the cold weather) and pleasing sales successes to produce a positive half-year result. The operating result for the first half of the fiscal year came to a total of EUR 118.5 million, up 53.7% over the prior-year period. Not only does this excellent half-year result reflect the operating performance but it is also rooted in the organisational changes made in recent

years. Even though it is not yet possible to definitively appraise the extent and duration of the mid- to long-term economic ramifications of the COVID-19 crisis, we are able to look ahead to the future with optimism.

Having our A rating (with stable outlook) confirmed further underscores the Group's resilience and thus the stability it enjoys in economically turbulent times. The rating agency Standard & Poor's also commended the organisational strategy being pursued, specifically referring to the Group's sound finances and its conservative approach to managing these.

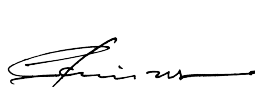
The commercial successes enjoyed in recent years enable Energie AG Oberösterreich to make further long-term investments of considerable scope in the coming years and thus to make a key contribution to the energy revolution in our country. Measures are being taken at both the European and the national level, namely the EU's climate targets for 2030 being raised and the package of legislation to expand the use of renewable energies currently making its way through parliament, to lay the foundations for a carbon and climate-neutral future. Work to transform the energy system, which can be both radical and fast-paced at times and which has been given further impetus by the COVID-19 pandemic, requires the electricity grid to be expanded on a large scale across all voltage levels along with the number of power plants running on renewable energies. Environmental demands continued to be met and exceeded in the first half of the fiscal year by installing a new hydropower plant in Dürnau and carrying out numerous projects to expand the use of photovoltaics by way of contracting services.

The near blackout on the continent in 2021 served to highlight both the ever-present danger of a cross-border power cut and the highly effective protective mechanisms in place at the European level. The need to expand the electricity grid will only increase as more electricity is generated from volatile sources, coupled with the general trend of a rising demand for electricity. Through numerous ongoing expansion projects, Netz Oberösterreich GmbH, a subsidiary of Energie AG Oberösterreich, is working to safeguard a high security and quality of supply on into the future.

The progress being made with vaccinations, the growing amount of effective medication available on the market and the declining numbers of new infections (at present) mean that we are cautiously optimistic of being able to return to normal working life in the near future. We would like to take this opportunity to express our gratitude to each and every employee of Energie AG Oberösterreich, having mastered these challenges in an exemplary way with their professional and responsible approach.

Linz, 4 June 2021

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

Group Management Report First Half-Year 2020/2021 of Energie AG Oberösterreich ¹⁾

I GENERAL CONDITIONS

Economic environment ²⁾

The first half of the 2020/2021 fiscal year (1 October 2020 to 31 March 2021) continued to be dominated nationally and internationally by the COVID-19 pandemic and the associated economic challenges.

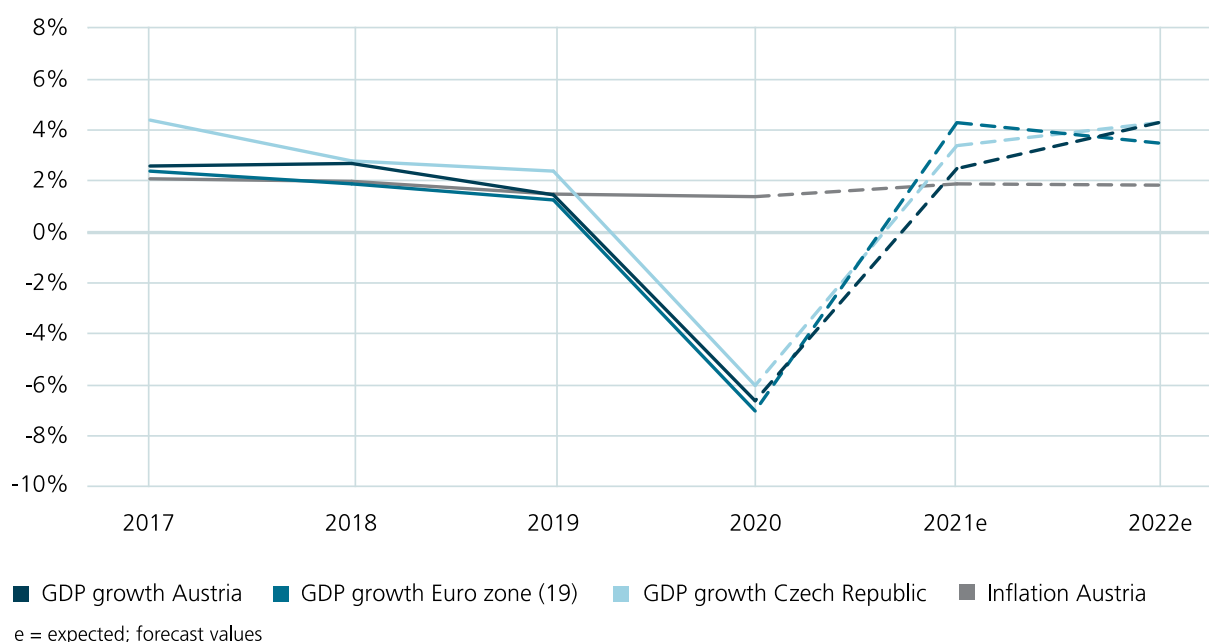
However, despite continued high infection rates and severe constraints in many countries, the **global economy**, on the whole, recovered well during the reporting period, although at very different regional levels, thanks to the extensive economic stimulus.

After the marked economic slump in 2020, the Institute for Advanced Studies (IHS), the Institute of Economic Research (WIFO) and the International Monetary Fund (IMF) forecast a significant recovery in economic growth for the **euro zone** of around +4.3% for 2021 and in the bandwidth of +3.0% and +3.8% for 2022.

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) Sources: IHS (Institute for Advanced Studies): Forecast of the Austrian Economy, 2021 – 2022, 26 March 2021. IMF (International Monetary Fund): <https://www.imf.org/>, 26 April 2021. WIFO (Austrian Institute of Economic Research): Forecast for 2021 and 2022, 26 March 2021.

After a decline of -6.6% in 2020, Austrian institutes also expect a significant recovery of the **Austrian economy** in the next two years. In various restriction relaxation scenarios, the IHS and WIFO assume GDP growth of between +1.5% and +2.6% for 2021. The IMF is somewhat more optimistic at +3.5%. For 2022, a bandwidth for GDP development between +4.0% and +4.7% is expected as a result of the different scenarios. This recovery is expected to be accompanied by an inflation rate in the range of +1.8% to +2.0%.

For the **Czech Republic** market relevant to Energie AG Oberösterreich (Energie AG), an increase in the gross domestic product of between +3.0% and +4.2% is anticipated for the calendar year 2021. The year 2022 is expected to bring positive economic impetus in the range of +4.0% to +4.5%.

Uncertainty about the future course of the COVID-19 crisis limits the reliability of forecasts by economic research institutes on the future development of the economic situation. Beyond this, other geopolitical uncertainties, such as international trade conflicts or climate change, continue to influence the economic environment.

Energy and climate policy environment

On 11 December 2020, the European Council agreed on the European Commission's proposal to raise the EU's collective greenhouse gas reduction target for 2030 to -55% compared to 1990. The more ambitious climate target for 2030, which is to be understood as an intermediate step on the way to the realisation of the Green Deal by 2050, is to be legally anchored in the **European Climate Law** in the next step; the European Parliament called for the climate target to be raised to -60%. After the end of the reporting period, an agreement was reached on the value -55 %.

In order to implement the EU's new, very ambitious climate target by 2030, the EU Commission will present a series of legislative proposals in 2021 to adapt the existing EU climate and energy legislation. The proposals mainly concern the revision of the EU Emissions Trading Scheme, the Effort Sharing Regulation for sectors not covered by emissions trading, and measures to increase the share of renewable energy and improve energy efficiency. In this context, a significant increase in the respective targets and level of ambition in the various revised guidelines can be expected.

Following the adoption of the **EU Drinking Water Directive** by the European Parliament on 15 December 2020, the next step will be its transposition into national law. The central components of the new directive are securing access to drinking water for EU citizens, adapting quality standards for drinking water and improving information on drinking water for consumers.

The European Commission launched a public consultation on 11 January 2021 to develop legally binding EU targets for biodiversity restoration and species conservation. A proposal for a regulation to implement the **biodiversity targets** is expected to be presented by the European Commission in the last quarter of 2021.

The **Fuel Emissions Trading Act** came into force in **Germany** on 1 January 2021. According to this law, the price for suppliers of diesel, petrol, heating oil or natural gas is EUR 25 per tonne of CO₂ emitted by these energy sources. This price will be gradually increased to EUR 55/t CO₂ in 2025.

The **"Renewable Energy Expansion Act" package**, which has been under discussion in **Austria** for some time, was subjected to a review in September 2020. Due to the large number of comments to be incorporated and because clarifications under state aid law were necessary for some topics, it proved impossible to keep to the original schedule. Due to the

urgent need for action on the topic of **“grid reserve management”**, a separate legislative resolution was initiated. The corresponding regulations, which improve planning security for operators of thermal power plants, were published on 7 January 2021 in Federal Law Gazette (BGBl.) I No. 17/2021.

For the remaining parts of the comprehensive legislative package, a Council of Ministers decision on the government bill was taken on 17 March 2021. Central elements in the Renewable Energy Expansion Act package are the redesign of the subsidy system through a market bonus and the direct marketing of electricity produced from renewable sources. Furthermore, a low-threshold opportunity for founding energy communities is intended to ensure decentralisation of the energy supply and more local acceptance. Grid access for renewable energy generation plants is simplified by flat rates in the Electricity Industry and Organisation Act (ElWOG). Evaluations in this regard by the end of 2025 are intended to ensure fair allocation of the costs among grid users. Permit exemptions from high-voltage wayleave legislation for the replacement of medium-voltage overhead lines with underground cable will lead to lifting of bureaucracy and to simplification in line construction.

The political agreement due to the required 2/3 majority in parliament, the notifications under state aid law and the legislative implementation of renewable gas are still outstanding. Formulations relating to quotas, the phase-out of fossil gas or regulations for grid expansion and densification will follow in a separate package.

| BUSINESS DEVELOPMENT IN THE GROUP

Assets, liabilities, financial position and profit or loss ³⁾

Group overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Sales revenues	EUR mill.	1,209.8	1,107.1	9.3%
Operating result (EBIT)	EUR mill.	118.5	77.1	53.7%
EBIT-margin	%	9.8	7.0	40.0%
Financial result	EUR mill.	-11.1	-13.2	15.9%
Earnings before taxes	EUR mill.	107.5	63.9	68.2%
Investments in property, plant and equipment and intangible assets	EUR mill.	69.9	75.3	-7.2%
Cash flow from operating activities	EUR mill.	164.9	21.9	–
Cash flow from investing activities	EUR mill.	-96.8	-115.8	16.4%
Cash flow from financing activities	EUR mill.	-58.6	83.9	–

In the reporting period, the Energie AG Group generated sales revenues in the amount of EUR 1,209.8 million (previous year: EUR 1,107.1 million). The increase in sales revenues mainly related to the Energy Segment.

