

# CREATING VISIONS

Semi-Annual Financial Report  
for the period 1 October 2022 to 31 March 2023

[www.energieag.at/semiannualfinancialreport](http://www.energieag.at/semiannualfinancialreport)

The logo for ENERGIE AG, featuring a red stylized wave icon to the left of the text "ENERGIE AG". Below "ENERGIE" is the word "Oberösterreich" in a smaller font.

**ENERGIE AG**  
Oberösterreich

We care about tomorrow

# Contents

## 3 | GROUP OVERVIEW

- 3 Key figures
- 3 Letter by the Management Board

## 6 | GROUP MANAGEMENT REPORT

- 6 Group
  - 6 General conditions
  - 9 Business development in the Group
  - 12 Risks and opportunities
  - 13 Key performance indicators
- 13 Segments
  - 14 Energy Segment
  - 20 Grid Segment
  - 23 Waste Management Segment
  - 26 Czech Republic Segment
  - 28 Holding & Services Segment
- 30 Outlook

## 32 | FINANCIAL STATEMENTS

- 32 Consolidated Statement of Income
- 33 Consolidated Statement of Comprehensive Income
- 34 Consolidated Statement of Financial Position
- 36 Consolidated Statement of Changes in Equity
- 37 Consolidated Cash Flow Statement
- 38 Notes
- 58 Statement by the Management Board



All the Semi-Annual Financial Report's content, including interactive features, is available in the digital version:

[www.energieag.at/semiannualfinancialreport](http://www.energieag.at/semiannualfinancialreport)

# Group overview

## ENERGIE AG OBERÖSTERREICH AT A GLANCE

	Unit	1st HY 2022/2023	Change	1st HY 2021/2022
<b>Sales revenues</b>				
Energy Segment	EUR mill.	2,036.5	19.3%	1,706.8
Grid Segment	EUR mill.	230.2	10.2%	208.9
Waste Management Segment	EUR mill.	128.1	-3.0%	132.1
Czech Republic Segment	EUR mill.	120.3	21.5%	99.0
Holding & Services Segment	EUR mill.	22.3	93.9%	11.5
<b>Group sales revenues</b>	<b>EUR mill.</b>	<b>2,537.4</b>	<b>17.6%</b>	<b>2,158.3</b>
<b>Result</b>				
Operating result (EBIT)	EUR mill.	55.8	-67.1%	169.6
EBIT margin	%	2.2	-72.2%	7.9
Earnings before taxes (EBT)	EUR mill.	48.6	-68.9%	156.2
<b>Consolidated net earnings</b>	<b>EUR mill.</b>	<b>37.6</b>	<b>-72.2%</b>	<b>135.2</b>
		<b>31.3.2023</b>	<b>Change</b>	<b>31.3.2022</b>
<b>Statement of Financial Position</b>				
Balance sheet total	EUR mill.	4,480.4	-9.5%	4,949.1
Equity	EUR mill.	1,470.5	-9.3%	1,621.2
Equity ratio	%	32.8%	0.0%	32.8%
		<b>1st HY 2022/2023</b>	<b>Change</b>	<b>1st HY 2021/2022</b>
<b>Cash flow from operating activities</b>	<b>EUR mill.</b>	<b>-640.0</b>	<b>-372.9%</b>	<b>234.5</b>
		<b>1st HY 2022/2023</b>	<b>Change</b>	<b>1st HY 2021/2022</b>
<b>Workforce (on average)</b>	<b>FTE</b>	<b>4,641.0</b>	<b>0.8%</b>	<b>4,604.0</b>

## LETTER BY THE MANAGEMENT BOARD OF ENERGIE AG OBERÖSTERREICH



The first half of the 2022/2023 fiscal year was characterised by an extremely challenging energy industry landscape attributable to the ongoing uncertain geopolitical and energy policy situation. The Russian war of aggression on Ukraine and the resulting concerns about supply meant that the price volatility on the energy markets had a considerable impact on the development of business and key figures of Energie AG Oberösterreich during the reporting period. Despite the recent downward trend, market prices for electricity at the semi-year balance sheet date were almost three times higher than two years ago. In view of the prevailing and highly challenging macroeconomic framework conditions, we feel all the more committed to our social responsibility and will therefore continue to make every effort within our sphere of influence to ensure high security of supply in the ongoing energy industry crisis and to be a fair and loyal partner to our customers.

The company has always had ensuring a high supply quality and security of supply for the people as its top priority. Measures including securing gas supplies, filling our storage capacities as much as possible and activating power plants as part of our congestion management strategy meant that we were able to continue supplying energy to our electricity and gas customers during the winter months without restriction. However, the current situation also lays bare to us that increasing energy independence is indispensable and that the expansion of energy generation from sustainable resources as well as the grid infrastructure must be pushed forward at an even faster pace than before. Numerous grid projects at all voltage levels were therefore driven forward just as intensively in the reporting period as a large number of generation projects in the areas of hydroelectric power, wind power, photovoltaics and biomass. This is something that is also reflected in the 15% increase in capital expenditure compared to the first half of the 2021/2022 fiscal year. The individual climate mitigation projects are part of a two-billion-euro investment drive and will make a significant contribution to the success of the energy transition in the coming years. They also contribute to the strategic sustainability and innovation project LOOP, which was launched at the beginning of 2023 and with which we want to set the course for fully decarbonising the company. We want to meet people's desire for additional sustainable and digital solutions and, above all, take clear and decisive action against the looming climate crisis.

The general rate of inflation, which was strongly driven by energy prices, increasingly evolved into a major burden for the general population in the past one and a half years. Despite the prevailing and very turbulent conditions on the market, Energie AG Oberösterreich was able to keep its promise and maintain the price guarantee for existing customers until 1 January 2023. However, in view of the sharp rise in energy procurement costs, we also had to raise electricity and gas tariffs noticeably at the beginning of the year. The promise to reduce prices as soon as market conditions permit has already been fulfilled several times in the past weeks and months through various discounts and reductions. By significantly increasing the energy solidarity budget and launching an energy assistance package, voluntarily agreeing to waive cut-offs during the entire heating period, as well as expanding advisory services and promoting energy efficiency measures, we are fulfilling our social obligation and actively helping particularly vulnerable customers save energy and costs.

In the multitude of Herculean tasks to be tackled, the demographic crisis and the associated shortage of skilled workers is another one that must be taken very seriously. The Energie AG Group acknowledges that the Group's success depends on the commitment of its employees and therefore seeks to solidify its reputation as an attractive employer on an ongoing basis and to offer a work environment that not only offers interesting and diverse development opportunities but also accommodates the individual needs of its employees. In order to meet these goals, a diversity project aimed at further cultural openness was recently launched to position the company as a highly attractive employer for people with different biographies. Receiving another award as one of the best employers in Austria in the recognised Trend Ranking makes us confident that the personnel measures taken so far to improve workers' ability to balance family and career, to make working hours more flexible and to expand training and further education opportunities also contribute to this.

Finally, we would like to take this opportunity to thank all employees of Energie AG Oberösterreich who have been faced with the challenge of coping with a sharp rise in customer enquiries in recent months. We would like to express our sincere thanks for the professional and understanding way in which the concerns of the customers were dealt with and perspectives in the current situation were outlined.

Linz, 30 May 2023

The Management Board of Energie AG Oberösterreich



**Dr. Leonhard Schitter**  
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 2022/2023 of Energie AG Oberösterreich <sup>1)</sup>

## GROUP

### | FRAMEWORK CONDITIONS

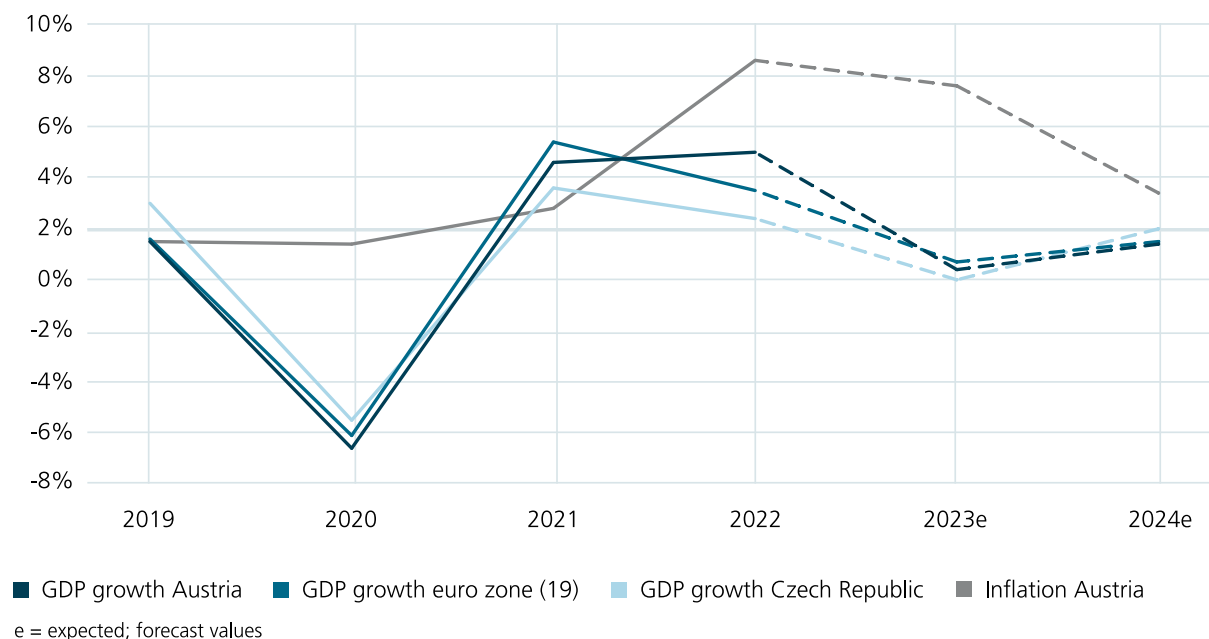
#### Macroeconomic environment <sup>2)</sup>

In the **first half of 2022/2023 (1 October 2022 to 31 March 2023)**, weak global demand, high inflation and increased interest rates significantly slowed down economic growth.

#### Economic growth and inflation

YoY real change (in %)

Sources: IHS, WIFO, IMF



The Institute for Advanced Studies (IHS), the Institute of Economic Research (WIFO) and the International Monetary Fund (IMF) recorded economic growth of +3.5% for the **euro zone** in 2022, whereas growth had been +5.4% in 2021.

<sup>1)</sup> 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.

<sup>2)</sup> Sources: IHS (Institute for Advanced Studies): [Spring Forecast of the Austrian Economy, 2023–2024](#), 30 March 2023. IMF (International Monetary Fund): [World Economic Outlook Database: April 2023 \(imf.org\)](#), 19 April 2023. WIFO (Austrian Institute of Economic Research): [WIFO Economic Data](#), 31 March 2023.

Economic output in **Austria** stagnated in the second half of 2022; this is, in particular, attributable to inflation driven by energy prices but also by high uncertainty and weak international demand. Despite this, Austria's gross domestic product (GDP) growth was +5.0% for the year 2022 (previous year: +4.6%). The rate of inflation was +8.6% (previous year: +2.8%). Following a minor decline in GDP in the first quarter of 2023 with stagnation expected in the second quarter, economic development is likely to slowly return to a more stable growth path as of the middle of calendar year 2023, with inflation gradually slowing. The biggest downside risk here comes from stubborn inflation, which could necessitate even stronger tightening of monetary policy.

An increase in the gross domestic product of +2.4% was noted for the **Czech Republic** market relevant to Energie AG Oberösterreich (Energie AG) in the 2022 calendar year (previous year: +3.6%).

## Energy and climate policy environment

In the period under review, the EU's energy policy was again largely characterised by the implementation of immediate measures to cushion high energy prices in the form of "emergency regulations", as well as by activities to reduce dependency on energy imports from Russia and measures to improve supply security.

On 8 October 2022, a **regulation on emergency measures as a response to high energy prices** was published in the EU's Official Journal. The regulation introduces temporary measures to reduce electricity consumption by between 5% and 10%, along with a levy on excess profits for electricity, and a solidarity contribution for fossil energy companies, up to the end of 2023. In a similar vein, the **EU Acceleration Regulation** was published by the European Council on 29 December 2022. The primary intent here is to accelerate energy transition projects by simplifying approval procedures.

To improve the resilience of gas supplies to the EU, a **regulation** was published on 29 December 2022, **boosting solidarity** among member states in the event of a crisis, while regulations relating to a cross-border gas exchange improved coordination in the form of pooled gas purchasing and reliable price benchmarks at the Title Transfer Facility (TTF) gas trading exchange. A further emergency regulation from the Council, which entered into force on 1 February 2023, provides for the **introduction of a market correction mechanism** to hedge excessive gas prices in the EU. This mechanism has been in effect since 15 February 2023 and is automatically activated if gas prices that do not reflect world market prices occur in the EU.

The Parliament and the Council reached a political agreement on the **reform of the EU Emissions Trading Scheme (EU ETS)** on 18 December 2022. The key element is a significant increase in the greenhouse gas (GHG) reduction target by 2030 compared to the reference year 2005 from a previous value of -43% to -62%. As part of the "Fit for 55" package, political agreement was also reached on the **revision of the effort sharing regulation**. It defines binding reduction targets for all member states in sectors not covered by the EU ETS. For Austria, this means a 48% reduction in GHG emissions by 2030.

The amendments to the **Energy Efficiency Directive** envisaged in the "Fit for 55" package and in the "REPowerEU package", designed to rapidly reduce dependence on Russian gas imports, were formulated in a political agreement in March 2023. This means that the Member States must collaborate to ensure that final energy consumption falls by at least 11.7% in 2030, compared with the 2030 consumption forecasts from 2020.

The large number of emergency regulations and the upheavals on the energy markets also led to numerous legislative measures in Austria:

**National CO<sub>2</sub> pricing** for fossil energy came into force on 1 October 2022 as a central instrument of the eco-social tax reforms. This means that CO<sub>2</sub> emissions in Austria have, for the first time, been assigned a price beyond the bounds of the emissions trading system.

