

# ANNUAL FINANCIAL STATEMENT

2016





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## SHAREHOLDERS

- **REPUBLIC OF AUSTRIA**  
(Federal Ministry for Transport, Innovation and Technology)  
with 50.46%
- **ASSOCIATION FOR THE PROMOTION OF RESEARCH AND INNOVATION**  
(Federation of Austrian Industries)  
with 49.54%

## CORPORATE BODIES

### MANAGEMENT

DI Anton PLIMON  
Prof. Dr. Wolfgang KNOLL

#### Authorized Signatories

Doz. Dr. Josef FRÖHLICH  
Mag. Alexander SVEJKOVSKY  
DI Helmut LEOPOLD  
Dr.<sup>in</sup> Brigitte BACH  
Mag. Christian MEIXNER  
DI Dr. Christian CHIMANI  
Prof.<sup>in</sup> Dr.<sup>in</sup> Elke Guenther as of 1 June 2016

### SUPERVISORY BOARD

#### Chairman

Dkfm. Dr. Hannes ANDROSCH

#### Chairman – Deputy

Mag.<sup>a</sup> Maria KUBITSCHKEK  
Ing. Mag. Peter KOREN

#### Supervisory Board

Mag. Ingolf SCHÄDLER  
Dr. Klaus PSEINER  
Mag. Bernhard SCHATZ  
DI Mag. Wolfgang PELL  
Dr. Karl Michael MILLAUER until 2 May 2016  
DI Dr. Stefan PUNZ until 2 May 2016  
DI Harald LOOS  
Mag. Anton SCHANTL  
DI Dr. Franz Michael ANDROSCH as of 3 May 2016  
Mag.<sup>a</sup> Mariana KAREPOVA as of 3 May 2016

#### Supervisory Board appointed by the works council

Ing. Karl FARTHOFER  
Univ.-Doz.<sup>in</sup> Dr.<sup>in</sup> Eva WILHELM  
DI Dr. Gustavo FERNANDEZ DOMINGUEZ  
Christian GÄRTNER  
DI<sup>in</sup> Christina TAMAS  
Thomas HUGER





# MANAGEMENT REPORT

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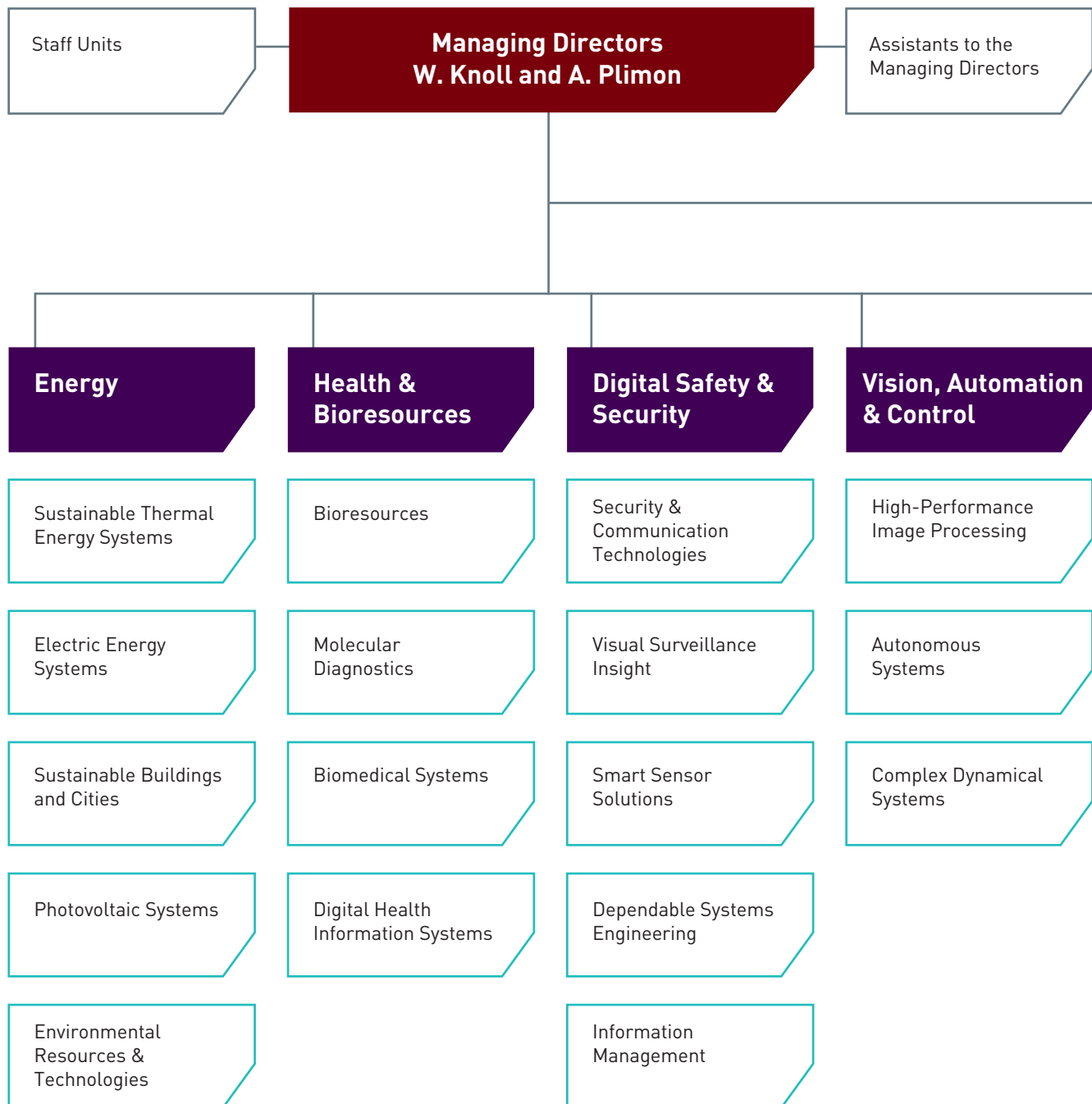
## STRUCTURE REPORT AND ORGANIZATION CHART