The Group's operating result increased by EUR 41.4 million from EUR 77.1 million to EUR 118.5 million. The increase in the operating result is primarily attributable to EBIT improvements in the Energy (EUR +18.7 million), Grid (EUR +8.1 million) and Waste Management (EUR +13.6 million) Segments.

The increase in the operating result in the Energy Segment results from hydraulic and thermal electricity generated, procurement rights in hydropower plants, trading optimisation in the Trading business unit and from the Sales business unit. In the reporting period, a provision for onerous contracts in connection with the 7Fields gas storage facility was recognised in the amount of EUR 6.7 million (previous year: impairments of EUR 7.2 million).

In the Grid Segment, the operating result increased from EUR 27.5 million to EUR 35.6 million. This increase is mainly attributable to higher transported electricity volumes and tariff adjustments.

The Waste Management Segment generated an EBIT of EUR 20.4 million, which is EUR 13.6 million above the previous year (EUR 6.8 million). The increase results from reversals of impairment in the area of thermal plants in the amount of EUR 3.5 million, higher contribution margins from the treatment of hazardous waste, construction waste and waste wood, higher electricity and recyclable material prices, impairments in the previous period in the amount of EUR 2.4 million, and income from the sale of a property.

In the Czech Republic Segment, an operating result in the amount of EUR 6.9 million was generated in the reporting period (previous year: EUR 7.2 million).

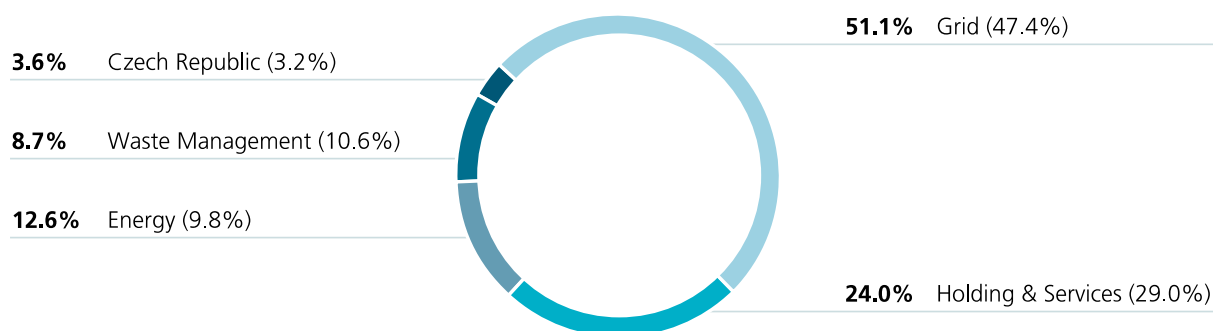
³⁾ With regard to the derivation of the financial performance indicators and the calculation methods, we refer, in addition to the explanations in the Group Management Report, to the corresponding explanations in the [Semi-Annual Consolidated Financial Statements](#) › page 27.

The operating result of the Holding & Services Segment was EUR 5.0 million in the reporting period, an increase of 35.1% on the previous year's value of EUR 3.7 million.

In the reporting period, investments in intangible assets and property, plant and equipment amounted to EUR 69.9 million (previous year: EUR 75.3 million). With a share of 51.1%, the Grid Segment accounted for the largest part. Investments in the Holding & Services Segment include expanding the fibre-optic cable network.

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

1st HY 2020/2021; previous year's figures in brackets



The amount of financial liabilities as of 31 March 2021 was EUR 593.1 million (30 September 2020: EUR 597.6 million).

Cash flow from operating activities in the first half of the 2020/2021 fiscal year was EUR 164.9 million, compared with EUR 21.9 million in the previous year. The increase results from the higher earnings and from payment receipts from hedging transactions (previous year: payments for hedging transactions).

The financial result is EUR -11.1 million (previous year: EUR -13.2 million). Financing expenses are at the level of the previous year, while the other financial result of the previous year was burdened by expenses from the market valuation of securities.

Excellent rating confirms resilience to crises

At the beginning of March 2021, the international rating agency Standard & Poor's again confirmed the creditworthiness of Energie AG with an excellent rating of 'A' with a stable outlook. For more than 20 years, the Group has had a credit rating by an external expert and has held an excellent position both among Austrian energy suppliers and in an international comparison.

This underlines the great performance capability and crisis resilience of the Company and ensures Energie AG a high degree of flexibility in financing matters as well as unhindered and cost-optimised access to the financial and capital markets, against the backdrop of the current difficult economic environment.

Treasury stocks

The treasury shares held by Energie AG as of the reporting date 30 September 2020, which resulted from the repurchase of employee shares made the meantime, were withdrawn by a resolution of the General Meeting on 16 December 2020. The share capital of the Company was reduced accordingly.

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 Semi-Annual Consolidated Financial Statements, Section 9. Related party disclosures](#) › page 48.

Trend in staff levels

In the first half of the 2020/2021 fiscal year, the Group's average consolidated workforce stood at 4,594 full time equivalents (FTE), representing an increase of 0.7% over the average of the first half of the 2019/2020 fiscal year (4,562 FTE).

Staff levels ¹⁾

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Energy Segment	FTE	467	471	-0.8%
Grid Segment	FTE	534	534	0.0%
Waste Management Segment	FTE	819	828	-1.1%
Czech Republic Segment	FTE	1,715	1,674	2.4%
Holding & Services Segment	FTE	1,059	1,055	0.4%
Group total	FTE	4,594	4,562	0.7%

1) semi-annual average of the fully consolidated and proportionately consolidated companies

RISKS AND OPPORTUNITIES

The **risks and opportunities** situation of Energie AG is influenced by the economic and energy market environment and by energy policy and regulatory changes. Additionally, the climatic conditions and climate policy have a significant impact on business development.

Energie AG meets these challenges with strategic and operational measures, strict value-based investment management, efficiency improvements as well as new business models and innovations to tap additional earnings potential.

The **COVID-19 pandemic** continues to be the focus of Energie AG's risk management. The health of the workforce, customers and business partners takes highest priority. The targeted measures already taken at an early stage are being continuously adapted to the current situation to allow the Group, as a critical infrastructure company, to ensure the reliable supply of energy, natural gas, heat, telecommunications services and water as well as the management of waste and waste water.

In the course of Group-wide analyses of the potential impact of the COVID-19 pandemic on Energie AG, it was possible to assign all identified risks and opportunities to the existing risk categories. From today's perspective, it is not possible to reliably appraise the extent and duration of the mid- to long-term economic ramifications of the crisis.

Energie AG's business activities are still exposed to certain risks, but no risks were identified in the first half of 2020/2021 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 Semi-Annual Consolidated Financial Statements, Section 8. Risk management](#) › page 42.

KEY PERFORMANCE INDICATORS

Group overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Electricity procurement	GWh	10,306	9,600	7.4%
Electricity procured from third parties	GWh	8,852	7,840	12.9%
Proprietary electricity procurement	GWh	1,454	1,760	-17.4%
Thermal power plants	GWh	361	609	-40.7%
Renewable energy	GWh	1,093	1,151	-5.0%
Group's own hydropower plants	GWh	440	473	-7.0%
Procurement rights from hydroelectric power	GWh	555	574	-3.3%
Other renewable energy (photovoltaics, wind, biomass)	GWh	98	104	-5.8%
Electricity grid distribution volume to end customers	GWh	4,208	4,110	2.4%
Electricity sales volume	GWh	3,650	3,827	-4.6%
Natural gas grid distribution volume to end customers	GWh	11,592	12,176	-4.8%
Natural gas sales volume	GWh	4,047	4,067	-0.5%
Heat procurement	GWh	1,139	1,144	-0.4%
Heat sales volume	GWh	1,062	1,036	2.5%
Total waste volume handled	1,000 t	844	848	-0.5%
Incinerated waste volume	1,000 t	285	311	-8.4%
Invoiced drinking water volume	m ³ mill.	28.3	27.9	1.4%
Invoiced waste water volume	m ³ mill.	22.7	22.4	1.3%
Length of fibre-optic network	km	6,834	6,385	7.0%

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 Semi-Annual Consolidated Financial Statements, Section 6. Segment reporting › page 36.](#)

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 grid
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 entities which cannot be allocated to other segments

ENERGY SEGMENT

Energy Segment overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Total sales	EUR mill.	796.9	707.4	12.7%
EBIT	EUR mill.	50.6	31.9	58.6%
Investments in property, plant and equipment and intangible assets	EUR mill.	8.8	7.4	18.9%
Workforce (on average)	FTE	467	471	-0.8%
Electricity procurement ¹⁾	GWh	10,215	9,503	7.5%
Proprietary electricity procurement	GWh	1,363	1,663	-18.0%
Electricity sales volume	GWh	3,650	3,827	-4.6%
Natural gas sales volume	GWh	4,047	4,067	-0.5%
Heat procurement	GWh	831	860	-3.4%
Heat sales volume	GWh	764	765	-0.1%

1) incl. third-party procurement

| ECONOMIC ENVIRONMENT FOR THE ENERGY SECTOR

The forward market prices for electricity for delivery in 2022 in Austria showed a clear upward trend in the reporting period and rose from around EUR 46.8/MWh to EUR 58.5/MWh as at the reporting date 31 March 2021. At EUR 50.9/MWh, the average price was around 8.5% above the previous year's comparison value. The main influencing factors here were increasing prices for coal, natural gas and above all CO₂ emissions allowances. In the reporting period, these rose from EUR 26.7/t to EUR 42.6/t. Ambitious EU climate protection targets, the economic recovery after the first COVID-19 wave and speculative investors who discovered the CO₂ market for themselves led to this price development.

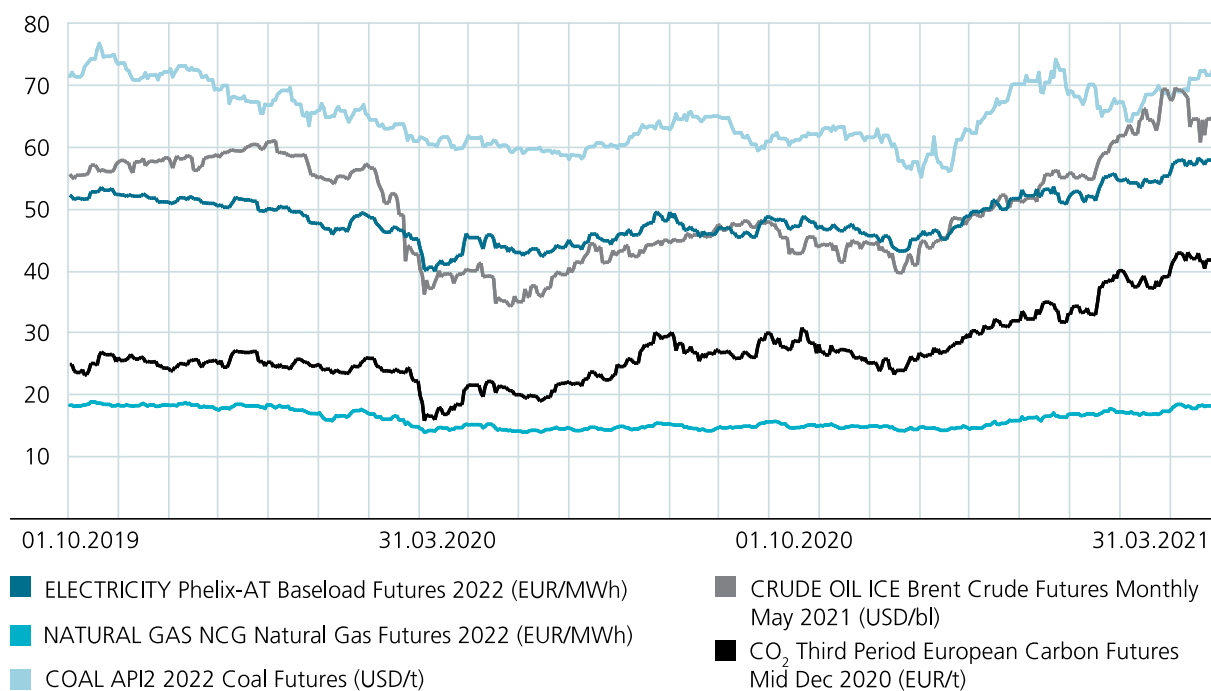
On the spot market, electricity prices also increased by around one third in the first half of the 2020/2021 fiscal year compared with the same period of the previous year. The average European Power Exchange (EPEX) spot price base for delivery in Austria was around EUR 48.1/MWh with a continuing volatile development.