Two minor amendments to the **Renewable Energy Expansion Act** in October and December 2022 mainly regulated an extension of the commissioning deadlines or improvements in the application system and a suspension of the renewable support flat rate for 2023. The accompanying regulation on the allocation of **market premiums** to support larger generation plants for 2022 and 2023 was published on 4 October 2022. The 2023 regulation on **investment grants** for small-scale renewable power generation facilities was published on 15 March 2023. In December 2022, a minor **amendment to the Electricity Industry and Organisation Act (EIWOG)** provided for budget funds of EUR 260 million in the first half of 2023 to cushion the sharp rise in grid loss charges for withdrawing parties. At the end of the year, the **Electricity Consumption Reduction Act** was also passed; it sets a target of 5% electricity consumption reduction at peak times.

On the basis of the EU Emergency Regulation relating to levies on excess profits, the **Federal Act on the Energy Crisis Contribution – Electricity** was announced on 29 December 2022. This caps the revenue from inframarginal electricity generation plants at 140 EUR/MWh. The maximum revenue increases to 176 EUR/MWh if preferential investments in renewable energies can be claimed in 2022 and 2023. The levy amounts to 90% of excess revenues and is applicable from 1 December 2022.

The **Electricity Cost Subsidy Act (SKZG)** was passed to relieve the burden from increased energy prices for households. This means that, as a rule, private households in Austria receive an electricity cost subsidy for electricity consumption of 2,900 kWh per year. In addition to this, a grid cost subsidy was introduced for low-income households. The **Corporate Energy Cost Subsidies Act (UEZG)** for energy-intensive companies provided for energy cost subsidies of up to EUR 7 billion.

The **Renewable Gas Act** was submitted for public review from 15 February 2023 to 29 March 2023. Central regulations call for an increase in domestic production of renewable gases of at least 7.5 TWh by 2030. An annual obligatory quota for suppliers will ensure the required investment security for Austrian producers. A corresponding **Investment Subsidies Ordinance**, which provides monetary support for newly constructed or converted biogas plants, was submitted for review at the same time.

An amendment to the **Environmental Impact Assessment Act (UVP-G)** was passed by the National Council in March 2023. One aim of the amendment is to fast-track essential projects in the scope of the energy transition. The amendment ensures improved structuring of the procedures by introducing procedural rules and ruling out objections if they were not raised in time.

The amendment to the **Gas Industry Act (GWG)**, announced on 22 March 2023, provides for an extension of the protected customer group to district heating plants that supply heat to households, social services or small and medium-sized enterprises and stipulates the grid level 1 connection of the Haidach storage facility.



## | BUSINESS DEVELOPMENT IN THE GROUP

Assets, liabilities, financial position and profit or loss <sup>1)</sup>

### Group overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Sales revenues	EUR mill.	2,537.4	2,158.3	17.6%
Operating result (EBIT)	EUR mill.	55.8	169.6	-67.1%
EBIT margin	%	2.2	7.9	-72.2%
Financial result	EUR mill.	-7.3	-13.3	45.1%
Earnings before taxes	EUR mill.	48.6	156.2	-68.9%
Investments in property, plant and equipment and intangible assets	EUR mill.	70.7	61.9	14.2%
Cash flow from operating activities	EUR mill.	-640.0	234.5	> -100%
Cash flow from investing activities	EUR mill.	-43.0	-47.2	8.9%
Cash flow from financing activities	EUR mill.	-72.7	-65.0	-11.8%

In the first half of the 2022/2023 fiscal year, the Energie AG Group generated **sales revenues** in the amount of EUR 2,537.4 million (previous year: EUR 2,158.3 million). The increase in sales revenues related mainly to the Energy Segment and was largely attributable to higher prices for electricity and gas.

The **operating result (EBIT)** fell by EUR 113.8 million from EUR 169.6 million in the first half of 2021/2022 to EUR 55.8 million in the reporting period. The decrease in the operating result was attributable to the Energy Segment at EUR 29.7 million, the Grid Segment at EUR 15.3 million and the Holding & Services Segment at EUR 61.5 million.

The decrease in the **Energy Segment** from EUR 46.9 million to EUR 17.2 million includes the impairment of the Timelkam combined-cycle gas turbine (CCGT) power plant in the amount of EUR 13.0 million. In addition, the decrease was due to less favourable conditions for the use of thermal generation plants and revenues of EUR 43.5 million generated from the measurement and realisation of energy derivatives not designated as hedging instruments that were included in the EBIT of the same period of the previous year.

The **Grid Segment** generated sales revenues of EUR 238.3 million (previous year: EUR 215.8 million) and an EBIT of EUR 26.6 million (previous year: EUR 41.9 million). The decrease in the operating result is mainly attributable to lower transported volumes and higher costs of grid losses and upstream grid costs.

In the **Waste Management Segment**, falling prices for recycling materials and price increases, for example for operating materials, played a role in the decrease in earnings from EUR 26.9 million in the first half of 2021/2022 to EUR 21.2 million in the reporting period.

In the **Czech Republic Segment**, an EBIT in the amount of EUR 4.8 million was generated (previous year: EUR 6.4 million). The lower operating result was due to significantly higher costs for the procurement of electricity and gas compared with the previous year. From

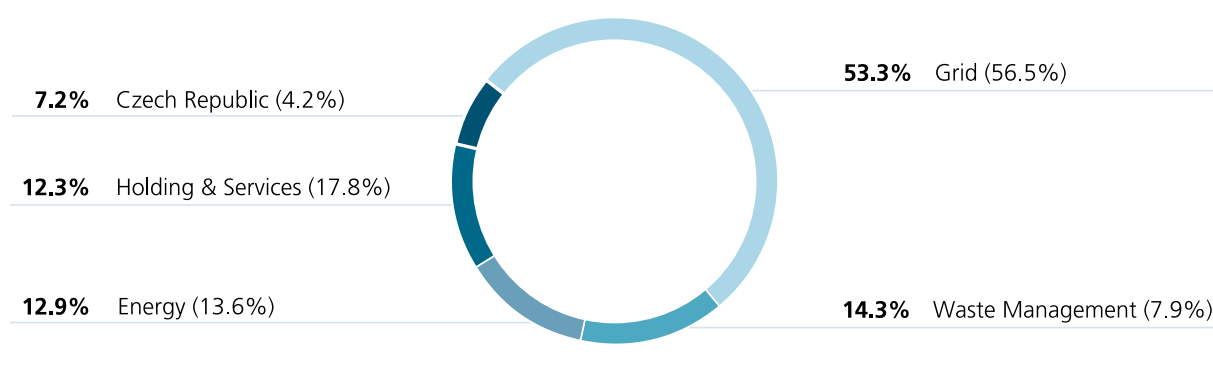
<sup>1)</sup> With regard to the derivation of the financial performance indicators and the calculation methods, please refer, in addition to the explanations in the Group Management Report, to the corresponding explanations in the [Semi-Annual Consolidated Financial Statements](#) » [Page 32](#).

October to December 2021 in particular, the impact of higher energy expenses was not yet as pronounced as in the comparable first quarter of the reporting period.

The **Holding & Services Segment** recorded an EBIT of EUR -14.0 million in the first half of 2022/2023 (previous year: EUR 47.5 million). The decrease is primarily the result of the measurement of the share in BBOÖ Breitband Oberösterreich GmbH (BBOÖ GmbH) in the amount of EUR 37.0 million in the previous year and of lower earnings contributions from entities accounted for using the equity method.

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

1st HY 2022/2023; previous year's figures in brackets



In the reporting period, **investments** in intangible assets and property, plant and equipment amounted to EUR 70.7 million (previous year: EUR 61.9 million). With a share of 53.3%, the Grid Segment accounted for the largest part.

The **financial result** amounted to EUR -7.3 million in the reporting period (previous year: EUR -13.3 million). This development resulted from higher interest income for invested funds and the positive measurement results of shares in investment funds.

In the first half of 2022/2023, the **financial liabilities** were reduced by EUR 16.1 million to EUR 644.3 million (as of 31 March 2023), compared with the reporting date of 30 September 2022, as a result of ongoing repayments of current and non-current liabilities.

**Cash flow from operating activities** was EUR -640.0 million in the reporting period, compared with EUR 234.5 million in the previous year. Due to volatile prices for electricity and gas, payments for hedging transactions amounting to EUR -877.2 million were made in the reporting period (previous year: payments amounting to EUR 667.1 million). The reduction in collateral deposits required for stock market transactions led to cash inflows of EUR 289.3 million (previous year: cash outflows of EUR -288.7 million).

#### Energie AG's external rating reconfirmed

The external rating of Energie AG was again confirmed in mid-March 2023 by S&P Global Ratings with an 'A' seal of approval. The rating outlook is also assessed to be stable without change. The rating of Energie AG is well secured due to the robust development of key figures, the financial policy, which has been stable for decades, and the positive framework conditions.

S&P Global Ratings expects the energy sector to see an increase in investment pressure in the context of the energy transition and efforts to safeguard security of supply. Thanks to its solid rating, Energie AG has a robust basis and cost-optimised access to the financial and capital

markets, putting it in a position to fund and implement ambitious investment targets for sustainable projects in the future.

## Treasury stocks

The treasury shares held by Energie AG as of the reporting date 30 September 2022, which resulted from the repurchase of employee shares made in the meantime, were withdrawn by a resolution of the General Meeting on 20 December 2022. The share capital of the Company was reduced accordingly. As of 31 March 2023, the company held no treasury shares.

## 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 56](#).

## Changes under corporate law

At the beginning of the 2022/2023 fiscal year, VAK Zápý s.r.o. was merged with its owning company VAK Beroun a.s., of which ENERGIE AG BOHEMIA s.r.o. holds some 60% of the shares. The water and waste water activities in the central region around Prague are now managed centrally.

On 2 January 2023, Energie AG Kolín a.s. took over an operational unit of Zipr s.r.o. in Kouřim to further consolidate the market. This involved entering into an existing concession agreement and acquiring the assets required for this.

## Trend in staff levels

In the first half of the 2022/2023 fiscal year, the Group's average consolidated staff levels stood at 4,641 full time equivalents (FTE), thus representing an increase of 0.8% over the average of the first half of the 2021/2022 fiscal year (4,604 FTE).

### Staff levels <sup>1)</sup>

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Energy Segment	FTE	456	461	-1.1%
Grid Segment	FTE	585	582	0.5%
Waste Management Segment	FTE	824	825	-0.1%
Czech Republic Segment	FTE	1,722	1,712	0.6%
Holding & Services Segment	FTE	1,054	1,024	2.9%
<b>Group total</b>	<b>FTE</b>	<b>4,641</b>	<b>4,604</b>	<b>0.8%</b>

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

## Change in the Management Board

As of 1 January 2023, Dr. Leonhard Schitter took over the position as CEO of Energie AG and Board Member for Sales and Marketing. In this function he is taking over from the previous Chief Executive Officer DDr. Werner Steinecker, who retired at the end of the 2022 calendar year, to become the new Chairman of the Management Board of Energie AG.

Dr. Andreas Kolar was reappointed as Chief Financial Officer (CFO) and Dipl.-Ing. Stefan Stallinger MBA as Chief Operating Officer (COO) by the Supervisory Board, both continuing their previous functions.

Thanks to the board members' extensive knowledge of the company and industry it operates in, this new composition of the Management Board will assure the Group's continuous further development.

## Group-wide strategic and organisational project

To proactively address the massive changes in the underlying conditions, such as the changing market situation, the advancing climate crisis and demographic change, a Group-wide strategy and organisation project was launched in March 2023. Decarbonisation of the value chain and the accelerated expansion of renewable energies are just as much in the focus of this project as are, for example, the circular economy, innovation, digitalisation, and even stronger orientation on customer requirements.

## | RISKS AND OPPORTUNITIES

Despite continuing, tense energy industry and political framework conditions, prices for electricity and gas on both the spot and forward markets fell in the first half of the 2022/2023 fiscal year. This resulted in an improved risk position for Energie AG with respect to this item.

Further to this, the climatic conditions and general climate policy and imminent regulatory changes have a significant impact on the risks and opportunities of Energie AG. In the reporting period, the large number of emergency regulations in EU energy policy and the upheavals on the energy markets also led to numerous legislative measures in Austria. The company is intensively addressing these issues in order to minimise risk and leverage opportunities.