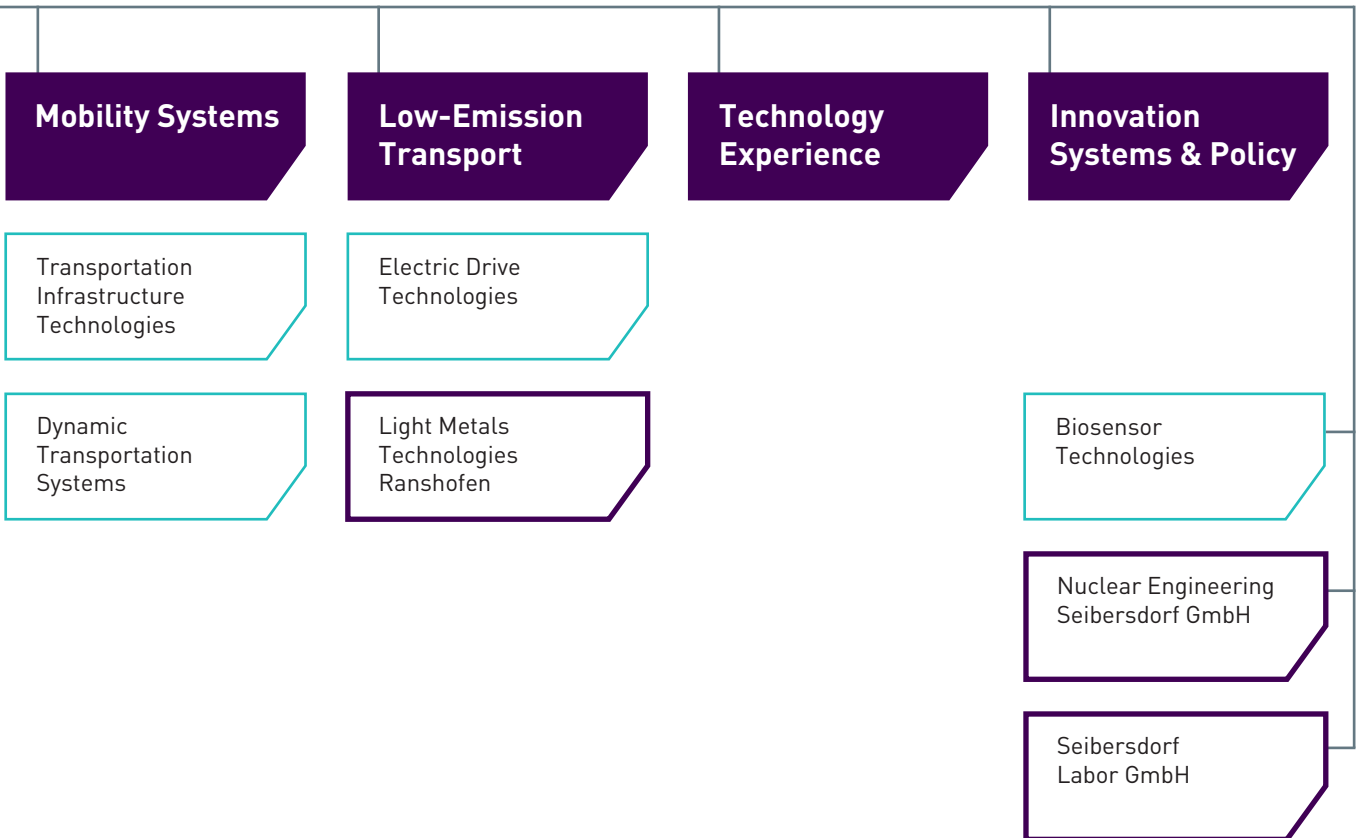
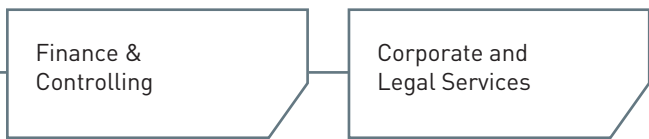
In the year under review 2016, the foundations were laid for an even stronger exploitation-oriented position for AIT. Under the motto "Empowering Innovation", new impetus was provided for actively driving forward research trends, co-operating with external partners and between AIT research groups, as well as for sales and exploitation orientation. The new design of the AIT organizational structure forms the organizational basis for Empowering Innovation.