The oil price for delivery in May 2021 moved from USD 43.0/barrel of Brent crude oil at the beginning of the reporting period to USD 63.5/barrel at the end of March 2021. The increase was attributable on the one hand to increased demand in the course of the global economic recovery and on the other to a restrictive production policy of the OPEC+ countries.

The NetConnect Germany (NCG) gas price for the front year 2022 rose in the first half of the 2020/2021 fiscal year from EUR 14.7/MWh at the beginning of October 2020 to EUR 18.3/MWh at the end of March 2021.

Price development on international energy markets

Sources: EEX, Reuters



| BUSINESS DEVELOPMENT IN THE ENERGY SEGMENT

Sales in the Energy Segment amounted to EUR 796.9 million in the first half of 2020/2021. Compared to the same period of the previous year (EUR 707.4 million), this represents an increase of 12.7%, which is mainly attributable to increased sales revenues in the area of electricity and gas management. This was counteracted by declines in sales revenues in the area of generation, among other things due to the reduced use of the Timelkam CCGT (combined-cycle gas turbine) power plant. In contrast, increased CO₂ emissions allowances and district heating earnings had a positive effect on the Energy Segment's sales revenues.

The Energy Segment generated an operating result of EUR 50.6 million in the reporting period (previous year: EUR 31.9 million). The increase of EUR 18.7 million was due to higher earnings in the area of electricity and gas sales as well as higher EBIT contributions from electricity management and trading management in the natural gas sector. In the generation sector, declines due to the lower water level and the reduced use of the Timelkam CCGT power plant were more than compensated for by higher earnings contributions from Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ GmbH), higher prices on the electricity market and lower maintenance expenses in the hydropower plant sector.

In the reporting period, an impairment in the amount of EUR 1.3 million was recognised for the Timelkam CCGT power plant due to lower expectations of future earnings contributions. Due to lower future revenue estimates, a provision of EUR 6.7 million was made for the 7Fields gas storage facility in the reporting period. The previous year's EBIT included impairments in the amount of EUR 0.7 million for the Timelkam CCGT power plant and in the amount of EUR 7.2 million for the 7Fields gas storage facility.

USE OF THE TIMELKAM CCGT POWER PLANT EXCLUSIVELY IN CONGESTION MANAGEMENT

The Energy Segment recorded **electricity procurement** totalling 10,215 GWh in the first half of 2020/2021, an increase of 7.5% compared to the previous year's figure (9,503 GWh). In contrast, proprietary electricity procurement fell to 1,363 GWh in the reporting period compared with 1,663 GWh in the previous year.

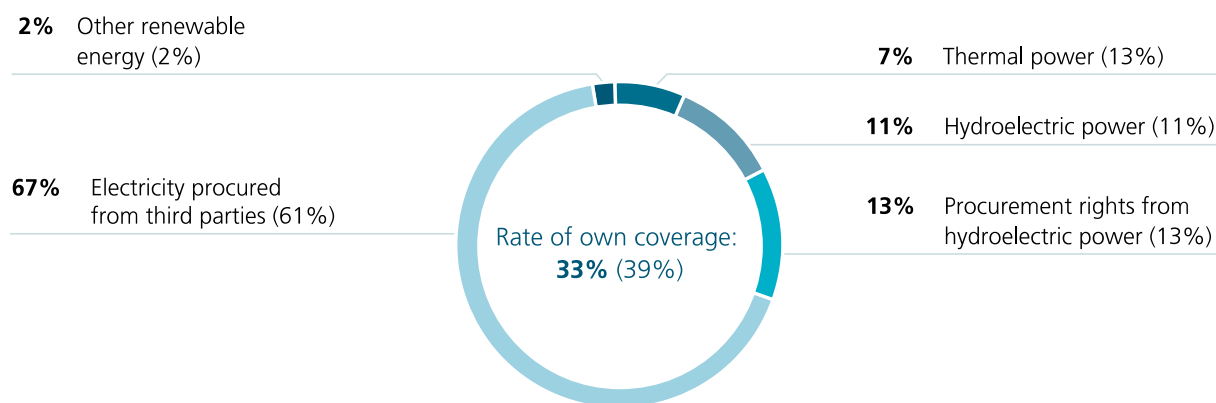
Electricity production from thermal capacities in the Energy Segment was 306 GWh in the first half of 2020/2021, which was 44.3% below the previous year's value of 549 GWh. The main reason for this was the exclusive use of the Timelkam CCGT power plant in congestion management for grid support in the reporting period, whereas in the comparable period of the previous year, the more favourable market situation also made market deployment possible.

Electricity production from hydroelectric power in proprietary power plants and from procurement rights was 5% lower in the reporting period compared to the same period of the previous year. While production at the storage power plants increased, production at the run-of-river power plants was below the standard production capacity due to the lower water levels in the rivers. The hydro coefficient in the first half of 2020/2021 was 0.99 (previous year: 1.08).

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

Electricity procurement structure without electricity trading

1st HY 2020/2021; previous year's figures in brackets



At the end of the reporting period, the Dürnau hydropower plant was in the completion phase. The replacement building is expected to be commissioned in the second half of the 2020/2021 fiscal year.

Ennskraftwerke AG, in which Energie AG holds a participating interest of 50%, reported electricity production on a par with the long-term average in the first half of 2020/2021, with a hydro coefficient of 1.00. Refurbishment of the St. Pantaleon power plant on the Enns river began in the first half of the 2020/2021 fiscal year. Energie AG holds electricity procurement rights to the hydropower plants of Ennskraftwerke AG and Verbund Hydro Power GmbH with a total annual standard production capacity of about 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 15 MW. Generation from wind power in the reporting period was 19 GWh (previous year: 23 GWh).

Energie AG operates **photovoltaic plants** in Austria and Italy via subsidiaries with a total capacity of 12 MW. The 3 GWh of electricity generated in the first half of 2020/2021 (previous year: 4 GWh) was fed directly into the public grid.

The distribution of **district heating** from the power plant locations in Riedersbach and Timelkam was 188 GWh, a drop of 4.1% compared with the previous year (196 GWh).

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 generated in the first half of the 2020/2021 fiscal year was 361 GWh and thus 10.6% lower than the previous year's figure of 404 GWh.

I SOLID FIRST HALF YEAR FOR ENERGIE AG SALES

Despite the tense economic situation due to the COVID-19 pandemic and the challenging general energy policy conditions, the first half of the year can definitely be viewed as successful for the Energie AG Sales unit. The number of heating degree days in Upper Austria in the reporting period increased by 8.1% compared with the previous year, and was 2.3% above the average for the past five years.

In the telecommunications sector, numerous sales campaigns and increased demand drove the continuing successful acquisition of customers forward despite COVID-related restrictions in customer support. In the electricity and natural gas sectors, the COVID-19 pandemic has thus far had only a minor negative impact. However, an increase in bad debts is expected here as of summer 2021, when state subsidies stop.

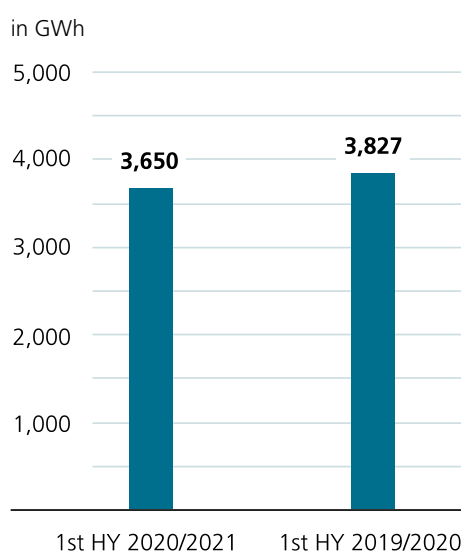
The decline in customer switching behaviour also had a positive effect on the sales result. This trend is reflected throughout Austria in the statistics published by E-Control Austria.

Electricity

At 3,650 GWh, Energie AG's consolidated electricity sales volume in the first half year 2020/2021 was 177 GWh below the previous year's figure of 3,827 GWh.

Despite the challenging environment, the business and industrial customer sector recorded only a moderate decline in volumes and only few customer losses. The volumes in the residential, commercial and municipal customer sector were above the previous year's level; this is attributable on the one hand to the colder winter and on the other also to the lower switching rate compared to the previous year.

Electricity sales volume



Natural gas

At 4,047 GWh, the volume of natural gas sold by Energie AG in the first half of 2020/2021 was around 0.5% below the previous year's figure of 4,067 GWh.

In the business and industrial customer sector, there were increases in sales to key account customers, which were, however, offset by isolated customer losses. In the case of residential, commercial and municipal customers, both the lower temperatures and the lower switching figures led to an increase in sales volumes.

Heat

The heat sales volume in Austria amounted to 764 GWh in the first half of 2020/2021 and was therefore on a par with the previous year's level of 765 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.

Telecommunications

The figure of 10,000 subscribers was exceeded for the first time in the past half year 2020/2021. As of 31 March 2021, some 11,000 customers were actively using Energie AG's products. The figure from the comparison period last year was around 7,000 customers.

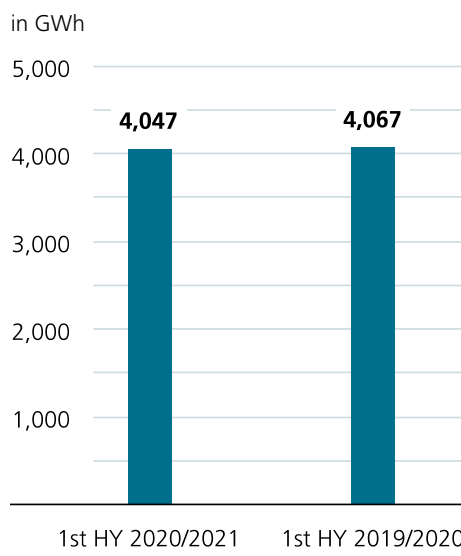
Photovoltaics

In the first half year 2020/2021, contracts for 21 new photovoltaic plants with an output of 4,580 kW_p were concluded on the basis of a contracting service.