Due to its diversified and robust business portfolio and its high level of resilience, the Group's risk position is stable. Energie AG relies on a holistic risk management strategy aimed at identifying and minimising potential risks at an early stage. In the first half of the 2022/2023 fiscal year, no risks were identified at Energie AG 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. Management of risks and opportunities. » Page 50](#)

## KEY PERFORMANCE INDICATORS

### Group overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Electricity procurement	GWh	6,565	8,049	-18.4%
Electricity procured from third parties	GWh	5,042	6,231	-19.1%
Proprietary electricity procurement	GWh	1,523	1,818	-16.2%
Thermal power plants	GWh	402	756	-46.8%
Renewable energy	GWh	1,121	1,062	5.6%
Group's own hydropower plants	GWh	481	425	13.2%
Procurement rights from hydroelectric power	GWh	544	528	3.0%
Other renewable energy (photovoltaics, wind, biomass)	GWh	96	109	-11.9%
Electricity grid distribution volume to end customers	GWh	4,017	4,258	-5.7%
Electricity sales volume	GWh	3,256	3,486	-6.6%
Gas grid distribution volume to end customers	GWh	9,699	12,116	-19.9%
Gas sales volume	GWh	3,241	3,795	-14.6%
Heat procurement	GWh	1,081	1,135	-4.8%
Heat sales volume	GWh	997	1,059	-5.9%
Total waste volume handled	1,000 t	755	791	-4.6%
Incinerated waste volume	1,000 t	302	297	1.7%
Invoiced drinking water volume	m <sup>3</sup> mill.	28.7	28.8	-0.3%
Invoiced waste water volume	m <sup>3</sup> mill.	22.8	22.7	0.4%
Internet data volume transferred <sup>1)</sup>	TB	53,310	44,340	20.2%

1) Key figure changed due to spin off of the Fibre-to-the-Home fibre-optic network in the 2021/2022 fiscal year; TB = Terabyte

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

## 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 41.

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

## ENERGY SEGMENT

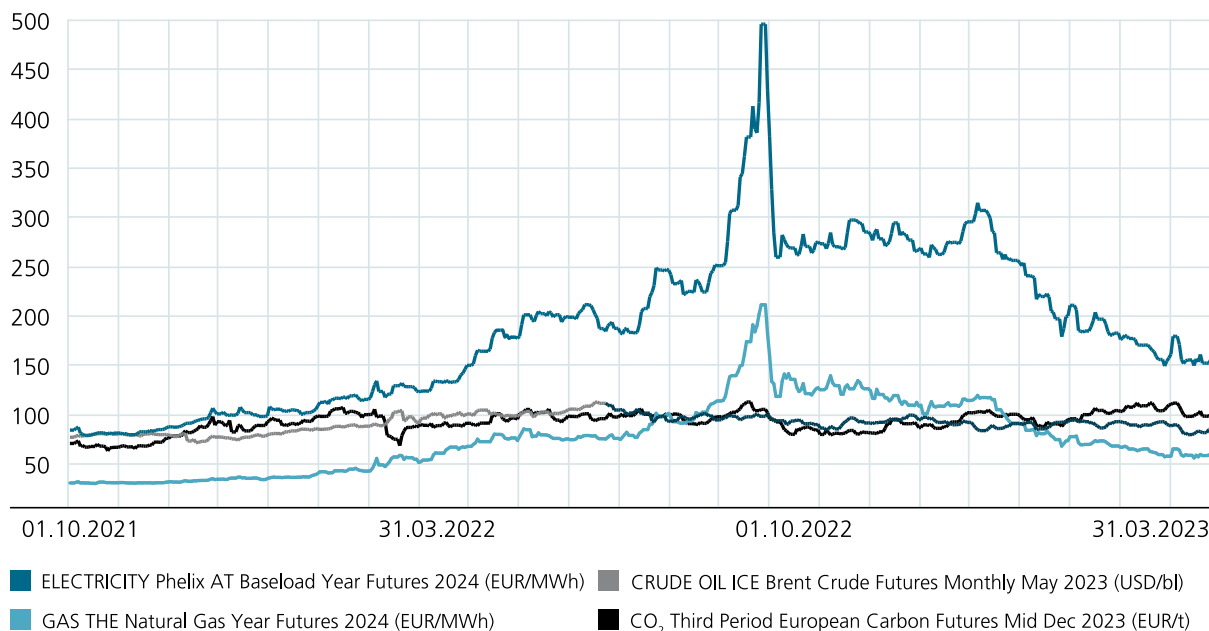
### Energy Segment overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Total sales	EUR mill.	2,040.8	1,709.6	19.4%
EBIT	EUR mill.	17.2	46.9	-63.3%
Investments in property, plant and equipment and intangible assets	EUR mill.	9.1	8.4	8.3%
Workforce (on average)	FTE	456	461	-1.1%
Electricity procurement, incl. third-party procurement	GWh	6,474	7,949	-18.6%
Proprietary electricity procurement	GWh	1,432	1,718	-16.6%
Electricity sales volume	GWh	3,256	3,486	-6.6%
Gas sales volume	GWh	3,241	3,795	-14.6%
Heat procurement	GWh	715	830	-13.9%
Heat sales volume	GWh	649	764	-15.1%

### | ECONOMIC FRAMEWORK CONDITIONS FOR THE ENERGY SECTOR <sup>1)</sup>

#### Price development on international energy markets

Sources: EEX, ICE



The forward market prices for electricity for delivery in the front year 2024 in Austria showed a strong downward trend in the first half of 2022/2023 and fell from around EUR 262.0/MWh to EUR 164.7/MWh as of 31 March 2023. The average price in the first half

<sup>1)</sup> Sources: EEX (European Energy Exchange AG) market data: [Market data \(eex.com\)](https://www.eex.com), 11 April 2023. ICE (Intercontinental Currency Exchange) Market data: [Products - Futures & Options | ICE \(theice.com\)](https://www.theice.com), 11 April 2023.

of the 2022/2023 fiscal year was EUR 221.6/MWh. The main cause of this downward trend was lower gas prices. On the spot market, electricity prices decreased by around 17% in the first half of the 2022/2023 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 175.5/MWh with a highly volatile development which correlates strongly with gas prices.

In the first half of the 2022/2023 fiscal year, the Trading Hub Europe (THE) gas price for the front year 2024 was nearly halved, falling from EUR 113.8/MWh at the beginning of October 2022 to EUR 58.7/MWh at the end of March 2023. The comparatively mild winter, the drop in demand from industry, and high levels in European gas storage facilities led to a reduction of gas prices despite Russia's ongoing war of aggression in Ukraine.

Prices for CO<sub>2</sub> emissions allowances increased during the reporting period, rising from EUR 68.8/t for the December 2023 lead contract to EUR 91.9/t at the end of March 2023, and peaking at EUR 100.3/t in February 2023. The reasons for the increase were economic developments and increased demand as a result of higher coal and gas-fired electricity generation.

The oil price for delivery in May 2023 moved sideways from USD 81.6/barrel (bl) of Brent crude oil at the beginning of the reporting period to USD 79.8/barrel at the end of March 2023. Weak demand from China due to the COVID-19 lockdowns still imposed in China in parts of the reporting period led to a slightly decreasing to stable price trend on the oil market.

## | BUSINESS DEVELOPMENT IN THE ENERGY SEGMENT

The Energy Segment recorded sales revenues of EUR 2,040.8 million in the reporting period. The rise was attributable to significantly higher wholesale prices for electricity and gas compared with the previous year, leading to higher sales volumes, particularly in the management of gas storage facilities and in electricity and gas sales.

In the reporting period, the EBIT of the Energy Segment amounted to EUR 17.2 million and was 63.3% below the operating result of the same period of the previous year. This development was attributable, among other things, to a fall in the management of the electricity portfolios and to lower EBIT contributions from the thermal power plants. Additionally, an impairment in the amount of EUR 13.0 million was recognised for the Timelkam CCGT power plant in the reporting period due to lower expectations of future earnings contributions, whereas – in the previous year – a positive EBIT effect from the measurement and realisation of energy derivatives not designated as hedging instruments in the amount of EUR 43.5 million had been recorded.

In contrast to this, EBIT was positively influenced by the above-average water levels and, as a result, higher generation volumes at hydropower plants, by procurement rights from hydroelectric power, and by sales price increases.

## | EXPANSION OF ELECTRICITY GENERATED FROM RENEWABLES

Total **electricity procurement** in the Energy Segment in the first six months of 2022/2023 totalled 6,474 GWh and was therefore 18.6% lower than the previous year's value (7,949 GWh). Proprietary electricity procurement fell by 16.6% to 1,432 GWh compared to the previous year (1,718 GWh). While there was a slight increase in electricity procurement from renewables in the reporting period, there was a marked reduction in electricity generated by thermal power plants.

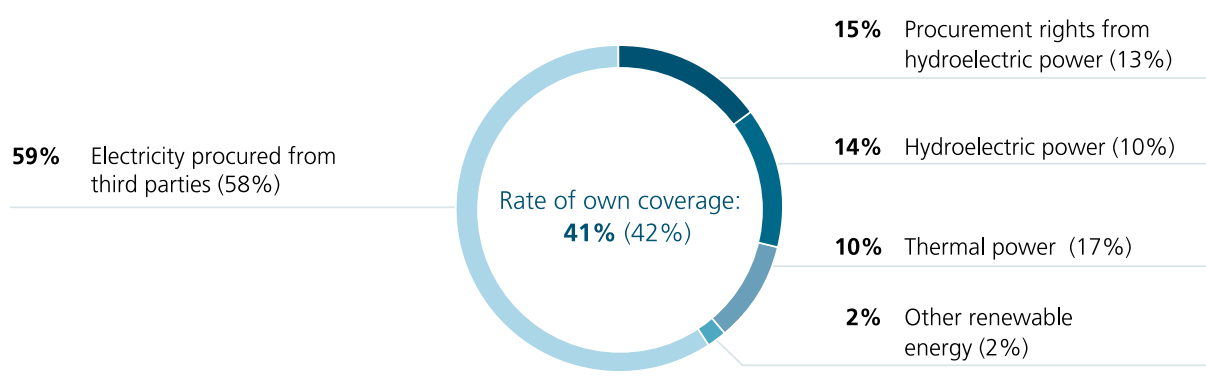
**Electricity production from thermal capacities** in the Energy Segment was 343 GWh in the first half of 2022/2023, which was about half the previous year's value of 695 GWh. The main reason for this was the exclusive use of the Timelkam CCGT power plant in congestion management for grid support, whereas the power plant had been used on the free electricity market in the comparable period of the previous year.

**Electricity production from hydroelectric power** in proprietary power plants and from procurement rights in the reporting period was 1,025 GWh – 7.6% above the values of the previous year. The root cause of this was that river water levels were 2.6% above the long-term average and 8.5% above the previous year's levels. Production averaged only 92.5% of expected levels in November and December 2022 and March 2023 as a result of the unusual drought but was at 115.8% in October 2022 and 126.2% in February 2023. The hydro coefficient in the first half of 2022/2023 was 1.03 (previous year: 0.94).

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

#### Electricity procurement structure without electricity trading

1st HY 2022/2023; previous year's figures in brackets



With a view to the expansion of electricity generated from renewable energies, work in the hydroelectric power unit continued on the preliminary projects for the construction of the Weissenbach power plant and the replacement of the Traunfall power plant in order to establish projects capable of approval.

The Ebensee pumped-storage power plant project was pushed forward intensively during the reporting period in order to bring about a possible building decision in 2023.

Ennskraftwerke AG, in which Energie AG holds a participating interest of 50%, reported electricity production below the long-term average in the first half of 2022/2023, with a hydro coefficient of 0.97 (previous year: 0.94). 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 1,410 GWh.

Energie AG's **wind power portfolio** in Austria comprises investments in four wind parks with a pro rata overall performance of some 15 MW. Generation from wind power in the reporting period was 19 GWh (previous year: 23 GWh). At the beginning of the first half of the 2022/2023 fiscal year, a further wind turbine with an output of 0.5 MW was commissioned at the Munderfing wind farm.

Energie AG operates **photovoltaic (PV) plants** in Austria and Italy via subsidiaries with a total capacity of 18 MW<sub>p</sub> (previous year: 18 MW<sub>p</sub>). In the first six months of 2022/2023,



4 GWh of electricity (previous year: 5 GWh) was fed into the public grid. Two further projects were in the implementation phase during the reporting period. For one, a PV system with an output of 1.46 MW<sub>p</sub> is being installed on the roof of a horse riding facility for proprietary electricity procurement of Energie AG. The second project is being implemented at the Energie AG location in Timelkam. The existing PV system on the ash landfill site is being supplemented by a second, independent system with approx. 1.15 MW<sub>p</sub>, allowing the former landfill area to be used in the best possible way to generate electricity. Commissioning of both systems is expected at the beginning of the next fiscal year.

Energie AG supplies sustainable **district heating** to several areas in Upper Austria, including Kirchdorf, Gmunden and Vöcklabruck. The distribution of district heating from the power plant locations in Riedersbach and Timelkam was 164 GWh, a drop of 9.4% compared with the previous year (181 GWh) due to comparatively mild temperatures. Expansion of the Freistadt district heating facility is in the planning stage. The project's main focuses are expanding the biomass generation facilities by 2.5 MW and the district heating network by 1,900 linear metres. Commissioning is scheduled for the 2023/2024 fiscal year.

Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ GmbH) in Laakirchen 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 2022/2023 fiscal year was 281 GWh, which is 24.7% lower than the previous year's figure of 373 GWh.

## FIRST PRICE ADJUSTMENT FOLLOWING SEVERAL YEARS OF GUARANTEED PRICES

Following the price guarantee given to electricity and gas customers since 2017, it proved necessary to significantly increase electricity and gas prices for existing customers in the reporting period on account of the extraordinary market situation. The price adjustment for electricity implemented as of 2 January 2023 was supported by an external legal expert with a view to the new legal situation ("relevant circumstances" pursuant to Section 80 para. 2a EIWOG). The price adjustment in the gas unit, which also took effect on 2 January 2023, was introduced in accordance with the provisions in the General Terms and Conditions (GTC) on the basis of changes in the Austrian Gas Price Index (ÖGPI) and the Consumer Price Index (CPI). Given the challenges to the legal conformity of the price increases introduced by many companies in the industry on the basis of the new legal situation, Energie AG and special interest groups agreed on a quick, customer-friendly and practicable solution in order to avoid a legal dispute lasting many years.

Since higher communication volumes were to be expected due to the extent of the increase, personnel resources at the Energie AG call centre were increased both internally and externally up front. On top of this, the price adjustment was accompanied by numerous other campaigns: digital and personal consultations were held in the scope of special advisory day offerings, and chambers and associations were consulted in order to identify how strongly individual parties were affected by the changes. As a result, a set of measures was compiled to effectively counteract the high charges for specific customer groups. As of 1 February 2023, it proved possible to reduce prices for new customers acquired since December 2021, moving them to the lower existing customer price applicable as of 2 January 2023, thus adopting these customers into the existing customer base. As of 1 February 2023, the price for new customers was also reduced.

The noticeable easing on the energy markets during the reporting period has already led to an uptick in competitive activities on the sales market, despite what is still a high price level.

The number of heating degree days in Upper Austria in the reporting period was 10% below that of the comparable period in the previous year due to the mild weather conditions, and also well below the average for the last five years (-7.9%).

In the current energy industry environment, sales activities focused on ongoing and standardised risk management to ensure targeted risk control, while even greater attention was paid to monitoring risks from receivables.

## Electricity

At 3,256 GWh, Energie AG's consolidated electricity sales volume in the first half of the 2022/2023 fiscal year was 230 GWh below the previous year's figure of 3,486 GWh.

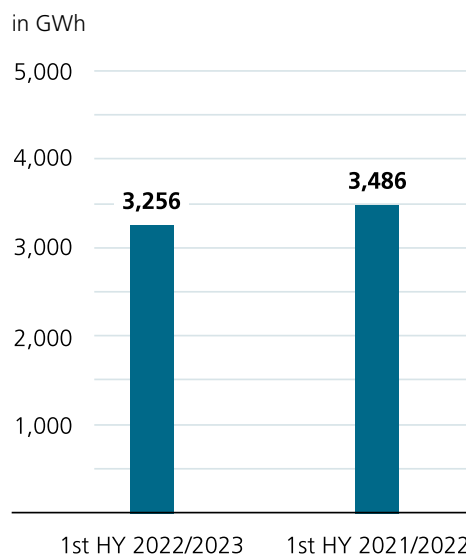
A drop in the procurement behaviour of existing customers in the business and industrial customer area was recorded. However, the resulting decrease in volumes was partly offset by new customers in this area. Due to mild weather conditions, the volume sold to residential, commercial and municipal customers in the first half of the fiscal year was also lower. Following a huge increase in decentralised photovoltaic plants, the number of customers who fed electricity volumes back to Energie AG increased many times over.

## Gas

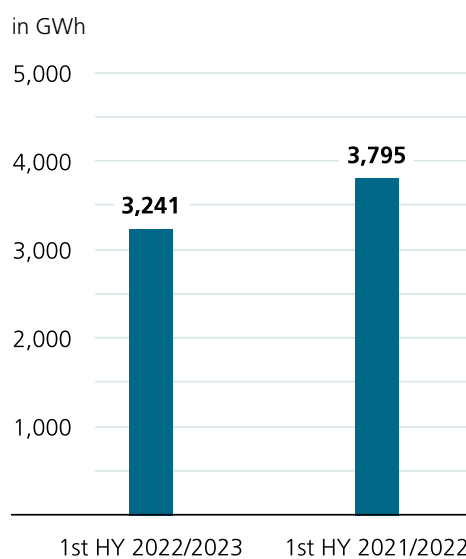
At 3,241 GWh, the gas sales volume of Energie AG in the first half of the fiscal year was 554 GWh, or 14.6%, below the previous year's figure of 3,795 GWh.

Volumes sold to business and industrial customers were down on the previous year. This was primarily due to a decline in sales volumes to existing customers, although the situation was mitigated slightly by an increase in storage activities by individual key account customers. Due to the weather conditions, lower sales volumes were also noted for the gas sector's residential, commercial and municipal customers in the first six months of the year. In addition, interest in changing heating systems increased in this area due to the current economic framework conditions.

### Electricity sales volume



### Gas sales volume



## Heat

The heat sales volume in Austria amounted to 649 GWh in the first half of 2022/2023; this was 15.1% below the previous year's figure of 764 GWh and also attributable to the mild weather in the reporting period.

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 volumes from energy contracting.

## Telecommunications

By the end of the first half of the 2022/2023 fiscal year, more than 18,200 customers were already actively using Energie AG products (previous year: 15,000). Despite the dynamic and challenging competitive environment, Energie AG was also able to convince more customers in the business customer unit of its product benefits.

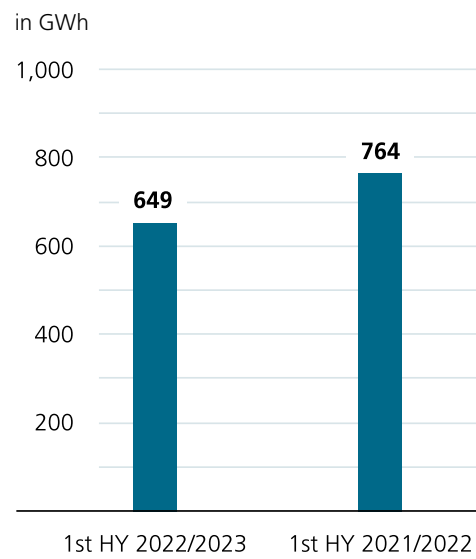
## Photovoltaics

On 31 March 2023, 65 photovoltaic contracting customer plants (previous year: 58) with an output of 10.3 MW<sub>p</sub> (previous year: 9.6 MW<sub>p</sub>) were in operation. In addition to this, standardised products such as the "PV Super Deal" for households or the "PV Professional Deal" for commercial customers were in very high demand.

## Electric mobility

The focus of electromobility activities in the reporting period was on the targeted establishment of charging stations. Energie AG currently operates 183 publicly accessible charging stations (previous year: 141) and manages a total of 716 charging points (previous year: 502).

Heat sales volume Austria



## GRID SEGMENT

### Grid Segment overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Total sales	EUR mill.	238.3	215.8	10.4%
EBIT	EUR mill.	26.6	41.9	-36.5%
Investments in property, plant and equipment and intangible assets	EUR mill.	37.7	35.0	7.7%
Workforce (on average)	FTE	585	582	0.5%
Electricity grid distribution volume to end customers	GWh	4,017	4,258	-5.7%
Gas grid distribution volume to end customers	GWh	9,699	12,116	-19.9%

### | STATUTORY AND REGULATORY FRAMEWORK IN THE GRID SEGMENT

Due to the situation on the energy market, which triggered an enormous increase in the grid loss component, the regulatory authority increased the grid utilisation fees in the electricity sector by between 35.8% and 72.6% as of 1 January 2023. The Austrian National Council has therefore decided to subsidise a cost reduction in grid loss charges for procurement plants for 2023. A large part of the increase in grid loss charges was cushioned by the government subsidy and the downward trend in market prices in the meantime; tariffs were reduced accordingly as of 1 March 2023. Compared to the previous year, grid utilisation fees increased by between 5.6% and 10.3% as of 1 March 2023, with different tariffs now being applied for withdrawing and injecting parties.

The grid utilisation fees in the gas sector for consumers at grid level 3 rose by 23.5% and by 40.8% at grid level 2. These significant increases were also due to higher grid loss costs in this unit and higher upstream grid costs.

The fourth regulatory period in the gas sector began on 1 January 2023 and will run for another 5-year period. In the first half of the 2022/2023 fiscal year, one focus in the Grid Segment was the initiation of the cost determination process for the fifth electricity regulatory period. In addition to wide-ranging requirements and queries from the authorities, expert meetings were held to discuss and define the parameters for the fifth regulatory period.

### | BUSINESS DEVELOPMENT IN THE GRID SEGMENT

In the reporting period, sales revenues in the Grid Segment amounted to EUR 238.3 million, an increase of 10.4% compared to the previous year. EBIT in the Grid Segment totalled EUR 26.6 million in the first half of 2022/2023, corresponding to a decrease of 36.5%. This was mainly driven by declining transported volumes on both the electricity and gas grids, as well as higher grid loss and upstream grid costs. These costs were only partially offset by the regulatory increase in grid utilisation fees. Besides this, depreciation in the area of electricity and gas grids, along with other expenses, also increased due to the investments made.

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

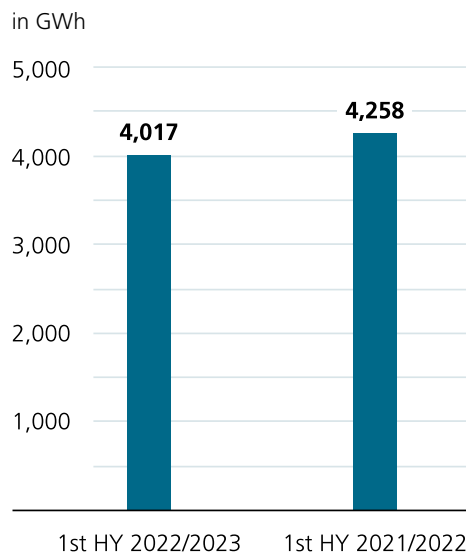
Compared to the same period of the previous year, the **electricity grid distribution volume** fell by a total of 5.7% from 4,258 GWh to 4,017 GWh in the first half of the current fiscal year. In particular, high electricity prices led to customers opting to save energy at all grid levels.

Grid operations were challenged by a number of storms in the first few months of calendar year 2023, with the electricity supply being affected by trees falling on power cables. In this situation, the 110 kV high-voltage grid once again proved to be the strong and reliable backbone of the Upper Austrian electricity supply.

In early March 2023, the new, updated **Upper Austria Electricity Grid Master Plan 2032** was published. It aims to align the electricity infrastructure in Upper Austria with current and future requirements even more quickly. With respect to operations during the period under review, work continued on the expansion of the 380/110 kV Wagenham substation, while remaining work and testing and approval activities were carried out in the scope of "Alm- und Kremstal electricity supply" and "Pramtal Süd electricity supply" projects. The documentation for an environmental impact statement for the "Mühlviertel Rohrbach – Langbruck electricity supply" project was authored. In Steyr, preparatory work was started on the general renovation of the 110 kV line from Steyr East to Steyr North, and planning work for the Rottenbach substation was largely completed during the reporting period. The environmental impact assessment approval for the "Central Region Upper Austria" project was obtained in the first instance and construction work commenced.

The need to decarbonise energy consumption, and the statutory framework defined by policymakers with a view to this, had already generated a significant boost in interest in decentralised generation based on renewable energy sources in recent years. In the 2021/2022 fiscal year, interest in private photovoltaic (PV) systems skyrocketed with the onset of Russia's war of aggression in Ukraine due to the additional motivation of reliability concerns. Requests to **connect PV systems to the grid** multiplied compared to the previous year, with figures rising to more than 35,000 in 2022. The continually high number of grid connection requests for power infeed systems in the reporting period led to bottlenecks in the processing procedure and even in the electricity grid itself despite measures having been introduced in the previous year. Thanks to further automation and short-term support, it proved possible to process the large number of applications. Additional measures, up to and including considerations for structural changes, are being prepared in order to continue to ensure supply quality for grid customers with top priority.

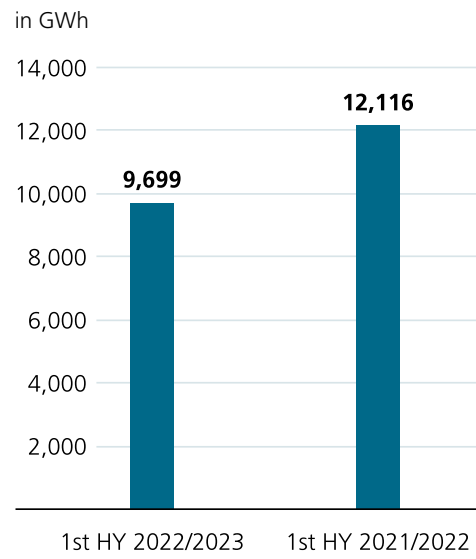
**Electricity grid distribution volume to end customers**



The **gas grid distribution volume** fell to 9,699 GWh in the reporting period; this is a drop of 19.9% compared to the same period in the previous year (12,116 GWh). The decrease in volumes affected both the industrial and residential sectors and was influenced by very high gas prices and a relatively warm winter.

In addition to maintenance measures, including the remediation of shortfalls in coverage and repairs of insulation defects in the high-pressure gas pipelines, essential and extensive conversion work also started at several reduction stations. Rerouting and route planning of four high-pressure gas pipelines for rerouting required for third-party projects commenced during the reporting period.

#### Gas grid distribution volume to end customers



## WASTE MANAGEMENT SEGMENT

### Waste Management Segment overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Total sales	EUR mill.	139.2	139.7	-0.4%
EBIT	EUR mill.	21.2	26.9	-21.2%
Investments in property, plant and equipment and intangible assets	EUR mill.	10.1	4.9	> +100%
Workforce (on average)	FTE	824	825	-0.1%
Total waste volume handled	1,000 t	755	791	-4.6%
Incinerated waste volume	1,000 t	302	297	1.7%

### ECONOMIC FRAMEWORK CONDITIONS FOR THE WASTE MANAGEMENT SECTOR

Compared with previous periods, the economic framework for providing waste management services went through what were, in part, striking changes in the first half of 2022/2023. In view of high inflation levels and the increased cost of logistics services, combined with a drop in business productivity and increasingly difficult conditions for commercial and industrial operations, asserting price increases for traditional waste management services proved challenging.

On the one hand, the **waste** available on the market for waste incineration was fraught with significant volume fluctuations, especially at the start of the fiscal year. Among other things, this was due to changes in the general economic situation and the productivity of commercial and industrial operations. Despite these volatilities, sufficient waste was available on the market during the first half of 2022/2023 to ensure a continuing high level of utilisation for the waste incineration plants.

On the other hand, the framework conditions for the **recycling materials** recovered paper/cardboard and for metals changed compared with the previous year, and in some cases quite significantly. After the previous year's very high level, metals experienced a price drop in the first months of the reporting period. Metal prices then settled at a level that was lower compared to the previous year's period but still satisfactory by the end of the first half of 2022/2023.

The development of recovered paper/cardboard was similar. There was a significant price decline here compared with the previous year, with the demand for recovered paper/cardboard also falling drastically. However, the situation improved again towards the end of the first half of 2022/2023.

Besides this, the amendment to the **Packaging Ordinance** (VVO) provides for obligatory participation in a collection and recovery system for commercial packaging starting on 1 January 2023. In this context, there is an obligation to feed commercial cardboard packaging into a collection and recycling system. This led to changes in or the loss of marketing opportunities for waste management companies for these recycling materials. However, the financial impact cannot be assessed at this stage, as the other framework conditions in the provision of services, such as transport and handling, which waste management companies will continue to provide, have not yet been finalised.