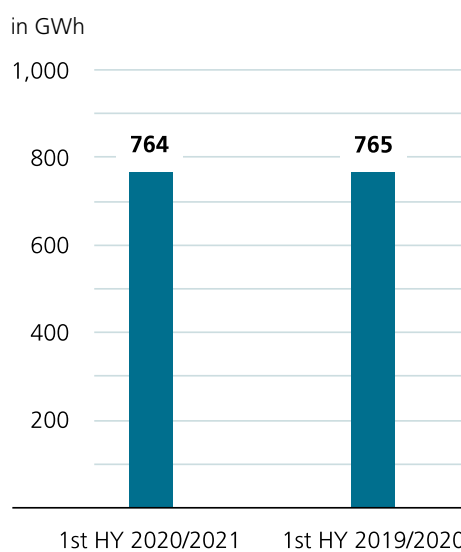
Electromobility

The focus of electromobility activities is currently 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 103 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 298 charging points.

Natural gas sales volume



Heat sales volume Austria



GRID SEGMENT

Grid Segment overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Total sales	EUR mill.	208.1	199.6	4.3%
EBIT	EUR mill.	35.6	27.5	29.5%
Investments in property, plant and equipment and intangible assets	EUR mill.	35.7	35.7	0.0%
Workforce (on average)	FTE	534	534	0.0%
Electricity grid distribution volume to end customers	GWh	4,208	4,110	2.4%
Natural gas grid distribution volume to end customers	GWh	11,592	12,176	-4.8%

STATUTORY AND REGULATORY FRAMEWORK IN THE GRID SEGMENT

In the electricity sector, grid usage fees increased by 0.2% to 1.7% at grid level 7 as of 1 January 2021. This was due to an increase in the cost base compared to the previous year, mainly attributable to higher investments and volume development. In addition to this, the regulatory parameters established remained stable in the 4th regulatory period.

At the same time, the grid usage fees in the natural gas sector for consumers at grid level 3 fell by 4.3%. In contrast to this, there was an increase of 2.9% for consumers at grid level 2. The reason for the increase was higher upstream grid costs and volume development.

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 proceedings are pending in court or have already been concluded in part. Some of the parameters set for the natural gas grid for the 3rd regulatory period were approximated to the parameters for the electricity grid by these decisions, which means a deterioration in the economic environment for the gas grid.

BUSINESS DEVELOPMENT IN THE GRID SEGMENT

The Grid Segment recorded an increase in sales revenues of EUR 8.5 million (4.3%) to EUR 208.1 million in the first half of 2020/2021. In addition to higher electricity grid revenues due to higher tariffs and sales volumes, this was also due to higher volumes at grid level 3 in the natural gas sector.

The EBIT of the Grid Segment rose by EUR 8.1 million (29.5%) compared to the first half of 2019/2020 and amounted to EUR 35.6 million in the reporting period. The improvement in the operating result mainly reflects the increase in sales revenues.

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

Compared to the same period of the previous year, the **electricity grid distribution volume** in the industrial customer sector, and in the commercial and residential customer sector, rose by a total of 2.4% from 4,110 GWh to 4,208 GWh in the first half of the current fiscal year.

In contrast to the same period of the previous year, weather-related disruptions were at an extremely low level in the reporting period. An increase in planned shutdowns was recorded in the first quarter of the fiscal year. This is due to deferred maintenance activities prompted by the first COVID-19 lockdown in spring 2020. Since the beginning of 2021, the planned shutdowns have returned to the usual level.

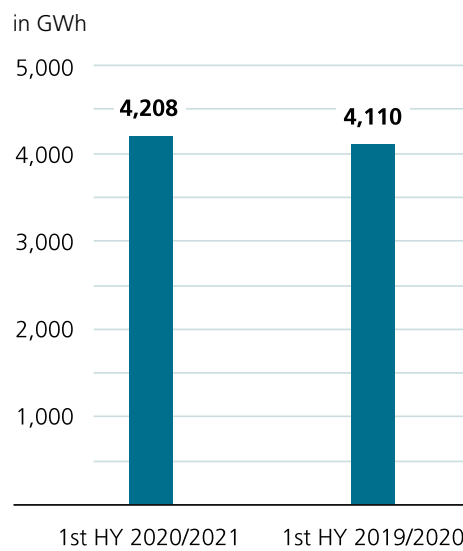
In the grid connection activities in the electricity sector, increases were recorded compared to the comparison period of the previous year despite more difficult conditions due to the COVID-19 pandemic; in the natural gas sector, the number of new house connections declined due to expected changes in the statutory environment and the upcoming ban on natural gas heating systems.

Construction activities for the Almtal and Kremstal Electricity Supply project (Electricity Grid Master Plan Upper Austria, "Stromnetz-Masterplan OÖ.", Project No. 16) proceeded according to schedule in a project environment that remained difficult. Completion is planned for June 2021. Despite uncertainties and additional challenges in the Pramstal South Electricity Supply project (Electricity Grid Master Plan Upper Austria, "Stromnetz-Masterplan OÖ.", Project No. 17), it was possible to complete the planned construction activities. Construction work on the new Kronstorf West substation started in September 2020 and is scheduled for completion in October 2021. Work on the construction of a new substation in Hörsching has been underway since the end of October 2020. In the Mühlviertel Rohrbach – Langbruck Electricity Supply project (Electricity Grid Master Plan Upper Austria, "Stromnetz-Masterplan OÖ.", Project No. 8b), the grid operators' statement was sent to all project communities at the beginning of November 2020. In January 2021, talks with representatives of the region were resumed and an application for preparatory work was submitted.

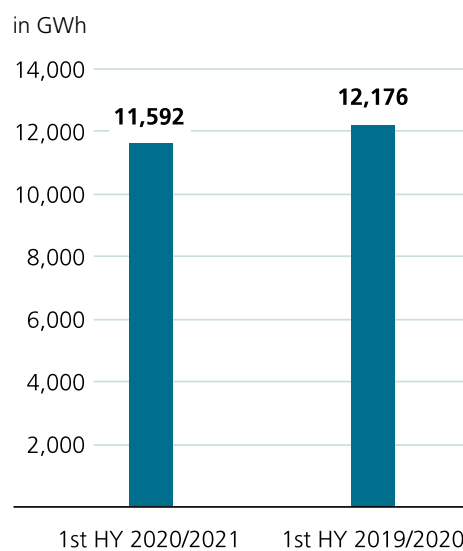
In particular due to lower procurement by industry and power plants, distribution volumes to end users from the **natural gas grid** fell by 4.8% to 11,592 GWh compared to the previous year (12,176 GWh). In contrast, the higher demand for space heating due to the lower average temperatures in the reporting period had the effect of increasing volumes on the natural gas grid.

As for the natural gas grid, the new pressure reducing station RS 233 Zipf was commissioned towards the end of the 2020 calendar year; it supplies the community of Neukirchen an der Vöckla and business customers with natural gas. In October, a complex cathodic corrosion protection system and a new heating system were commissioned in Reitsham. Maintenance measures, such as remediation of shortfalls in coverage and repairs of insulation defects in the high-pressure natural gas pipelines, were implemented as required for operations.

Electricity grid distribution volume to end customers



Natural gas grid distribution volume to end customers



WASTE MANAGEMENT SEGMENT

Waste Management Segment overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Total sales	EUR mill.	122.8	114.2	7.5%
EBIT	EUR mill.	20.4	6.8	–
Investments in property, plant and equipment and intangible assets	EUR mill.	6.1	8.0	-23.8%
Workforce (on average)	FTE	819	828	-1.1%
Total waste volume handled	1,000 t	844	848	-0.5%
Incinerated waste volume	1,000 t	285	311	-8.4%

ECONOMIC ENVIRONMENT FOR THE WASTE MANAGEMENT SECTOR

It was largely possible to provide traditional waste management services under favourable waste management general conditions in the first half of 2020/2021. Due to what are continuing high volumes of waste requiring thermal processing, waste incineration plants throughout Europe continued to be well utilised.

After the negative development in the previous year, there was a clear trend reversal in recovered paper/cardboard and metal recycling materials. Since the beginning of the fiscal year, the Wiesbaden Recovered Paper Index has continuously increased in value. Metals have shown a similar trend, with price development being significantly more dynamic compared to recovered paper/cardboard.

In autumn 2020 and spring 2021, further COVID-19 lockdown restrictions were imposed. This again resulted in more difficult general conditions under which business operations had to be maintained. Despite this, it was possible to maintain the system-critical supply services to the highest possible degree and conduct operations in a largely undisturbed way while complying with the prescribed safety and hygiene regulations.

BUSINESS DEVELOPMENT IN THE WASTE MANAGEMENT SEGMENT

Sales revenues in the Waste Management Segment amounted to EUR 122.8 million in the first half of 2020/2021 and were therefore 7.5% above the previous year's level of EUR 114.2 million. EBIT tripled from EUR 6.8 million in the first half of 2019/2020 to EUR 20.4 million in the reporting period.

The increase in earnings was due on the one hand to good market conditions, primarily for recovered paper/cardboard and metal recycling materials, and on the other to a positive effect of EUR 1.2 million from the sale of land in Hörsching. In addition, reversals of impairment of EUR 3.5 million were made in the area of thermal plants in the reporting period. In contrast, the previous year's result for 2019/2020 was negatively affected by the partial write-down of the plastic sorting plant in the amount of EUR 2.4 million and by other additional costs as a result of the fire at the Hörsching site.

The first half of 2020/2021 was partly characterised by strongly rising recovered paper, cardboard and metal prices, which led to positive deviations in sales revenues and results compared to the previous year. Driven by price increases introduced in January 2020, the other waste management services also saw development above the previous year's level. Positive developments were observed in construction site waste and hazardous waste, among other sectors, as well as in energy revenues due to electricity drawn from Welser Abfallverwertung (WAV). The negative influences of the COVID-19 pandemic were only minor and primarily affected the two incineration plants.

UTILISATION OF THE INCINERATION PLANTS

The two incineration plants in Wels and Lenzing achieved a **throughput** of 285,442 t in the reporting period (previous year 310,658 t). The decline is due on the one hand to a lower demand for process heat supplies from the waste incineration plant in Lenzing, and on the other to the increased proportion of plastics in waste, which contributed to a higher calorific value and therefore to lower throughputs in the incineration plants. Due to unplanned shutdowns, fewer operating hours were recorded than in the previous year.

In Wels, the annual overhaul of the thermal system of line 2, across fiscal years, was completed. At the Lenzing incineration plant, the annual inspection took place as planned.

In the reporting period, the waste incineration plant in Wels distributed 158 GWh of heat (previous year: 143 GWh) to the district heating network of the town of Wels and to one other key account customer. Electricity procurement totalled 91 GWh (previous year: 97 GWh).

The treatment plant for hazardous waste in Steyr was again very well utilised in the reporting period.