With effect from 1 January 2023, waste transportation of volumes above 10 t over distances of more than 300 kilometres must be effected by rail or similarly climate-friendly means of transport, with the kilometre threshold due to drop to 100 kilometres by 1 January 2026. Thus far, relatively few rail shipments have been affected by this regulation.

## | BUSINESS DEVELOPMENT IN THE WASTE MANAGEMENT SEGMENT

Sales revenues in the Waste Management Segment amounted to EUR 139.2 million in the first half of 2022/2023 and were therefore roughly at the previous year's level of EUR 139.7 million. The EBIT fell from EUR 26.9 million in the first half of 2021/2022 to EUR 21.2 million in the reporting period.

The decline in earnings was due to falling prices for the recycling materials recovered paper/ cardboard and metals. The effect was aggravated by inflationary factors, such as those affecting operating materials and maintenance. Electricity and heat revenue from the waste incineration plant Welser Abfallverwertung (WAV) and EBIT contributions from other waste management services were higher than in the comparable period of the previous year.

## | UTILISATION OF THE WASTE INCINERATION PLANTS

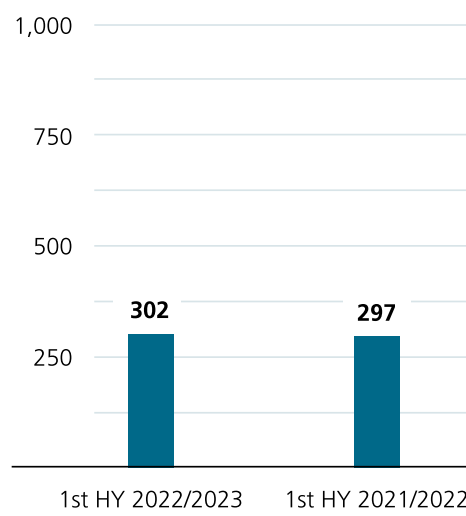
The two **waste incineration plants in Wels and Lenzing** achieved a throughput of 302,434 t in the reporting period (previous year 297,332 t); this is equivalent to an increase of 1.7%.

At the waste incineration plant in Wels, throughput volumes fell compared with the previous year due to an unplanned shutdown in December 2022. Despite this, it was possible to maintain the district heating supply to the city of Wels at all times. The Lenzing waste incineration plant had higher throughput volumes in the first half of 2022/2023 than in the same period of the previous year due to unplanned shutdowns in the first half of 2021/2022.

At the Lenzing waste incineration plant, the annual inspection took place in the period 17 March 2023 to 6 April 2023. In Wels, the inspections of the two incineration lines will not take place until the second half of the 2022/2023 fiscal year, as planned.

### Incinerated waste volume

in 1,000 t





In the reporting period, the waste incineration plant in Wels distributed 202 GWh of heat (previous year: 163 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: 100 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 754,712 t (first half of 2021/2022: 790,774 t), although the plant in South Tyrol was able to record an increase in the volumes handled.

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

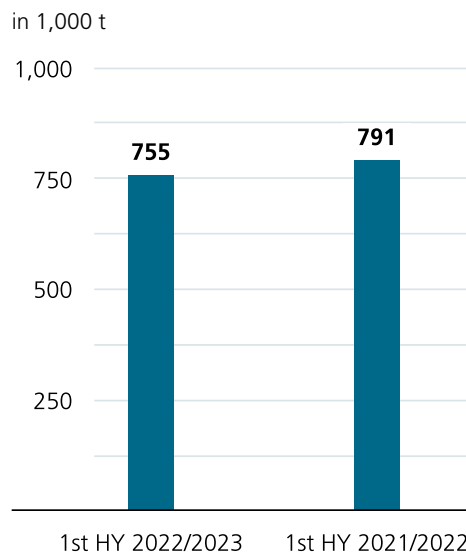
In the first half of 2022/2023, intensive work was carried out on further expanding district heating distribution from the WAV. Activities here continued to focus on technical conversion and installation work, and on organisational changes.

The investigations throughout Austria into the area of collection and transport in the waste management industry initiated by the Federal Competition Authority (BWB) in the 2020/2021 fiscal year are still in progress. Energie AG Oberösterreich Umwelt Service GmbH (Umwelt Service GmbH) is actively involved to help clarify the facts and has assured its full cooperation with BWB.

The economic framework conditions in **South Tyrol** have been stable since the beginning of the 2022/2023 fiscal year with the exception of the paper unit. The drop in paper volumes was compensated for by commercial and industrial waste and refuse-derived fuels (RDFs). Throughput at the site grew significantly.

The framework conditions for **drinking water supply and waste water management in Austria** were largely stable during the reporting period. At WDL-WasserdienstleistungsGmbH, the main focus was on maintaining the secure supply of drinking water and further developing the services offered.

**Total waste volume handled**



## CZECH REPUBLIC SEGMENT

### Czech Republic Segment overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Total sales	EUR mill.	120.3	99.0	21.5%
EBIT	EUR mill.	4.8	6.4	-25.0%
Investments in property, plant and equipment and intangible assets	EUR mill.	5.1	2.6	96.2%
Workforce (on average)	FTE	1,722	1,712	0.6%
Invoiced drinking water volume	m <sup>3</sup> mill.	24.5	24.5	0.0%
Invoiced waste water volume	m <sup>3</sup> mill.	22.8	22.7	0.4%

### | FRAMEWORK CONDITIONS IN THE CZECH REPUBLIC

Economic growth in the Czech Republic was moderate in the first half of 2022/2023, while inflation was still very high in the reporting period, fluctuating between 15.0% and 18.0%. The unemployment rate remained close to full employment, just like in the 2021/2022 fiscal year.

High energy costs again continued to be a major challenge in the Czech Republic Segment in the first quarter of the new 2022/2023 fiscal year. As of 1 January 2023, the Czech government ratified a price cap for electricity and gas; this had a positive impact on the energy procurement market in the Czech Republic Segment.

High fuel prices, in particular, were relevant for the heating unit of Energie AG's Czech Republic Segment. In the case of water supply and waste water management, notably higher market prices compared to the first half of 2021/2022 impacted on electricity expenses for water and waste water treatment and allocation. However, a number of efficiency campaigns and the consideration of the increased energy expenditure in costing have greatly minimised these effects.

The Czech koruna continued to steadily strengthen against the euro in the course of the 2022/2023 fiscal year. The exchange rate was around EUR/CZK 23.5 towards the end of the reporting period.

### | BUSINESS DEVELOPMENT IN THE CZECH REPUBLIC SEGMENT

In the first half of the 2022/2023 fiscal year, the Czech Republic Segment generated sales revenues of EUR 120.3 million in its water and heating units. This meant an increase of 21.5% compared with the previous year, which was mainly attributable to the price increases and exchange rate effects in the reporting period along with higher sales revenues in the services unit. In addition, the sales revenues of the Czech Republic Segment now also include the activities of RATE s.r.o., which were not considered in the previous year's balance sheet.

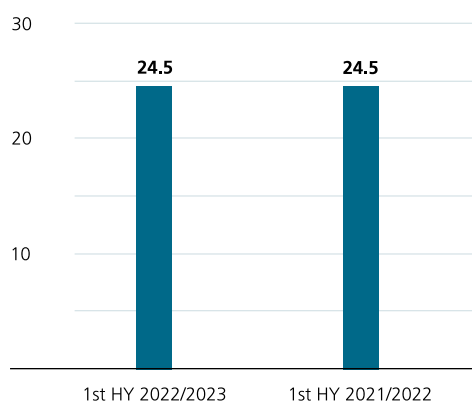
The EBIT in the Czech Republic Segment amounted to EUR 4.8 million in the reporting period. This corresponds to a fall of 25.0% (previous year: EUR 6.4 million); this is primarily attributable to significantly higher energy expenses compared with the first half of 2021/2022, and was only partially offset by price increases for end users.

## | STABLE DEVELOPMENT OF SALES VOLUMES IN THE CZECH REPUBLIC

In the Czech Republic Segment, a total of 24.5 million m<sup>3</sup> of **drinking water** and 22.8 million m<sup>3</sup> of **waste water** were invoiced in the reporting period. This corresponds roughly to the previous year's level.

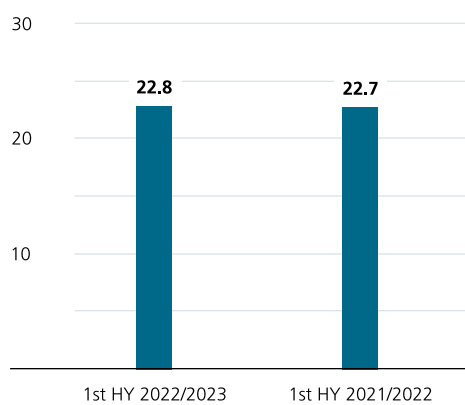
### Invoiced drinking water volume

in m<sup>3</sup> mill.



### Invoiced waste water volume

in m<sup>3</sup> mill.



All major tenders for drinking water and waste water were won; the most important of these being the tenders in Prachatice and Lipno nad Vltavou (ČEVAK a.s.), which each have a running period of 10 years.

To compensate for high energy prices, energy efficiency campaigns were successively launched at operational investments. At the Budějovice sewage treatment plant, for example, biogas created by recycling sewage sludge is now used in a combined heat and power (CHP) plant to generate electricity and heat, with surplus quantities being fed into the public grid. At the Chrudim sewage treatment plant, the ventilation system for the digestion process is being renewed. In addition, photovoltaic projects are being pushed forward with a view to reducing requirements for external energy.

The **heat sales volume** in the Czech Republic amounted to 146 GWh in the reporting period, which is 10.6% above the previous year's figure (132 GWh) despite the mild winter. The increase was mainly attributable to the acquisition of RATE s.r.o. as of 3 January 2022.

## HOLDING & SERVICES SEGMENT

### Holding & Services Segment overview

	Unit	1st HY 2022/2023	1st HY 2021/2022	Change
Total sales	EUR mill.	112.3	97.2	15.5%
EBIT	EUR mill.	-14.0	47.5	> -100,0%
Investments in property, plant and equipment and intangible assets	EUR mill.	8.7	11.0	-20.9%
Workforce (on average)	FTE	1,054	1,024	2.9%
Internet data volume transferred <sup>1)</sup>	TB	53,310	44,340	20.2%

1) Key figure changed due to spin off of the Fibre-to-the-Home fibre-optic network in the 2021/2022 fiscal year; TB = Terabyte

### | BUSINESS DEVELOPMENT IN THE HOLDING & SERVICES SEGMENT

Sales revenues in the Holding & Services Segment in the reporting period were EUR 112.3 million; this is equivalent to an increase of 15.5% compared with the previous year (EUR 97.2 million).

The EBIT of the Holding & Services Segment fell from EUR 47.5 million in the previous year to EUR -14.0 million in the 2022/2023 fiscal year. In the previous year, the measurement of the shareholding in BBOÖ GmbH in the amount of EUR 37.0 million and reversals of impairment on the investment in Wels Strom GmbH, which is accounted for using the equity method, in the amount of EUR 3.5 million had a positive effect on EBIT in the Holding & Services Segment.

The entities measured using the equity method and allocated to the Holding & Services Segment generated significantly lower earnings contributions in the reporting period than in the first half of 2021/2022. The EBIT contributions of the service entities allocated to the Holding & Services Segment declined slightly all told, one reason being higher expenses, while the operating result of the Telecom business area showed a stable development in the reporting period.

### | NEW STRATEGIC ORIENTATION IN THE TELECOM UNIT

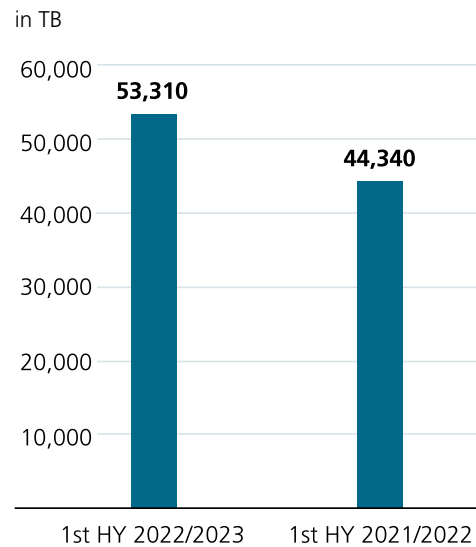
In the first six months of the 2022/2023 fiscal year, interfaces from Energie AG Oberösterreich Telekom GmbH (Telekom GmbH) were further developed in the scope of the BBOÖ GmbH FTTH joint venture – which had been founded in the previous fiscal year.

Following the organisational upheavals of recent years, the strategy for the remaining Telecom unit was focused at the end of the previous fiscal year. Two strategic paths emerged. While a wholesale campaign will be launched to counter increasing predatory competition on the external fibre optics market, the focus of the Group's internal activities is on expanding added value offerings for partners within the Energie AG Group.

The internet data volume transferred in the Telekom business area again increased totalling 53,310 terabytes (TB) in the first half of 2022/2023 (previous year: 44,340 TB). Data transfer reliability was again upheld at an excellent level with a supply reliability (= availability of data connections) of 99.99% (previous year 99.99%).

In the wholesale unit, pressure on the market increased due to the deregulation of a major Austrian telecommunications service provider and significant infrastructure investments by competitors. Telekom GmbH's wholesale campaign aims to compensate for any declines resulting from this and to further boost value creation on the existing fibre-optic backbone network. In addition to creating the technical conditions required for Energie AG Oberösterreich Vertrieb GmbH to optimise end user products, the capacity utilisation of the company's own infrastructure is being continuously improved by targeted offers to other internet service providers.

#### Internet data volume transferred



## OUTLOOK

With regard to the **economic development**, the economic institutes expect the Austrian economy to return to a restrained but stable growth path in the second half of the current calendar year. IHS, WIFO and IWF forecast GDP growth rates of between +0.3% and +0.5% for 2023 as a whole. The inflation rate is expected to only slowly fall from its high level, with forecasts ranging between +7.1% and +8.2%. Slightly stronger growth of +0.7% on average is expected for the euro zone economy.