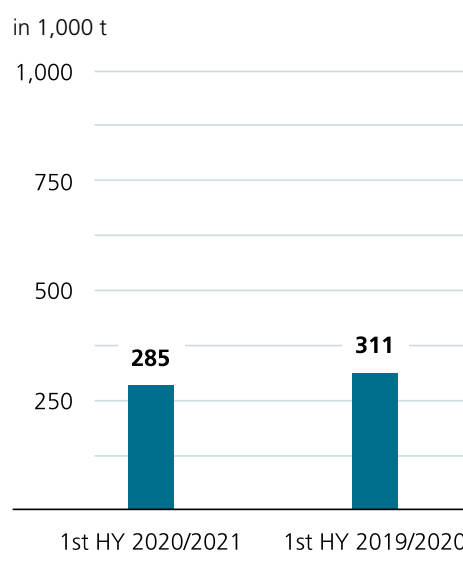
Compared with the previous year, there was a downturn in the **total volume handled** in Austria and South Tyrol to 843,713 t (1st half year 2019/2020: 847,802 t).

Strategically anchored cost management was consistently pursued in the reporting period and the ongoing optimisation projects were further implemented.

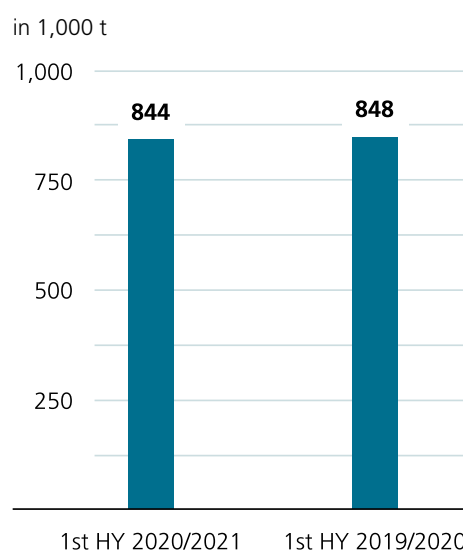
Participation in the process of plastic replacement sorting for Altstoff Recycling Austria AG (ARA), which had been organised via the Hörsching site after the fire incident on 10 October 2019, was terminated at the end of December 2020 for economic reasons. Reconstruction of the plastic sorting plant is currently under consideration.

In connection with the fire at the Hörsching sorting plant, the criminal proceedings against Energie AG Oberösterreich Umweltservice GmbH (Umwelt Service GmbH) under the statute on responsibility of legal entities (Verbandsverantwortlichkeitsgesetz) were discontinued by the Linz public prosecutor's office in April 2021.

Incinerated waste volume



Total waste volume handled



The reconstruction work surrounding the relocation of the company headquarters from Hörsching to the WAV site in Wels continued in the first half of the year. From today's perspective, the relocation of the company headquarters can be expected in autumn 2021.

In addition, preparations started at the Wels site for the planned further expansion of district heating extraction from WAV in the course of reorganising the cooperation between Energie AG and eww ag, in order to be able to supply the city and the neighbouring areas in an even better way looking forward. The tendering process for various sub-projects was the focus of activities.

The Federal Competition Authority (BWB) is conducting investigations throughout Austria into the area of collection and transport in the waste management industry. In the course of these investigations, the premises of Umwelt Service GmbH at the Hörsching site were also searched on 16 March 2021. Umwelt Service GmbH is actively involved in the investigation and has assured the BWB of its full willingness to cooperate.

I STABLE DEVELOPMENT IN SOUTH TYROL

The economic environment to which the Neumarkt location is subject has seen a slight improvement since the beginning of the 2020/2021 fiscal year. However, minor losses in tourism, trade and industry are again expected in the coming months. The economic development of the site, which is strongly focused on recycling materials management, was stable in the past half year.

CZECH REPUBLIC SEGMENT

Czech Republic Segment overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Total sales	EUR mill.	86.6	83.2	4.1%
EBIT	EUR mill.	6.9	7.2	-4.2%
Investments in property, plant and equipment and intangible assets	EUR mill.	2.5	2.4	4.2%
Workforce (on average)	FTE	1,715	1,674	2.4%
Invoiced drinking water volume	m ³ mill.	24.0	23.6	1.7%
Invoiced waste water volume	m ³ mill.	22.7	22.4	1.3%

GENERAL CONDITIONS IN THE CZECH REPUBLIC

In the first half of the 2020/2021 fiscal year, a positive economic development was recorded in the Segment despite the tense COVID-19 situation in the Czech Republic.

Due to the above-average number of COVID-19 cases compared to the European Union, the measures taken by the Czech government led to drastic restrictions in the daily lives of the population and also had a significant impact on companies.

In the course of the COVID-19 pandemic that has prevailed since March 2020, Energie AG Oberösterreich was perceived in the Czech Republic as a stable and increasingly attractive employer. The high level of job security in infrastructure business contributed to a further strengthening of the company's position on the labour market, which had been very tense from an employer's point of view until the COVID-19 pandemic.

After a volatile development during the first half of 2020/2021, the Czech koruna stabilised at the end of the reporting period at around around CZK 26.3.

BUSINESS DEVELOPMENT IN THE CZECH REPUBLIC SEGMENT

In the first half of the 2020/2021 fiscal year, the Czech Republic Segment generated sales revenues of EUR 86.6 million in its water and heating business. This means a slight increase on the previous year of 4.1%.

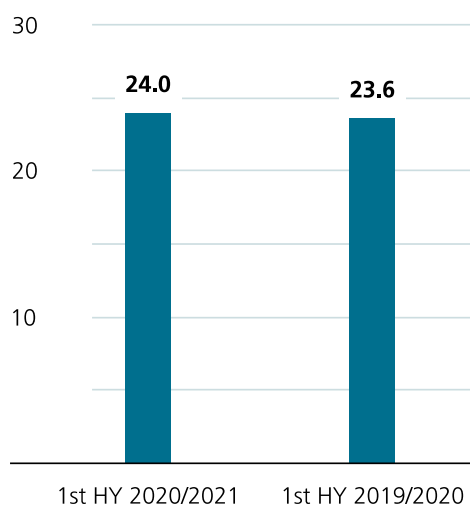
The EBIT in the Czech Republic Segment amounted to EUR 6.9 million in the reporting period. This is equivalent to a slight decrease of 4.2% (previous year: EUR 7.2 million). However, the operative business entities in the water, wastewater, services and heating sectors generated a higher EBIT in the current fiscal year as compared to the previous year. A higher EBIT contribution versus the previous year was achieved in the heating sector in the Czech Republic due to the low outside temperatures which resulted in higher sales volumes in the reporting period.

I STABLE DEVELOPMENT IN THE CZECH REPUBLIC

In the Czech Republic Segment, a total volume of 24.0 million m³ of **drinking water** and 22.7 million m³ of **waste water** were invoiced in the reporting period.

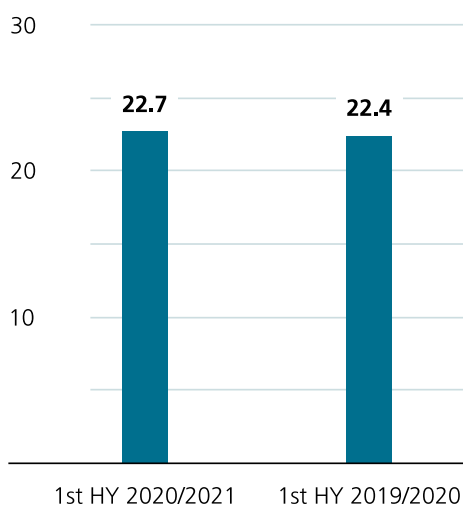
Invoiced drinking water volume

in m³ mill.



Invoiced waste water volume

in m³ mill.



In total, this corresponds to slightly higher volumes in drinking water and waste water business, although developments varied from region to region.

On the market side, tenders were won and contracts extended in the operating areas of Jindřichův Hradec, Tábor and Krumlov. Along with České Budějovice, Tábor and Krumlov are the most important concession contracts of ČEVAK a.s. with the largest share of sales revenues.

The **heat sales volume** in the Czech Republic amounted to 140 GWh in the reporting period, which is 9.4% above the previous year's figure (128 GWh).

In organisational terms, the focus in the Czech Republic Segment during the reporting period was on the further integration of VAK Zapy s.r.o., which was acquired on 6 December 2019.

HOLDING & SERVICES SEGMENT

Holding & Services Segment overview

	Unit	1st HY 2020/2021	1st HY 2019/2020	Change
Total sales	EUR mill.	114.3	116.0	-1.5%
EBIT	EUR mill.	5.0	3.7	35.1%
Investments in property, plant and equipment and intangible assets	EUR mill.	16.8	21.8	-22.9%
Workforce (on average)	FTE	1,059	1,055	0.4%
Length of fibre-optic network	km	6,834	6,385	7.0%

BUSINESS DEVELOPMENT IN THE HOLDING & SERVICES SEGMENT

Sales revenues in the Holding & Services Segment in the reporting period were EUR 114.3 million. This represents a slight decrease of 1.5% compared with the same period in the previous year.

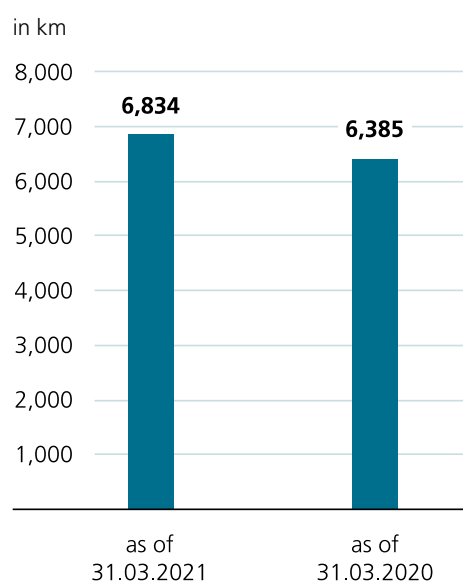
The EBIT of the Holding & Services Segment also saw positive development, increasing from EUR 3.7 million in the previous year to EUR 5.0 million in the reporting period. This was due to slight growth at Energie AG Oberösterreich Telekom GmbH (Telekom GmbH) and service companies.

FIBRE-OPTIC EXPANSION IS THE PREREQUISITE FOR UPPER AUSTRIA AS A BUSINESS LOCATION

The ongoing COVID-19 pandemic brought about an increase in the load on Upper Austria's data networks in the first half of the 2020/2021 fiscal year. The reasons for this were increased remote working and home schooling as well as increased use of digital entertainment programmes. The need for fast broadband internet for Upper Austria as a business location and residential area was again made evident. These developments once again confirmed Energie AG's strategy, as an infrastructure group, of investing in future-proof fibre-optic technology for the past two decades. By the end of the reporting period, the length of the Group's own fibre optic network had reached approx. 6,834 km (previous year: 6,385 km).

Fibre-To-The-Home (FTTH) expansion progressed successfully in the first half of the 2020/2021 fiscal year, especially within the framework of subsidised projects. By the end of the reporting period, almost 40,000 households in 237 communities had been connected to Energie AG's fibre-optic network. Telekom GmbH's activities also include the wholesale sector for other providers, covering the increased demand for fibre-optic connections for mobile communications facilities.