Numerous **energy policy measures** and regulations both at EU level and in Austria were at various stages of the consultation or legislation process at the end of the reporting period. For example, on 14 March 2023, the EU Commission presented proposals for a reform of the EU electricity market in order to accelerate both the expansion of renewable energies and the phase-out of gas as an energy source, and to protect consumers from price fluctuations in fossil fuels and future price spikes. To address practical requirements in greater depth, a far-reaching amendment to Austria's ElWOG is being discussed; this is expected to lead to an expert opinion draft in the second half of the 2022/2023 fiscal year. On 10 May 2023, the Council of Ministers also approved a tightening of the Energy Crisis Contribution Act in the form of an amendment to the threshold for the absorption and redistribution of surplus revenues; this is likely to come into force as early as June 2023. Detailed regulations under the Federal Energy Crisis Contribution Act – Electricity, and parliamentary negotiations on the Energy Efficiency Reform Act 2023, the Renewable Heat Act, and the Electricity Price Cost Equalisation Act are also expected in the second half of the 2022/2023 fiscal year.

Due to numerous imponderable geopolitical, economic and legal influences, the **energy industry framework conditions** remain highly challenging for Energie AG and the entire industry. Assuming largely stable framework conditions, lateral movement of price levels on the international energy markets is anticipated in the second half of the 2022/2023 fiscal year, with volatility remaining high.

Thanks to its forward-looking and long-term procurement strategy, Energie AG is in a position to reduce electricity prices for existing customers as of 1 June 2023, despite the challenging environment. Besides this, the general government-financed electricity price cap will remain in force under the Electricity Cost Subsidy Act to additionally cushion energy costs. The security of supply and the comparatively mild winter of 2022/2023 led to an easing of wholesale prices for gas, which enabled Energie AG to grant its gas customers (annual consumption < 400,000 kWh) a discount of 20% on standard products for the period between 1 June 2023 and 31 May 2024. Against the backdrop of high demand for photovoltaic solutions, the focus of **sales activities** in the second half of the 2022/2023 fiscal year will be on appropriate product offerings. In the business and industrial customer area, efforts will be stepped up, in the second half of the fiscal year, with a view to digitalisation and process optimisation.

In the **generation** business unit, the focus in the second half of the 2022/2023 fiscal year will be on launching a new expansion campaign for electricity generated from wind power in Upper Austria. For example, a fivefold increase in wind power generation by 2030 is planned in the Kobernaußerwald area. The focus here is on expanding the existing wind farm in Munderfing and adding between eight and twelve new wind turbines in the region. A building decision for the Ebensee pumped-storage power plant project is targeted before the end of 2023.

The general regulatory framework for the **Grid Segment** for the fiscal year can continue to be assessed as stable. The parameters for the fourth gas regulation period have been fixed.

The detailed cost review for the fifth electricity regulatory period is in progress. The design and expansion of renewable forms of energy also remain challenging for the Grid Segment. In addition to this, the ongoing development of IT systems and certifications will be focal points of work in the second half of the 2022/2023 fiscal year.

In the **Waste Management Segment**, stable framework conditions are anticipated for providing traditional waste management services in the second half of the 2022/2023 fiscal year. However, further cost increases due to inflation are also expected in the second half of the fiscal year. A slight recovery from the low price level of the first half of the year is expected for paper as a recycling material. In the scope of the district heating extraction for the city of Wels, the experience gained in the first half of the fiscal year will be leveraged to introduce further optimisations and continue to be able to guarantee a worry-free district heating supply.

Despite the price cap on electricity and gas introduced by the Czech government on 1 January 2023, high energy costs will continue to play an important role for the **Czech Republic Segment** in the second half of the 2022/2023 fiscal year. Close monitoring of the situation on the electricity and gas market, which are dramatic in terms of costs, will continue, especially since the high price level is exposing suppliers, operators and customers to serious pressure. Work will push forward on the ongoing development of energy efficiency projects for the heat and water supply and waste water management. A positive development in services provided to municipalities and cities is expected in the second half of 2022/2023.

In the **Telecommunications business area**, the focus in the second half of the 2022/2023 fiscal year will be both on further process optimisation and on the implementation of the two strategic paths described earlier, "Wholesale Campaign" and "Added Value Offerings".

In a situation that remains fragile in terms of geopolitics and the energy industry, besides the existing strategic objectives, such as ensuring the financial stability of the Group, activities in the second half of the 2022/2023 fiscal year will continue to centre on ensuring supply reliability for customers of **Energie AG**. In addition, the focus will be on the further development of the Group in the scope of the Group-wide strategy and organisational project launched in the first half of the fiscal year.

Against the backdrop of ongoing economic and market uncertainties, Energie AG expects the operating result for the 2022/2023 fiscal year to be above the level of the previous year, given an at least largely stable development of the business environment.

Linz, 30 May 2023

The Management Board of Energie AG Oberösterreich



Dr. Leonhard Schitter  
CEO



Dr. Andreas Kolar  
CFO



Dipl.-Ing. Stefan Stallinger MBA  
COO

# Semi-Annual Consolidated Financial Statements 2022/2023 of Energie AG Oberösterreich

## CONSOLIDATED STATEMENT OF INCOME 1 OCTOBER 2022 TO 31 MARCH 2023

	2022/2023 EUR 1,000	2021/2022 EUR 1,000
1. Sales revenues	2,537,367.1	2,158,330.3
Procurement costs for proprietary electricity trading	-75,238.4	-93,773.8
Net sales revenues	2,462,128.7	2,064,556.5
2. Change in inventories of finished goods and work in progress	-5,688.8	-2,516.9
3. Other capitalised corporate services	14,287.2	14,747.2
4. Share in result of companies consolidated at equity	2,771.0	21,609.5
5. Other operating income	8,678.4	50,600.0
6. Expenses for material and other purchased services	-2,043,034.2	-1,660,753.7
7. Personnel expenses	-171,046.7	-156,680.3
8. Depreciation, amortisation and impairment	-96,828.8	-80,637.2
9. Other operating expenses	-115,429.9	-81,373.6
<b>10. Operating result</b>	<b>55,836.9</b>	<b>169,551.5</b>
11. Financing expenses	-14,867.4	-12,759.5
12. Other interest income	5,418.8	563.6
13. Other financial result	2,197.5	-1,106.3
<b>14. Financial result</b>	<b>-7,251.1</b>	<b>-13,302.2</b>
<b>15. Earnings before taxes</b>	<b>48,585.8</b>	<b>156,249.3</b>
16. Income taxes	-11,020.6	-21,074.0
<b>17. Consolidated net earnings</b>	<b>37,565.2</b>	<b>135,175.3</b>
Thereof attributable to non-controlling interests	961.2	1,179.6
Thereof attributable to investors in the parent company		
<b>Consolidated net profit</b>	<b>36,604.0</b>	<b>133,995.7</b>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 1 OCTOBER 2022 TO 31 MARCH 2023

	2022/2023 EUR 1,000	2021/2022 EUR 1,000
<b>1. Consolidated net earnings</b>	<b>37,565.2</b>	<b>135,175.3</b>
<b>2. Other comprehensive income</b>		
<b>Items that will not be subsequently reclassified to the statement of income:</b>		
Remeasurement of the defined benefit obligation	-473.2	27,633.4
Changes in value of investments and securities FVOCI	39,195.9	15,410.1
Deferred taxes	-8,903.0	-11,521.9
<b>Items that may be subsequently reclassified to the statement of income:</b>		
Hedge accounting	-446,406.5	-25,288.2
Changes in value of at-equity companies recognised in equity	17.9	320.2
Translation differences	4,411.8	4,182.5
Deferred taxes	104,508.4	6,929.2
<b>Total expenses and revenues recognised in other comprehensive income</b>	<b>-307,648.7</b>	<b>17,665.3</b>
<b>3. Comprehensive income</b>	<b>-270,083.5</b>	<b>152,840.6</b>
4. Thereof attributable to non-controlling interests	1,746.9	1,676.9
<b>5. Thereof attributable to parent company</b>	<b>-271,830.4</b>	<b>151,163.7</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023

ASSETS	31 March 2023 EUR 1,000	30 September 2022 EUR 1,000
<b>A. Non-current assets</b>		
I. Intangible assets and goodwill	234,978.3	235,897.9
II. Property, plant and equipment	1,968,272.9	1,990,004.0
III. Investments (thereof at-equity companies: EUR 287,478.5 thousand (previous year: EUR 287,087.3 thousand))	362,483.6	327,531.7
IV. Other financial assets	65,401.6	126,827.3
	<b>2,631,136.4</b>	<b>2,680,260.9</b>
V. Derivative financial instruments	164,778.0	729,518.2
VI. Other non-current assets	8,209.8	8,156.8
VII. Deferred tax assets	7,604.4	4,651.3
	<b>2,811,728.6</b>	<b>3,422,587.2</b>
<b>B. Current assets</b>		
I. Inventories	97,587.3	137,193.6
II. Derivative financial instruments	271,040.1	1,239,345.1
III. Receivables and other assets	915,273.3	910,620.5
IV. Fixed term deposits and short-term investments	211,012.2	273,472.6
V. Cash and cash equivalents	173,766.4	929,449.9
	<b>1,668,679.3</b>	<b>3,490,081.7</b>
	<b>4,480,407.9</b>	<b>6,912,668.9</b>

<b>LIABILITIES</b>		<b>31 March 2023</b>	<b>30 September 2022</b>
		EUR 1,000	EUR 1,000
<b>A. Equity</b>			
I. Share capital		88,651.8	88,652.6
II. Capital reserves		216,616.9	216,616.1
III. Retained earnings		1,175,100.3	1,192,647.8
IV. Other reserves		-26,240.6	280,435.6
V. Non-controlling interests		16,340.0	16,146.9
		<b>1,470,468.4</b>	<b>1,794,499.0</b>
<b>B. Non-current liabilities</b>			
I. Financial liabilities		604,236.4	611,136.2
II. Non-current provisions		213,265.9	227,730.0
III. Deferred tax liabilities		34,479.3	128,368.6
IV. Construction cost subsidies		334,756.5	328,462.5
V. Derivative financial instruments		325,933.5	1,130,824.9
VI. Other non-current liabilities		45,906.6	47,621.6
		<b>1,558,578.2</b>	<b>2,474,143.8</b>
<b>C. Current liabilities</b>			
I. Financial liabilities		40,088.6	49,342.0
II. Current provisions		77,963.4	79,033.5
III. Tax provisions		49.3	176.6
IV. Trade payables		387,269.1	279,156.4
V. Derivative financial instruments		690,834.2	1,815,628.6
VI. Other current liabilities		255,156.7	420,689.0
		<b>1,451,361.3</b>	<b>2,644,026.1</b>
		<b>4,480,407.9</b>	<b>6,912,668.9</b>

## CONSOLIDATED 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
<b>Balance as of 30.09.2021</b>	<b>1,519,870.3</b>	<b>15,887.4</b>	<b>1,535,757.7</b>
Other comprehensive income	17,168.0	497.3	17,665.3
Consolidated net earnings	133,995.7	1,179.6	135,175.3
<b>Comprehensive income</b>	<b>151,163.7</b>	<b>1,676.9</b>	<b>152,840.6</b>
Dividend distribution	-66,489.4	-748.0	-67,237.4
Change in the scope of consolidation	-85.7	-75.1	-160.8
Treasury stocks	-16.3	–	-16.3
<b>Transactions with shareholders</b>	<b>-66,591.4</b>	<b>-823.1</b>	<b>-67,414.5</b>
<b>Balance as of 31.03.2022</b>	<b>1,604,442.6</b>	<b>16,741.2</b>	<b>1,621,183.8</b>
<b>Balance as of 30.09.2022</b>	<b>1,778,352.1</b>	<b>16,146.9</b>	<b>1,794,499.0</b>
Other comprehensive income	-308,434.4	785.7	-307,648.7
Consolidated net earnings	36,604.0	961.2	37,565.2
<b>Comprehensive income</b>	<b>-271,830.4</b>	<b>1,746.9</b>	<b>-270,083.5</b>
Dividend distribution	-53,191.1	-457.7	-53,648.8
Change in the scope of consolidation	797.8	-1,096.1	-298.3
<b>Transactions with shareholders</b>	<b>-52,393.3</b>	<b>-1,553.8</b>	<b>-53,947.1</b>
<b>Balance as of 31.03.2023</b>	<b>1,454,128.4</b>	<b>16,340.0</b>	<b>1,470,468.4</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONDENSED)

	01.10.2022-31.03.2023 EUR 1,000	01.10.2021-31.03.2022 EUR 1,000
<b>Earnings before income taxes</b>	<b>48,585.8</b>	<b>156,249.3</b>
<b>Earnings after income taxes</b>	<b>34,004.2</b>	<b>140,960.2</b>
Depreciation/Appreciation of non-current assets	95,830.6	82,108.0
Change in non-current provisions	-14,937.3	-11,626.7
Change in other non-current assets	-53.0	24,851.1
Retained earnings of equity companies	-373.3	-11,651.6
Gains from the disposal of assets	-1,029.0	-37,944.0
Other items	5,556.8	6,783.7
	<b>118,999.0</b>	<b>193,480.7</b>
Change in current assets	-104,511.5	-325,747.0
Payments from hedging transactions	-877,210.8	667,108.7
Non-cash items from derivatives	-210,129.7	-217,613.5
Collateral for stock exchange transactions	289,342.7	-288,701.2
Change in current liabilities	141,306.0	173,378.7
Change in current provisions	2,196.4	32,570.0
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-640,007.9</b>	<b>234,476.4</b>
Outflow for additions to property, plant, equipment and intangible assets	-107,721.6	-99,368.7
Inflow from the disposal of financial assets	90,044.2	61,061.6
Other items	-25,350.8	-8,911.1
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-43,028.2</b>	<b>-47,218.2</b>
Dividend distribution	-53,647.1	-67,237.4
Repayment of sale-and-lease-back transaction Waste Management Segment	-35,729.6	–
Other items	16,712.3	2,241.7
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-72,664.4</b>	<b>-64,995.7</b>
<b>TOTAL CASH FLOW</b>	<b>-755,700.5</b>	<b>122,262.5</b>
Cash funds at beginning of period	929,449.9	219,197.3
Cash flow	-755,700.5	122,262.5
Exchange rate effects on cash funds	17.0	165.5
Cash funds at end of period	173,766.4	341,625.3

# NOTES TO THE SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2022/2023 OF ENERGIE AG OBERÖSTERREICH

## 1. General disclosures

The condensed semi-annual financial statements of Energie AG Oberösterreich as of 31 March 2023 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 2022. The semi-annual financial statements were not audited or reviewed by an auditor.

The accounting policies applied on 30 September 2022 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 2022 or later:

- IFRS 3 (Amendments: Reference to the Conceptual Framework)
- IAS 37 (Amendments: Onerous Contracts – Costs of Fulfilling a Contract)
- IAS 16 (Amendments: Property, Plant & Equipment: Proceeds before Intended Use)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)

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 2022/2023 Semi-Annual Financial Statements, the following amendments adopted by the EU were not applied early:

Entry into force in the EU on 1 January 2023:

- IFRS 17 (Insurance Contracts)
- IAS 1 (Amendments: Disclosure of Accounting Policies)
- IAS 8 (Amendments: Definition of Accounting Estimates)
- IAS 12 (Amendments: Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- IFRS 17 (Amendments: Initial Application of IFRS 17 and IFRS 9 – Comparative Information)

The following standards and interpretations, amendments and improvements of standards enter into force on 1 January 2023 or a later date, although they have not yet been adopted by the European Union at this time:

- IAS 12 (Amendments: International Tax Reform - Pillar Two Model Rules)

- IAS 1 (Amendments: Classification of Liabilities as Current or Non-current, Deferral of Effective Date)
- IFRS 16 (Amendments: Lease Liability in a Sale and Leaseback)
- IAS 1 (Amendments: Non-current Liabilities with Covenants)
- IAS 7, IFRS 7 (Amendments: Supplier Finance Arrangements)

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.

### 2.3 Other changes

In the Statement of Financial Position as of 30 September 2022, EUR 1,849.0 thousand were reported under non-current liabilities under item "V. Advances received". Long-term advances received are now no longer shown separately, but instead displayed under "VI. Other non-current liabilities" due to their negligibility. The previous year's period was restated accordingly.

## 3. Scope of consolidation

In the Czech Republic Segment, VAK Zapy s.r.o. (KV) was merged with Vodovody a kanalizace Beroun a.s. (KV). The implications for the Consolidated Financial Statements are insignificant.

## 4. Accounting policies

### 4.1 Impairment of assets

#### Timelkam CCGT (combined cycle gas-turbine) power plant

Due to the current situation on the market, impairment testing was performed for the Timelkam CCGT power plant (Energy Segment). The maximum output of the power plants amounts to 422 MW, maximum district heating supply is 100 MW. Efficiency was estimated at 55.7%. Annual electricity generation was recognised at up to 1,528 GWh per year (previous year: 1,741 GWh). The assumptions for the future electricity and gas prices are based, where available, on market data; if no market data were available, estimates were made based on market studies. The estimated electricity price is EUR 100 to EUR 253 /MWh (previous year: EUR 93 to EUR 196 /MWh). Expenses for maintenance and repair were recognised according to maintenance plans and contracts. Other material expense items such as personnel costs, insurance and infrastructure costs are annually increased by an estimated increase rate. The discount rate is 5.5% for 2023 and 2024, and subsequently 5.6% (previous year: 5.8%). The planning horizon ends in the 2037/2038 fiscal year. Due to lower market expectations in particular, an impairment of EUR 13.0 million (previous year: impairment reversal of EUR 4.1 million) was recognised. The recoverable amount determined using the DCF method corresponds to the value in use in the amount of EUR 32.2 million (previous year: EUR 47.2 million). Fluctuations in cash flows of 20% resulted in a change of

EUR 6.4 million in the recoverable amount. An increase in the interest rate by 0.5% results in a reduction of the recoverable amount by EUR 0.5 million.

## 5. Sales revenues

	01.10.2022-31.03.2023 EUR 1,000	01.10.2021-31.03.2022 EUR 1,000
<b>Energy Segment</b>		
Revenues from electricity sales	1,159,538.8	1,100,674.7
Revenues from natural gas sales	785,097.5	463,889.0
Revenues from district heat sales	52,334.3	52,791.8
Measurement and realisation of energy derivatives without hedging	1,764.5	43,503.9
Others	37,808.7	45,892.7
	<b>2,036,543.8</b>	<b>1,706,752.1</b>
<b>Grid Segment</b>		
Revenues from the electricity and gas grids	212,486.3	192,428.7
Revenues from the reversal of construction cost subsidies	14,368.6	13,632.0
Others	3,301.7	2,887.7
	<b>230,156.6</b>	<b>208,948.4</b>
<b>Waste Management Segment</b>		
Revenues from the collection of waste	56,247.1	54,363.1
Revenues from the incineration of waste	41,172.9	40,350.7
Revenues from the recycling of waste	25,532.9	32,185.8
Others	5,181.8	5,188.0
	<b>128,134.7</b>	<b>132,087.6</b>
<b>Czech Republic Segment</b>		
Revenues from water deliveries	45,183.0	39,664.2
Revenues from the intake of waste water	40,281.1	34,114.1
Revenues from the sale of district heat	20,328.1	12,922.7
Others	14,459.1	12,296.7
	<b>120,251.3</b>	<b>98,997.7</b>
<b>Holding &amp; Services Segment</b>	<b>22,280.7</b>	<b>11,544.5</b>
<b>Sales revenues</b>	<b>2,537,367.1</b>	<b>2,158,330.3</b>
Procurement costs for proprietary electricity trading	-75,238.4	-93,773.8
<b>Net sales revenues</b>	<b>2,462,128.7</b>	<b>2,064,556.5</b>



## 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.

	Energy EUR mill.	Grid EUR mill.	Waste Management EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Recon- ciliation EUR mill.	Group EUR mill.
<b>2022/2023</b>							
Sales to third parties	2,036.5	230.2	128.1	120.3	22.3	–	2,537.4
Intersegment sales	4.3	8.1	11.1	–	90.0	-113.5	–
<b>Total sales</b>	<b>2,040.8</b>	<b>238.3</b>	<b>139.2</b>	<b>120.3</b>	<b>112.3</b>	<b>-113.5</b>	<b>2,537.4</b>
<b>Operating result</b>	<b>17.2</b>	<b>26.6</b>	<b>21.2</b>	<b>4.8</b>	<b>-14.0</b>	<b>–</b>	<b>55.8</b>

	Energy EUR mill.	Grid EUR mill.	Waste Management EUR mill.	Czech Republic EUR mill.	Holding & Services EUR mill.	Recon- ciliation EUR mill.	Group EUR mill.
<b>2021/2022</b>							
Sales to third parties	1,706.8	208.9	132.1	99.0	11.5	–	2,158.3
Intersegment sales	2.8	6.9	7.6	–	85.7	-103.0	–
<b>Total sales</b>	<b>1,709.6</b>	<b>215.8</b>	<b>139.7</b>	<b>99.0</b>	<b>97.2</b>	<b>-103.0</b>	<b>2,158.3</b>
<b>Operating result</b>	<b>46.9</b>	<b>41.9</b>	<b>26.9</b>	<b>6.4</b>	<b>47.5</b>	<b>–</b>	<b>169.6</b>

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 31.03.2023 EUR 1,000	Carrying amount 30.09.2022 EUR 1,000
<b>Investments</b>		<b>75,005.1</b>	<b>40,444.4</b>
Shares in affiliated companies	FVOCI	1,629.8	1,580.2
Other investments	FVOCI	73,375.3	38,864.2
<b>Other financial assets</b>		<b>65,401.6</b>	<b>126,827.3</b>
Lendings to companies in which an interest is held	AC	16,507.6	84,315.6
Other lendings	AC	8,714.2	7,620.2
Securities FVOCI	FVOCI	12,675.5	8,116.7
Securities FVPL	FVPL	27,504.3	26,774.8
<b>Derivative financial instruments (non-current and current)</b>		<b>435,818.1</b>	<b>1,968,863.3</b>
Derivatives designated as hedging instruments (cash flow hedge)	n/a	221,010.0	512,188.6
Derivatives designated as hedging instruments (fair value hedge)	n/a	866.7	14,608.7
Derivatives not designated as hedging instruments	FVPL	213,941.4	1,442,066.0
<b>Receivables and other assets (non-current and current) acc. to the Statement of Financial Position</b>		<b>923,483.1</b>	<b>918,777.3</b>
<b>Thereof non-financial assets</b>		<b>79,568.1</b>	<b>107,107.6</b>
<b>Thereof financial assets</b>		<b>843,915.0</b>	<b>811,669.7</b>
Trade receivables	AC	541,761.2	351,991.7
Receivables from affiliated companies	AC	25,463.5	18,248.8
Receivables from joint arrangements and associated companies	AC	96,751.9	37,325.3
Other financial assets	AC	179,938.4	404,103.9
<b>Fixed term deposits and short-term investments</b>		<b>211,012.2</b>	<b>273,472.6</b>
Fixed term deposits	AC	49,949.9	113,868.6
Short-term investments	FVPL	161,062.3	159,604.0
<b>Cash and cash equivalents</b>	AC	<b>173,766.4</b>	<b>929,449.9</b>
<b>Total financial assets</b>		<b>1,804,918.4</b>	<b>4,150,727.2</b>

	Category acc. to IFRS 9	Carrying amount 31.03.2023 EUR 1,000	Carrying amount 30.09.2022 EUR 1,000
<b>Financial liabilities (non-current and current)</b>		<b>644,325.0</b>	<b>660,478.2</b>
Bonds	FLAC	300,812.9	300,896.3
Liabilities to banks	FLAC	20,853.8	8,362.7
Lease liabilities	IFRS 16	78,761.7	115,897.0
Other financial liabilities	FLAC	243,896.6	235,322.2
<b>Trade payables (current)</b>	FLAC	<b>387,269.1</b>	<b>279,156.4</b>
<b>Derivative financial instruments (non-current and current)</b>		<b>1,016,767.7</b>	<b>2,946,453.5</b>
Derivatives designated as hedging instruments (cash flow hedge)	n/a	300,873.9	422,366.9
Derivatives designated as hedging instruments (fair value hedge)	n/a	36,104.4	92,445.1
Derivatives not designated as hedging instruments	FVPL	601,995.5	1,879,975.5
Included margin payments	n/a	77,793.9	551,666.0
<b>Other liabilities (non-current and current) acc. to the Statement of Financial Position</b>		<b>301,063.3</b>	<b>468,310.6</b>
<b>Thereof non-financial liabilities</b>		<b>236,427.6</b>	<b>218,367.3</b>
<b>Thereof financial liabilities</b>		<b>64,635.7</b>	<b>249,943.3</b>
Liabilities to affiliated companies	FLAC	4,976.2	560.7
Liabilities to joint arrangements and associated companies	FLAC	4,072.8	5,357.5
Other financial liabilities (non-current and current)	FLAC	55,586.7	244,025.1
<b>Total financial liabilities</b>		<b>2,112,997.5</b>	<b>4,136,031.4</b>
<b>Carrying amounts grouped to measurement categories according to IFRS 9</b>			
Financial Assets at Amortized Costs (AC)		1,092,853.1	1,946,924.0
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		87,680.6	48,561.1
Financial Assets at Fair Value through Profit or Loss (FVPL)		402,508.0	1,628,444.8
Financial Liabilities at Amortized Cost (FLAC)		1,017,468.1	1,073,680.9
Financial Liabilities at Fair Value through Profit or Loss (FVPL)		601,995.5	1,879,975.5

The positive and negative long-term and short-term market values of the balance sheet item “Derivative financial instruments” are divided up as follows:

	ASSETS		LIABILITIES	
	Carrying amount 31.03.2023 EUR 1,000	Carrying amount 30.09.2022 EUR 1,000	Carrying amount 31.03.2023 EUR 1,000	Carrying amount 30.09.2022 EUR 1,000
<b>Cash flow hedges</b>	<b>59,469.0</b>	<b>168,833.3</b>	<b>14,718.3</b>	<b>78,626.5</b>
Electricity forwards	39,474.5	146,481.0	12,361.2	76,105.6
Others	19,994.5	22,352.3	2,357.1	2,520.9
<b>Fair value hedges</b>	<b>–</b>	<b>1,739.4</b>	<b>26,196.1</b>	<b>72,812.2</b>
<b>Derivatives not used for hedging</b>	<b>105,309.0</b>	<b>558,945.5</b>	<b>259,678.9</b>	<b>774,738.3</b>
Electricity forwards	76,312.1	451,351.0	259,487.9	761,085.4
Gas forwards	28,996.9	107,594.5	191.0	13,652.9
<b>Included margin payments</b>	<b>–</b>	<b>–</b>	<b>25,340.2</b>	<b>204,647.9</b>
<b>NON-CURRENT DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>164,778.0</b>	<b>729,518.2</b>	<b>325,933.5</b>	<b>1,130,824.9</b>
<b>Cash flow hedges</b>	<b>161,541.0</b>	<b>343,355.3</b>	<b>286,155.6</b>	<b>343,740.4</b>
Electricity forwards	160,645.2	319,299.5	285,700.9	343,234.1
Others	895.8	24,055.8	454.7	506.3
<b>Fair value hedges</b>	<b>866.7</b>	<b>12,869.3</b>	<b>9,908.3</b>	<b>19,632.9</b>
<b>Derivatives not used for hedging</b>	<b>108,632.4</b>	<b>883,120.5</b>	<b>342,316.6</b>	<b>1,105,237.2</b>
Electricity forwards	90,630.1	773,602.1	341,918.3	1,099,781.6
Gas forwards	17,237.1	105,080.4	398.3	2,363.5
Others	765.2	4,438.0	–	3,092.1
<b>Included margin payments</b>	<b>–</b>	<b>–</b>	<b>52,453.7</b>	<b>347,018.1</b>
<b>CURRENT DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>271,040.1</b>	<b>1,239,345.1</b>	<b>690,834.2</b>	<b>1,815,628.6</b>
<b>Cash flow hedges</b>	<b>221,010.0</b>	<b>512,188.6</b>	<b>300,873.9</b>	<b>422,366.9</b>
Electricity forwards	200,119.7	465,780.5	298,062.1	419,339.7
Others	20,890.3	46,408.1	2,811.8	3,027.2
<b>Fair value hedges</b>	<b>866.7</b>	<b>14,608.7</b>	<b>36,104.4</b>	<b>92,445.1</b>
<b>Derivatives not used for hedging</b>	<b>213,941.4</b>	<b>1,442,066.0</b>	<b>601,995.5</b>	<b>1,879,975.5</b>
Electricity forwards	166,942.2	1,224,953.1	601,406.2	1,860,867.0
Gas forwards	46,234.0	212,674.9	589.3	16,016.4
Others	765.2	4,438.0	–	3,092.1
<b>Included margin payments</b>	<b>–</b>	<b>–</b>	<b>77,793.9</b>	<b>551,666.0</b>
<b>DERIVATIVE FINANCIAL INSTRUMENTS (NON-CURRENT AND CURRENT)</b>	<b>435,818.1</b>	<b>1,968,863.3</b>	<b>1,016,767.7</b>	<b>2,946,453.5</b>

Cash flow hedges and fair value hedges are concluded in particular to hedge price change and interest rate change risks of hedged items. Derivatives not used for hedging are largely closed positions, with the criteria for hedge accounting according to IFRS 9 not being fulfilled.