Length of fibre-optic network



Another of Telekom GmbH's areas of responsibility is providing electricity metering services for Netz Oberösterreich GmbH (Netz OÖ GmbH). The mass roll-out of smart metering devices (IME-VO Amendment 2017) was completed on schedule in the 2019/2020 fiscal year. The remaining analogue meters will be replaced at the latest when their calibration validity expires. As at 31 March 2021, 655,361 AMIS meters (previous year: 646,000) were installed; this corresponds to around 99% of all electricity meters in the Netz OÖ GmbH supply area. The legal requirements were thus fully met.

OUTLOOK

Energie AG's economic environment will continue to be influenced by the COVID-19 pandemic in the second half of the 2020/2021 fiscal year, despite the anticipated easing of the situation. In addition to this, the general energy and climate policy conditions will pose a material challenge. In particular, the detailed elaboration of the Renewable Energy Expansion Act and the Energy Efficiency Act in Austria will have a significant impact on the entire industry and the future positioning of the Group as an energy service provider. Corresponding strategic and operational measures for the rapid implementation of the legal requirements were prepared at an early stage throughout the Group.

With a view to the development on the international energy markets, the current high price level for electricity and gas seems to be consolidated due to the current overall situation, which is characterised by easing of the COVID-19 situation in Europe, new emission reduction targets and a high global LNG (Liquefied Natural Gas) demand with low gas storage levels. Volatility remains high and a further increase cannot be ruled out.

Vertrieb GmbH has extended the price guarantee until 1 January 2022. Both the electricity and natural gas end-customer prices for private and business customers in the premium sector, with the exception of the flexible "Float" electricity price model, and the prices for internet customers will remain unchanged.

The general regulatory conditions for the Grid Segment for the fiscal year can continue to be assessed as stable. The new regulatory periods start in 2023 for natural gas and in 2024 for electricity; detailed cost audits will be carried out by the regulatory authority in the next two fiscal years. The general conditions surrounding COVID-19 continue to make it difficult to implement measures for the construction and maintenance of grid facilities and customer requirements. Despite these circumstances, the expansion and maintenance of the grids will continue as planned in order to be able to continue to offer customers stable and reliable supply grids. The amendments envisaged in the Renewable Energy Expansion Act package will also have a considerable impact on the scope and sequence of processes at Netz OÖ GmbH and present a major challenge. The second half of the 2020/2021 fiscal year will therefore also mainly be characterised in this Segment by preparations for the implementation of the new regulations.

In the area of smart meters, the first phase of the Smart Meter Upgrade project was launched at the beginning of the first half of 2020/2021 and is expected to run until 2027. The aim of the project is to expand the smart meter system to meet future requirements such as supporting citizens' energy communities and renewable energy communities.

In the second half of 2020/2021, the focus in Telekom GmbH's fibre-optic sector will continue to be on the further expansion of the network infrastructure.

In the Czech Republic Segment, it is important to examine EU funding programmes in the area of energy efficiency, and to develop projects, taking into account the upcoming energy transition in the Czech Republic with the phasing out of coal as an energy source and the resulting opportunities for an updated climate policy. In parallel, digitalisation projects planned with communities, for example in the field of digital water meters and smart grid in the water sector, are being implemented in the second half of the 2020/2021 fiscal year. At the end of the reporting period, it is still difficult to assess the impact of the on-going development of the COVID-19 pandemic, especially on the Services unit.

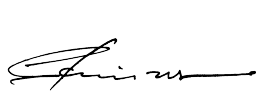
Lower throughputs are expected for the waste management sector thermal plants at the Wels and Lenzing sites also in the second half of the fiscal year due to the increased calorific value of waste. At the Wels site, the plan is to complete the conversion project in the scope of relocating company headquarters and to intensively continue the "District heating extraction from WAV" project. The inspection intervals of incineration lines 1 and 2 will be changed in this context. Pandemic-related declines in business at individual locations are still expected in the second half of the fiscal year, especially where there are stronger ties to tourism operations. In general, however, business is expected to remain strong in the coming months.

Energie AG's focus in the second half of 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, customers and business partners. Furthermore, for the period following the lifting of statutory COVID-19 restrictions, all precautions will be taken to return to the established processes as quickly and safely as possible. The strategic goals in the areas of customer orientation, environmental protection, decarbonisation, digitalisation and cost management will remain unchanged.

Effects attributable to the COVID-19 pandemic, for example, due to the payment default on the part of business partners, can also be expected in the second half of the 2020/2021 fiscal year. Assuming a rapid economic recovery, earnings for the complete 2020/2021 fiscal year are expected to remain at approximately the previous year's level.

Linz, 28 May 2021

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

Semi-Annual Consolidated Financial Statements 2020/2021 of Energie AG Oberösterreich

CONSOLIDATED STATEMENT OF INCOME 1 OCTOBER 2020 TO 31 MARCH 2021

	01.10.2020-31.03.2021 EUR 1,000	01.10.2019-31.03.2020 EUR 1,000
1. Sales revenues	1,209,795.5	1,107,108.2
Procurement costs for electricity and gas trading	-52,207.8	-34,913.1
Net sales revenues	1,157,587.7	1,072,195.1
2. Change in inventories of finished goods and work in progress	-1,039.7	146.7
3. Other capitalised corporate services	15,312.4	17,253.0
4. Share in result of companies consolidated at equity	10,763.5	11,143.8
5. Other operating income	15,034.3	17,907.1
6. Expenses for material and other purchased services	-763,206.8	-722,536.3
7. Personnel expenses	-154,923.2	-150,845.5
8. Depreciation, amortisation and impairments	-81,827.0	-88,814.2
9. Other operating expenses	-79,172.4	-79,361.6
10. Operating result	118,528.8	77,088.1
11. Financing expenses	-11,944.7	-11,293.3
12. Other interest income	383.3	423.6
13. Other financial result	509.5	-2,297.0
14. Financial result	-11,051.9	-13,166.7
15. Earnings before taxes	107,476.9	63,921.4
16. Income taxes	-24,062.3	-13,152.5
17. Consolidated net earnings	83,414.6	50,768.9
Thereof attributable to non-controlling interests	777.1	876.4
Thereof attributable to investors in the parent company		
Consolidated net profit	82,637.5	49,892.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 OCTOBER 2020 TO 31 MARCH 2021

	01.10.2020-31.03.2021 EUR 1,000	01.10.2019-31.03.2020 EUR 1,000
1. Consolidated net earnings	83,414.6	50,768.9
2. Other comprehensive income		
Items that will not be subsequently reclassified to the income statement:		
Remeasurement of the defined benefit obligation	-232.8	18,784.3
Changes in value of investments and securities FVOCI	5,176.6	538.1
Deferred taxes	-1,236.0	-4,830.6
Items that may be subsequently reclassified to the income statement:		
Hedge accounting	27,059.9	-42,982.3
Changes in value of at-equity companies recognised in equity	75.8	83.3
Translation differences	3,606.8	-5,431.2
Deferred taxes	-6,765.0	10,745.6
Total expenses and income recognised in other comprehensive income	27,685.3	-23,092.8
3. Total comprehensive income after taxes	111,099.9	27,676.1
4. Thereof attributable to non-controlling interests	1,344.7	177.6
5. Thereof attributable to parent company	109,755.2	27,498.5

ASSETS		31 March 2021 EUR 1,000	30 September 2020 EUR 1,000
A.	Non-current assets		
I.	Intangible assets and goodwill	232,350.7	235,576.0
II.	Property, plant and equipment	1,977,089.1	1,980,631.5
III.	Investments (thereof at-equity companies: EUR 221,223.4 thousand (previous year: EUR 211,982.1 thousand))	250,771.5	240,570.4
IV.	Other financial assets	71,627.7	50,641.7
		2,531,839.0	2,507,419.6
V.	Other non-current assets	17,478.5	10,520.0
VI.	Deferred tax assets	7,796.8	7,766.6
		2,557,114.3	2,525,706.2
B.	Current assets		
I.	Inventories	26,611.3	50,669.9
II.	Receivables and other assets	395,944.4	347,207.9
III.	Fixed term deposits and short-term investments	89,771.5	109,808.3
IV.	Cash and cash equivalents	55,911.6	46,304.8
		568,238.8	553,990.9
		3,125,353.1	3,079,697.1
LIABILITIES		31 March 2021 EUR 1,000	30 September 2020 EUR 1,000
A.	Equity		
I.	Share capital	88,653.8	88,655.5
II.	Capital reserves	216,587.1	216,567.0
III.	Retained earnings	1,103,149.9	1,073,776.7
IV.	Other reserves	-23,487.1	-50,640.0
V.	Non-controlling interests	15,554.1	14,610.3
		1,400,457.8	1,342,969.5
B.	Non-current liabilities		
I.	Financial liabilities	583,855.9	586,817.2
II.	Non-current provisions	289,454.6	290,470.2
III.	Deferred tax liabilities	32,801.0	26,820.9
IV.	Construction cost subsidies	307,226.6	300,954.8
V.	Advances received	2.7	5,803.1
VI.	Other non-current liabilities	82,280.8	77,457.2
		1,295,621.6	1,288,323.4
C.	Current liabilities		
I.	Financial liabilities	9,213.5	10,769.0
II.	Current provisions	27,677.4	20,684.1
III.	Provisions for taxes	47.1	142.3
IV.	Trade payables	120,073.9	156,644.8
V.	Other current liabilities	272,261.8	260,164.0
		429,273.7	448,404.2
		3,125,353.1	3,079,697.1

STATEMENT OF CHANGES IN EQUITY (CONDENSED)

	Equity of investors in parent company EUR 1,000	Non-controlling interests EUR 1,000	Total EUR 1,000
Balance 30.09.2019	1,295,551.2	14,787.4	1,310,338.6
Other comprehensive income	-22,394.0	-698.8	-23,092.8
Consolidated net earnings	49,892.5	876.4	50,768.9
Total income for the period	27,498.5	177.6	27,676.1
Dividends distribution	-53,193.3	-785.8	-53,979.1
Change in the scope of consolidation	-9.7	8.9	-0.8
Transactions with shareholders	-53,203.0	-776.9	-53,979.9
Balance 31.03.2020	1,269,846.7	14,188.1	1,284,034.8
Balance 30.09.2020	1,328,359.2	14,610.3	1,342,969.5
Other comprehensive income	27,117.7	567.6	27,685.3
Consolidated net earnings	82,637.5	777.1	83,414.6
Total income for the period	109,755.2	1,344.7	111,099.9
Dividends distribution	-53,192.3	-400.9	-53,593.2
Treasury stocks	-18.4	—	-18.4
Transactions with shareholders	-53,210.7	-400.9	-53,611.6
Balance 31.03.2021	1,384,903.7	15,554.1	1,400,457.8

CASH FLOW STATEMENT (CONDENSED)

	01.10.2020-31.03.2021 EUR 1,000	01.10.2019-31.03.2020 EUR 1,000
Earnings before income taxes	107,476.9	63,921.4
Earnings after income taxes	95,105.0	44,640.7
Depreciation/Appreciation of non-current assets	78,033.3	90,791.6
Retained earnings of equity companies	-9,165.5	-10,893.8
Other items	-11,282.6	-11,307.9
CASH FLOW FROM EARNINGS	152,690.2	113,230.6
Payments from hedging transactions	36,918.3	-62,432.2
Change in inventories and current receivables	-32,415.2	-21,531.1
Other change in working capital	7,669.4	-7,328.3
CASH FLOW FROM OPERATING ACTIVITIES	164,862.7	21,939.0
Outflow for additions to property, plant, equipment and intangible assets	-104,384.7	-117,087.0
Other items	7,593.5	1,303.6
CASH FLOW FROM INVESTMENTS	-96,791.2	-115,783.4
Dividends distribution	-53,593.2	-53,979.1
Issuance of registered bond	–	100,000.0
Cash advances	–	44,000.0
Other items	-5,022.4	-6,137.0
CASH FLOW FROM FINANCING ACTIVITIES	-58,615.6	83,883.9
TOTAL CASH FLOW	9,455.9	-9,960.5
Cash funds at beginning of period	46,304.8	29,772.0
Cash flow	9,455.9	-9,960.5
Exchange rate effects on cash funds	150.9	-555.3
Cash funds at end of period	55,911.6	19,256.2

NOTES TO THE SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2020/2021 OF ENERGIE AG OBERÖSTERREICH

1. General disclosures

The condensed semi-annual financial statements of Energie AG Oberösterreich as of 31 March 2021 were drawn up in accordance with the International Financial Reporting Standards (IFRS) and the interpretations, published by the International Accounting Standards Board (IASB), as required for interim financial reports as of the reporting date and as adopted by the European Union, applying IAS 34 (interim financial reporting). The interim financial report is an update to the consolidated financial statements as of 30 September 2020. The semi-annual financial statements were not audited or reviewed by an auditor.

The accounting policies applied on 30 September 2020 were used again, except where stated below.

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 adopted by the EU that take effect on 1 January 2020 or later:

- 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 – Phase 1)
- IFRS 3 (Amendments: Definition of a Business)
- IFRS 16 (Amendments: Covid-19-Related Rent Concessions)

The amended standards do not have a material impact on the consolidated financial statements.

2.2. Standards and interpretations that have not been applied early

In the 2020/2021 Semi-Annual Financial Statements, the following amendments adopted by the EU were not applied early:

Entry into force in the EU on 1 January 2021:

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments: Interest Rate Benchmark Reform – Phase 2)
- IFRS 4 (Amendments: Extension of the Temporary Exemption from Applying IFRS 9)

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

- IFRS 16 (Amendments: Covid-19-Related Rent Concessions beyond 30 June 2021)

- IFRS 3 (Amendments: Reference to the Conceptual Framework)
- IAS 16 (Amendments: Property, Plant & Equipment: Proceeds before Intended Use)
- IAS 37 (Amendments: Onerous Contracts – Costs of Fulfilling a Contract)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- IFRS 17 (Insurance Contracts)
- IAS 1 (Amendments: Classification of Liabilities as Current or Non-current)
- IAS 1 (Amendments: Disclosure of Accounting Policies)
- IAS 8 (Amendments: Definition of Accounting Estimates)

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

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

- IFRS 14 (Regulatory Deferral Accounts)

Application of the following standard was postponed indefinitely:

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

The first-time application of these standards is not expected to result in any significant implications for the consolidated financial statements.

3. Scope of consolidation

The scope of consolidation has not changed since 30 September 2020.

4. Accounting policies

Impairment of other intangible assets and property, plant and equipment

Changes to the ways in which the Timelkam CCGT power plant can be used for grid reserve management and for the market led to an impairment loss of EUR 1.3 million (31 March 2020: impairment loss of EUR 0.7 million) being recognised in the Energy Segment. The recoverable amount (value in use) is EUR 43.0 million (31 March 2020: EUR 48.8 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 1,452 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 4.5% (31 March 2020: 4.6%).

In view of new legal requirements related to the use of gas turbines for congestion management, future revenues of the 7Fields gas storage facility are expected to be lower. From today's perspective, it is not possible to run the gas storage facility in a way that costs are covered. A provision in the amount of EUR 6.7 million (30 September 2020: EUR 0.0 million) was formed as of 31 March 2021 for contractual obligations up to the 2049/2050 fiscal year not covered by revenue; a discount rate of 0.1% was applied. An impairment loss in the amount of EUR 7.2 million was recognised in the previous year.

A contract for the additional use of waste heat generated from waste incineration was formed in the reporting period (Waste Management Segment). The increase in future cash flows led to an impairment reversal being made for incineration plants of EUR 3.5 million up to the amortised cost of EUR 75.3 million. The discount rate is 4.9%.

5. Sales revenues

	01.10.2020-31.03.2021 EUR 1,000	01.10.2019-31.03.2020 EUR 1,000
Energy Segment		
Revenues from the sale of electricity	523,426.2	467,934.9
Revenues from the sale of natural gas	198,657.0	180,263.8
Revenues from the sale of district heat	33,014.5	36,005.7
Other	38,690.9	20,560.4
	793,788.6	704,764.8
Grid Segment		
Revenues from the electricity and gas grids	186,344.0	178,297.5
The revenues from the reversal of construction cost subsidies	12,945.1	12,421.2
Other	2,012.0	2,167.6
	201,301.1	192,886.3
Waste Management Segment		
Revenues from the collection of waste	50,660.3	47,645.7
Revenues from the incineration of waste	39,912.0	38,982.8
Revenues from the recycling of waste	22,615.3	18,633.4
Other	4,759.3	4,785.8
	117,946.9	110,047.7
Czech Republic Segment		
Revenues from water deliveries	35,732.3	34,202.3
Revenues from the intake of waste water	31,297.7	30,426.9
Revenues from the sale of district heat	9,834.7	9,171.0
Other	9,728.9	9,368.8
	86,593.6	83,169.0
Holding & Services Segment	10,165.3	16,240.4
Sales revenues	1,209,795.5	1,107,108.2
Procurement costs for electricity and gas trading	-52,207.8	-34,913.1
Net sales revenues	1,157,587.7	1,072,195.1

6. Segment reporting

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

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

The accounting policies applied to the reported segments are the same as those applied throughout the Group. Sales revenues made between the Segments (internal sales revenues) are charged at standard market rates or at cost. The operating result is the net profit or loss for the period that is monitored regularly by the chief decision-makers and used as the primary basis for assessing success and allocating resources.

2020/2021	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	793.8	201.3	117.9	86.6	10.2	–	1,209.8
Intersegment sales	3.1	6.8	4.9	–	104.1	-118.9	–
Total sales	796.9	208.1	122.8	86.6	114.3	-118.9	1,209.8
Operating result	50.6	35.6	20.4	6.9	5.0	–	118.5

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

The operating result in the Group column is the same as the one indicated in the Consolidated Statement of Income. The reconciliation to the earnings before taxes can be found in the Statement of Income.

7. Financial instruments

7.1. Carrying amounts in accordance with IFRS 9

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

	Category acc. to IFRS 9	Carrying amount 31.03.2021 EUR 1,000	Carrying amount 30.09.2020 EUR 1,000
Investments		29,548.1	28,588.3
Shares in affiliated companies	FVOCI	1,518.8	1,480.5
Other investments	FVOCI	28,029.3	27,107.8
Other financial assets		71,627.7	50,641.7
Lendings to companies in which an interest is held	AC	6,378.8	7,063.2
Other lendings	AC	5,849.7	5,432.9
Securities AC	AC	15,820.4	–
Securities FVOCI	FVOCI	13,483.1	9,181.0
Securities FVPL	FVPL	30,095.7	28,964.6
Receivables and other financial assets (non-current and current) acc. to the Statement of Financial Position		413,422.9	357,727.9
Thereof non-financial assets		37,992.1	28,486.9
Thereof financial assets		375,430.8	329,241.0
Trade receivables	AC	295,431.6	256,209.1
Receivables from affiliated companies	AC	178.3	532.7
Receivables from joint arrangements and associated companies	AC	9,924.1	5,299.4
Derivatives designated as hedging instruments (cash flow hedge)	n/a	20,959.4	7,849.8
Derivatives not designated as hedging instruments	FVPL	15,653.5	14,149.2
Other financial assets	AC	33,283.9	45,200.8
Fixed term deposits and short-term investments	AC	69,765.3	89,776.3
Fixed term deposits and short-term investments	FVPL	20,006.2	20,032.0
Cash and cash equivalents	AC	55,911.6	46,304.8
Total financial assets		622,289.7	564,584.1

	Category acc. to IFRS 9	Carrying amount 31.03.2021 EUR 1,000	Carrying amount 30.09.2020 EUR 1,000
Financial liabilities (non-current and current)		593,069.4	597,586.2
Bonds	FLAC	301,483.8	301,548.0
Liabilities to banks	FLAC	7,844.0	9,319.8
Lease liabilities	IFRS 16	110,417.0	113,090.4
Other financial liabilities	FLAC	173,324.6	173,628.0
Trade payables (current)	FLAC	120,073.9	156,644.8
Other liabilities (non-current and current) acc. to the Statement of Financial Position		354,542.6	337,621.2
Thereof non-financial liabilities		251,350.8	254,050.9
Thereof financial liabilities		103,191.8	83,570.3
Liabilities to affiliated companies	FLAC	20,930.1	7,201.1
Liabilities to joint arrangements and associated companies	FLAC	3,836.3	3,551.0
Derivatives designated as hedging instruments (cash flow hedge)	n/a	30,044.9	29,521.1
Derivatives not designated as hedging instruments	FVPL	15,303.5	15,315.6
Other financial liabilities (non-current and current)	FLAC	33,077.0	27,981.5
Total financial liabilities		816,335.1	837,801.3
Carrying amounts grouped to measurement categories according to IFRS 9			
Financial Assets at Amortized Costs (AC)		492,543.7	455,819.2
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		43,031.2	37,769.3
Financial Assets at Fair Value through Profit or Loss (FVPL)		65,755.4	63,145.8
Financial Liabilities at Amortized Cost (FLAC)		660,569.7	679,874.2
Financial Liabilities at Fair Value through Profit or Loss (FVPL)		15,303.5	15,315.6

7.2. Measurement at fair value

7.2.1. 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	Other measurement methods	
	Carrying amount	Measurement at market prices	Level 2	Level 3	Total fair value
31.03.2021	EUR 1,000	Level 1 EUR 1,000	Level 2 EUR 1,000	Level 3 EUR 1,000	EUR 1,000
Assets					
Shares in affiliated companies (FVOCI)	1,518.8	–	–	1,518.8	1,518.8
Other investments (FVOCI)	28,029.3	1,355.0	–	26,674.3	28,029.3
Securities (FVOCI)	13,483.1	13,483.1	–	–	13,483.1
Securities (FVPL)	30,095.7	30,095.7	–	–	30,095.7
Derivatives designated as hedging instruments (cash flow hedge)	20,959.4	–	20,959.4	–	20,959.4
Derivatives not designated as hedging instruments (FVPL)	15,653.5	–	15,653.5	–	15,653.5
Fixed term deposits and short-term investments (FVPL)	20,006.2	20,006.2	–	–	20,006.2
Total	129,746.0	64,940.0	36,612.9	28,193.1	129,746.0
Liabilities					
Derivatives designated as hedging instruments (cash flow hedge)	30,044.9	–	30,044.9	–	30,044.9
Derivatives not designated as hedging instruments (FVPL)	15,303.5	–	15,303.5	–	15,303.5
Total	45,348.4	–	45,348.4	–	45,348.4

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

Level 3 financial instruments have developed as follows:

	2020/2021 EUR 1,000	2019/2020 EUR 1,000
Carrying amount as of 01.10.	27,568.1	22,210.9
Gains (losses) – not recognised in profit or loss	539.7	5,300.6
Additions	–	3,185.3
Disposals	–	-15.7
Transfers	–	-3,155.8
Currency translation	85.3	42.8
Carrying amount	28,193.1	27,568.1

The appreciation of EUR 539.7 thousand (previous year: EUR 5,300.6 thousand) relates to Other Investments (FVOCI). The fair value of these Other Investments is determined using a measurement method based on capitalisation of earnings. Essential input factors are the cash flow assumptions from planning and the discount rate. The appreciation was recognised as other comprehensive income in the item "Change in value of investments and securities FVOCI".