## 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:

	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
<b>31.03.2023</b>					
<b>Assets</b>					
Shares in affiliated companies (FVOCI)	1,629.8	–	–	1,629.8	1,629.8
Other investments (FVOCI)	73,375.3	1,748.4	–	71,626.9	73,375.3
Securities (FVOCI)	12,675.5	12,675.5	–	–	12,675.5
Securities (FVPL)	27,504.3	27,504.3	–	–	27,504.3
Derivatives designated as hedging instruments (cash flow hedge)	221,010.0	–	221,010.0	–	221,010.0
Derivatives designated as hedging instruments (fair value hedge)	866.7	–	866.7	–	866.7
Derivatives not designated as hedging instruments (FVPL)	213,941.4	–	213,941.4	–	213,941.4
Short-term investments (FVPL)	161,062.3	161,062.3	–	–	161,062.3
<b>Total</b>	<b>712,065.3</b>	<b>202,990.5</b>	<b>435,818.1</b>	<b>73,256.7</b>	<b>712,065.3</b>
<b>Liabilities</b>					
Derivatives designated as hedging instruments (cash flow hedge)	300,873.9	–	300,873.9	–	300,873.9
Derivatives designated as hedging instruments (fair value hedge)	36,104.4	–	36,104.4	–	36,104.4

	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
<b>31.03.2023</b>					
Derivatives not designated as hedging instruments (FVPL)	601,995.5	–	601,995.5	–	601,995.5
<b>Total</b>	<b>938,973.8</b>	<b>–</b>	<b>938,973.8</b>	<b>–</b>	<b>938,973.8</b>

	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
<b>30.09.2022</b>					
<b>Assets</b>					
Shares in affiliated companies (FVOCI)	1,580.2	–	–	1,580.2	1,580.2
Other investments (FVOCI)	38,864.2	1,920.0	–	36,944.2	38,864.2
Securities (FVOCI)	8,116.7	8,116.7	–	–	8,116.7
Securities (FVPL)	26,774.8	26,774.8	–	–	26,774.8
Derivatives designated as hedging instruments (cash flow hedge)	512,188.6	–	512,188.6	–	512,188.6
Derivatives designated as hedging instruments (fair value hedge)	14,608.7	–	14,608.7	–	14,608.7
Derivatives not designated as hedging instruments (FVPL)	1,442,066.0	–	1,442,066.0	–	1,442,066.0
Short-term investments (FVPL)	159,604.0	159,604.0	–	–	159,604.0
<b>Total</b>	<b>2,203,803.2</b>	<b>196,415.5</b>	<b>1,968,863.3</b>	<b>38,524.4</b>	<b>2,203,803.2</b>
<b>Liabilities</b>					
Derivatives designated as hedging instruments (cash flow hedge)	422,366.9	–	422,366.9	–	422,366.9
Derivatives designated as hedging instruments (fair value hedge)	92,445.1	–	92,445.1	–	92,445.1
Derivatives not designated as hedging instruments (FVPL)	1,879,975.5	–	1,879,975.5	–	1,879,975.5
<b>Total</b>	<b>2,394,787.5</b>	<b>–</b>	<b>2,394,787.5</b>	<b>–</b>	<b>2,394,787.5</b>

Level 3 financial instruments have developed as follows:

	2022/2023 EUR 1,000	2021/2022 EUR 1,000
Carrying amount as of 01.10.	38,524.4	28,897.5
Gains (losses) – not recognised in profit or loss	34,731.4	10,495.1
Additions	–	20.0
Disposals	-64.6	-906.9
Transfers	–	-35.0
Currency translation	65.5	53.7
<b>Carrying amount</b>	<b>73,256.7</b>	<b>38,524.4</b>

The gains (losses) recognised directly in equity include the upward revaluation of the investment in Verbund Hydro Power GmbH in the amount of EUR 36,056.4 thousand (previous year: EUR 8,765.6 thousand). The fair value of the investment (0.42%) of EUR 66,519.1 thousand (30 September 2022: EUR 30,462.7 thousand) was determined based on the expected future distributions and a discount rate of 8.41% (30 September 2022: 8.3%). The increase in fair value is mainly attributable to higher expected distributions.

The resulting income of EUR 34,731.4 thousand (previous year: EUR 10,495.1 thousand) through equity 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 13,338.9 thousand (EUR -13,338.9 thousand) (previous year: EUR 6,878.5 thousand (EUR -6,878.5 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 -1,491.2 thousand (EUR 1,564.3 thousand) (previous year: EUR -1,413.0 thousand (EUR 1,586.1 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 techniques	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
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
Interest rate 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 31.03.2023 EUR 1,000	Fair Value 31.03.2023 EUR 1,000	Carrying amount 30.09.2022 EUR 1,000	Fair value 30.09.2022 EUR 1,000	Level
<b>Assets</b>						
<b>Other financial assets</b>		<b>25,221.8</b>	<b>25,268.6</b>	<b>91,935.8</b>	<b>90,641.9</b>	
Lendings to companies in which an interest is held	AC	16,507.6	16,625.1	84,315.6	83,089.7	Level 3
Other lendings	AC	8,714.2	8,643.5	7,620.2	7,552.2	Level 3
<b>Receivables and other assets</b>		<b>96,751.9</b>	<b>95,800.7</b>	<b>–</b>	<b>–</b>	
Receivables from joint arrangements and associated companies	AC	96,751.9	95,800.7	–	–	Level 3
<b>Liabilities</b>						
<b>Financial liabilities</b>		<b>544,709.5</b>	<b>470,877.1</b>	<b>536,218.5</b>	<b>469,228.2</b>	
Bonds	FLAC	300,812.9	304,485.0	300,896.3	309,045.0	Level 1
Other financial liabilities	FLAC	243,896.6	166,392.1	235,322.2	160,183.2	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. Management of risks and opportunities

### 8.1 Risk management process

The risk management of Energie AG aims to identify risks and opportunities at an early stage, to evaluate them and to derive suitable measures from them in order to minimise the risks and take advantage of opportunities in the best way possible. Risk assessments form an important part of the management and control system and support management in making strategic and operational decisions.

Energie AG uses the established COSO II framework as a basis for its Group-wide risk management process. Responsible business units identify risks, opportunities and measures on a quarterly basis using a structured process and record them in a central software tool. The data collected is then analysed and aggregated on Group-level to form the Group's overall risk position.

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

## 8.2 Significant opportunities (+) | risks (-)<sup>1)</sup> 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 energy policy developments, markets, competitors, customers, the climate and technologies
- Participation in research projects, ...
- Early and intensive monitoring of strategic opportunities | risks

### GEOPOLITICAL OPPORTUNITIES AND RISKS

#### +|- Changes in the geopolitical environment

#### Measures:

- Early and intensive monitoring of geopolitical opportunities | risks
- Diversification of suppliers and supply routes
- Intensification of the direct cooperation with suppliers
- Increase of inventories
- Expansion of local sourcing channels
- Optimised contract arrangements

### 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.

Environmental, social and governance (ESG) aspects are becoming increasingly important factors in the risk management process.

<sup>1)</sup> Definition of opportunities and risks:

- A risk is the possibility of an event occurring which has a negative impact on targets (EBT, EBIT, cashflow)

- An opportunity is the possibility of an event occurring which has a positive impact on targets (EBT, EBIT, cashflow)

## MARKET AND COMPETITION RISKS

### +|– Market price changes

(electricity, gas, biomass and CO<sub>2</sub> emissions allowances prices)

#### Measures:

- Bundled management of commodity price risks by Energie AG Oberösterreich Trading GmbH
- 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

- Write-ups and write-downs of assets, procurement rights, investments
- Allowances for receivables
- Creation of provisions for impending losses

#### Measures:

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

### +|- Opportunities/Risks from investments in other companies

- 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
- 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	<b>2022/2023</b>	<b>842.5</b>	<b>79.1</b>	<b>156.7</b>	<b>1,531.8</b>
	2021/2022	858.7	276.0	170.5	2,112.5
OÖ Landesholding and subsidiaries	<b>2022/2023</b>	<b>9,948.0</b>	<b>66.9</b>	<b>26,258.9</b>	<b>1.3</b>
	2021/2022	8,417.9	38.9	999.4	2,226.2
Associated companies	<b>2022/2023</b>	<b>85,484.8</b>	<b>14,346.2</b>	<b>13,039.6</b>	<b>4.6</b>
	2021/2022	68,639.1	10,692.6	16,336.8	2,417.6
Joint ventures	<b>2022/2023</b>	<b>11,989.9</b>	<b>4,638.6</b>	<b>78,577.2</b>	<b>363.7</b>
	2021/2022	8,530.2	2,007.5	77,700.2	332.4

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 1.03 (previous year: 0.94).

The additions to property, plant and equipment in the first half of the 2022/2023 fiscal year amount to EUR 68.6 million (previous year: EUR 60.9 million), with disposals at carrying amount of EUR 2.2 million (previous year: EUR 1.4 million). Obligations for the acquisition of property, plant and equipment amount to EUR 73.3 million (previous year: EUR 52.5 million).

Volatile prices for electricity and gas led to high cash flows from derivative financial instruments in the reporting period and in the previous year. The Cash Flow Statement includes current cash outflows from hedging transactions in the amount of



EUR -877.2 million (previous year: payment inflows of EUR 667.1 million) as well as payment inflows from collateral no longer required to be deposited for stock exchange transactions of EUR 289.3 million (previous year: cash outflows of EUR -288.7 million). In addition, hedging instruments were reversed in the previous year due to the situation at that time, especially those associated with thermal generation plants (hedging for the procurement of gas and CO<sub>2</sub> emissions allowances, delivery of electricity). The reversals resulted in income of EUR 36.5 million in the previous year. As a result of the changed framework conditions, the criteria for recognising hedging transactions in connection with certain thermal generation plants (hedging for the procurement of gas and CO<sub>2</sub> emissions allowances, supply of electricity) were no longer satisfied in the previous year. This resulted in income of EUR 43.0 million and expenses of EUR -32.8 million in the previous year.

In the first half of 2022/2023, the asset and liability items from derivative financial instruments, which are shown separately in the Statement of Financial Position, reduced significantly. This is attributable to lower prices for electricity and gas in comparison to 30 September 2022 and the fulfilment of contracts in the first half of 2022/2023.

Following the expiry of a price guarantee for electricity customers issued by Energie AG Oberösterreich Vertrieb GmbH, a price adjustment was made in January 2023 in response to a sharp rise in procurement costs. Against the backdrop of the uncertain legal situation within the entire industry due to the new price adjustment regulations for electricity, Energie AG and special interest groups have agreed to refrain from filing lawsuits in exchange for a one-off payment, thus avoiding a protracted legal dispute. The customers affected by the electricity price increase implemented on 2 January 2023 will receive a one-off payment of EUR 25.00, EUR 50.00 or EUR 100.00, depending on their consumption. A provision of EUR 20.5 million was created for this as at 31 March 2023; the provision will be cash-effective in the second half of 2022/2023.

In the first half of 2022/2023, dividends of EUR 53.2 million (previous year: EUR 66.5 million) were paid out to the shareholders of Energie AG Oberösterreich.

Linz, 30 May 2023

The Management Board of Energie AG Oberösterreich



**Dr. Leonhard Schitter**  
CEO



**Dr. Andreas Kolar**  
CFO



**Dipl.-Ing. Stefan Stallinger MBA**  
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, 30 May 2023

The Management Board of Energie AG Oberösterreich



**Dr. Leonhard Schitter**  
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

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:**

Karin Strobl MA, Mag. Margit Lang, Mag. Iveta Strnadova MBA, Mag. Gerald Seyr,  
Mag. Klaus Oberparleiter

**Concept, graphic design and implementation:** nexxar GmbH, Vienna

**Cover design:** upart Werbung & Kommunikation GmbH, Linz

**Translation:** GORNIK translators for industry GmbH

**Photo Credits:** Energie AG Oberösterreich, Robert Maybach

Subject to errors and misprints.

Linz, June 2023



Energie AG Oberösterreich  
Böhmerwaldstraße 3  
4020 Linz, Austria  
[www.energieag.at](http://www.energieag.at)