An increase (reduction) of the cash flow assumptions by 25% would have resulted in an increase (reduction) of the OCI in the amount of EUR 4,433.3 thousand (EUR -4,433.3 thousand) (previous year: EUR 4,080.1 thousand (EUR -4,080.1 thousand)). An increase (reduction) of the discount rate by 50 basis points would have resulted in a reduction (increase) of the OCI in the amount of EUR -1,258.6 thousand (EUR 1,486.8 thousand) (previous year: EUR -1,030.3 thousand (EUR 1,179.2 thousand)).

7.2.2. Valuation techniques and inputs used in measuring fair values

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

The following valuation methods and inputs were used:

Financial instruments	Level	Valuation technique	Inputs
Other investments	3	Capital value-oriented	Assumptions concerning cash flows, interest rates, planning
Listed securities, mutual funds	1	Market value-oriented	Nominal values, stock market price, net asset value
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

7.2.3. 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 have a fixed interest rate, then the fair value of non-current lendings corresponds to the present value of the payments associated with the assets, taking into consideration the current market parameters in each case (interest rates, credit spreads).

Trade payables, liabilities to affiliated companies, liabilities to joint arrangements and associated companies and other financial liabilities usually have short remaining terms. The values on the balance sheet are approximately the fair values. If they are material and bear interest at a fixed rate, the fair value of financial liabilities is determined using the present

value of the payments associated with the liabilities, taking into consideration the respectively applicable market parameters (interest rates, credit spreads).

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

	Category acc. to IFRS 9	Carrying amount 31.03.2021 EUR 1,000	Fair value 31.03.2021 EUR 1,000	Carrying amount 30.09.2020 EUR 1,000	Fair value 30.09.2020 EUR 1,000	Level
Assets						
Other financial assets		12,228.5	13,233.8	12,496.1	13,600.0	
Lendings to companies in which an interest is held	AC	6,378.8	7,255.2	7,063.2	8,041.0	Level 3
Other lendings	AC	5,849.7	5,978.6	5,432.9	5,559.0	Level 3
Liabilities						
Financial liabilities		474,808.4	531,928.4	475,176.0	538,280.0	
Bonds	FLAC	301,483.8	350,196.0	301,548.0	355,557.0	Level 1
Other financial liabilities	FLAC	173,324.6	181,732.4	173,628.0	182,723.0	Level 3

The fair values of the Level 3 financial liabilities disclosed above were determined in agreement with generally accepted valuation techniques based on discounted cash flow analyses. Material input is the discount rate, which takes into account the expected credit loss of the counterparty.

8. Risk management

8.1. Risk management process

The risk management system of Energie AG is responsible for identifying future developments as early as possible, ascertaining the resulting risks and opportunities and actively managing them.

As an established part of the management and control system, risk management can be found in the Group's strategic management, investment and project management, and in its operating activities.

The central risk management department steers operational and strategic risk management on the basis of operational risk management in the decentralised business units. The risks, opportunities and actions are updated every quarter and recorded in a software tool available for use throughout the Group. The opportunities and risks identified in this way are then analysed at the Group level and incorporated into the Group's overall risk position.

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

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

8.2. Significant opportunities (+) | risks (-) ⁴⁾ and measures

STRATEGIC OPPORTUNITIES | RISKS

+/- Strategic opportunities | risks due to

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

Measures:

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

PROJECT OPPORTUNITIES | RISKS

+/- Project opportunities | risks

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

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

Measures:

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

SUSTAINABILITY OPPORTUNITIES | RISKS

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

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

4) Definition of risk | opportunity:

- A risk is the possibility of an event occurring that has a negative impact on a KPI (EBT, cashflow)
- An opportunity is the possibility of an event occurring that has a positive impact on a KPI (EBT, cashflow)

MARKET AND COMPETITION RISKS

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

Measures:

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

+|– Electricity generated from hydroelectric power

influenced by development of weather/climate

Measures:

- Optimised management of generation portfolio

+|– Electricity production from thermal power plants

Measures:

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

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

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

Measures:

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

+|– Market price and volume changes in waste management

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

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

Measures:

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

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

Measures:

- Synergy projects
- Ongoing participation in (concession) tenders

OPPORTUNITIES | RISKS FROM BUSINESS OPERATIONS

– Facility risks

Impairment of the availability of facilities due to

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

Measures:

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

+|– Physical weather risks

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

Measures:

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

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

Measures:

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

– Personnel risks

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

Measures:

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

POLITICAL, REGULATORY AND STATUTORY OPPORTUNITIES | RISKS

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

Measures:

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

+|– Legal risks

from pending legal disputes

Measures:

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

+|– Political and statutory environment

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

Measures:

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

COMPLIANCE RISKS AND DATA PROTECTION INFRINGEMENTS

– Compliance risks

- Antitrust and corruption risks
- Financial market compliance

Measures:

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

– Data protection infringements

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

Measures:

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

FINANCIAL RISKS

+|- Recoverability

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

Measures:

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

+|- Opportunities | Risks from investments

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

Measures:

- Ongoing monitoring
- Representation on boards of the subsidiaries

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

- Long-term fixed interest agreements

+|- Changes in the discount rate for provisions

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

Measures:

- Ongoing monitoring

+|- Foreign exchange risk

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

Measures:

- Ongoing monitoring
- Currency hedging, where necessary

– Counterparty risks

Complete or partial failure of counterparties

Measures:

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

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

resulting from fluctuations in market value on the capital markets

Measures:

- Conservative Investment Policy
- Consistent monitoring
- On-going quantification of share price risks

– Liquidity risk**Measures:**

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

+|- Rating change

means lower| higher refinancing costs

Measures:

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

9. Related party disclosures

Related parties include OÖ Landesholding GmbH as majority shareholder as well as its subsidiaries, the Province 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
Province of Upper Austria	2020/2021	825.0	248.3	142.7	4.0
	2019/2020	669.9	280.4	205.0	2.7
OÖ Landesholding and subsidiaries	2020/2021	5,327.8	95.3	789.4	1,461.0
	2019/2020	5,540.4	129.1	834.5	3,195.7
Associated companies	2020/2021	28,570.9	6,870.2	4,579.2	15.1
	2019/2020	28,920.1	6,453.1	3,584.1	62.3
Joint ventures	2020/2021	3,164.2	1,636.7	985.3	356.1
	2019/2020	1,579.6	2,053.7	4,721.5	434.8

The service relationships are conducted at standard market conditions or at cost.

10. Further disclosures

There are weather-related fluctuations in sales revenues and results within the fiscal year particularly as regards electricity generated, electricity sales and the gas business. Higher results tend to be achieved in the first half of the year than in the second half in the Energy Segment. Limited construction activity in the autumn and winter months means that investments in property, plant and equipment are generally lower in the first half of the year than in the second half. The hydro coefficient in the first half of the year came to 0.99 (previous year: 1.08).

Additions to property, plant and equipment in the first half of 2020/2021 amount to EUR 69.2 million (previous year: EUR 73.1 million); the carrying amount disposal amounts to EUR 2.1 million (previous year: EUR 2.4 million). Obligations for the acquisition of property, plant and equipment amount to EUR 69.8 million (previous year: EUR 57.1 million).

The Federal Competition Authority (BWB) is conducting investigations throughout Austria into the area of collection and transport in the waste management sector. One such investigation was conducted on 16 March 2021 at the premises of Energie AG Oberösterreich Umwelt Service GmbH in Hörsching. Energie AG Oberösterreich Umwelt Service GmbH is actively involved to help clarify the facts and assured its full cooperation with BWB. From today's perspective, these actions are not expected to bring any negative consequences.

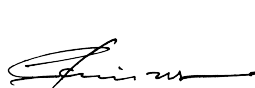
The semi-annual consolidated financial statements do not contain any significant accounting one-time effects due to the COVID-19 pandemic.

Applications were submitted in the Group for a COVID-19 investment bonus for companies to obtain an investment amount of EUR 50.0 million. The one-off subsidy is equal to 7% or 14% of the amount being invested. The investment bonus was not included in the accounts as of 31 March 2021 due to the uncertainty surrounding whether the conditions will be met.

In the first half of 2020/2021, dividends of EUR 53.2 million (previous year: EUR 53.2 million) were paid out to the shareholders of Energie AG Oberösterreich.

Linz, 28 May 2021

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



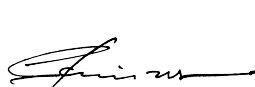
Dipl.-Ing. Stefan Stallinger MBA
Member of the Management Board
COO

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

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the International Financial Reporting Standards (IFRS) and that the Group's semi-annual management report gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in respect of important events that have occurred during the first six months of the fiscal year and their impact on the condensed interim financial statements in respect of the material risks and uncertainties for the remaining six months of the fiscal year.

Linz, 28 May 2021

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

DISCLAIMER

Any gender-specific terms used in this report should be understood as referring to both genders, unless explicitly stated.

When “Energie AG” is referred to in the financial statement, Energie AG Oberösterreich is meant.

This report contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ substantially from those predicted. Terms used such as “presumed”, “assumed”, “estimated”, “expected”, “intended”, “may”, “planned”, “projected”, “should” and comparable expressions serve to characterise forward-looking statements. No guarantees can therefore be given that the forecasts and planned values will actually materialise regarding economic, currency-related, technical, competition-related and several other important factors that could cause actual results to differ from those anticipated in the forward-looking statements. Energie AG does not intend to update such forward-looking statements and refuses any responsibility for any such updates. We have exercised utmost diligence in the preparation of this report and checked the data contained therein. The present English version is a translation of the German report. The German version of the report is the only authentic version.

LEGAL NOTICE

Responsible publisher:

Energie AG Oberösterreich, Böhmerwaldstraße 3, 4020 Linz, Austria

Editors:

Michael Frostel MSc, Mag. Margit Lang, Mag. Gerald Seyr

Concept, graphic design and implementation: nexxar GmbH, Wien

Cover art: upart Werbung & Kommunikation GmbH, Linz

Translation: GORNIK translators for industry GmbH

Photo Credits: Energie AG Oberösterreich, Hermann Wakolbinger

Subject to errors and misprints.

Linz, June 2021



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