On 1 January 2017, the new organizational chart of the AIT with its eight Centers instead of the previous five departments came into effect. The idea of strengthening the responsibilities of management functions and establishing complementary role models and career stages for more clarity in the process from research to industrial exploitation are closely linked to the new organizational structure. The adapted function "Head of Center" is characterized by a clear focus on results based on increased technology know-how in the respective topics. The profile of the "Head of Competence Unit" is raised, with an increased focus on the research output and excellence as well as the exploitability of the portfolio.

The organizational chart on pages 12 and 13 shows the new structure of the AIT Group in the structural form of eight Centers which emerged from the previous organizational structure of the five departments valid through 31 December 2016.

## AIT ORGANIZATION CHART JANUARY 2017





## REPORTS FROM THE DEPARTMENTS

The review of the highlights of the research and project work 2016 is done pursuant to the organizational structure valid through 31 December 2016 with its division into five departments.

## HEALTH & ENVIRONMENT

### OVERVIEW OF THE STRATEGIC DEVELOPMENT AND THE RESULTS ACHIEVED

In June 2016, Prof.in Elke Günther became the new head of department. In the up to then three business areas (*Biomedical Systems*, *Molecular Diagnostics* and *Bioresources*), experts are working on selected aspects of the health and agrosystem where their core competences create added value for customers. Key competences to be mentioned here are the focus on nano- and sensor technologies, omics (molecular biological) technologies, modelling and simulation as well as related regulatory knowledge.

The excellent scientific output of the department could once again be maintained in 2016. It should be taken into account here that the *Environmental Resources & Technologies* business area was assigned to the Energy Department as of March 2016 and the absolute numbers of the department have thus decreased: With 59 publications in peer review journals with a cumulative impact factor of 243, the scientific reputation could, however, once again be corroborated. This includes 26 publications in open access journals with an impact factor of 68. To strengthen this scientific excellence, the process for the establishment of Principal Scientists could be initiated in two business areas. Claudia Jonak in the *HBR* business area will deal with stress factors of plants; Winfried Neuhaus in the *HMD* business area will deal with biological barriers in humans, the focus here being on the blood saliva barrier.

The evaluation of the departments by an independent panel of experts was carried out in April 2016. The very good scientific position of the department was clearly confirmed. The proposal for outsourcing the molecular imaging group from the AIT is still being evaluated in a separate strategy process. The focus and elaboration of a business strategy recommended for the *HBR* business area were carried out by the department management in an evaluation process. The review of the technology portfolio and the corresponding

business models led to a good focus on the core topics and also to the clarification of the customer circles. A strong patent portfolio forms the basis for some of our business models. Among other things, a further patent for the injection of microorganisms into seeds (*SeedJection*) was submitted at the *HBR* business unit. An exceptionally strategic IPR management is also pursued by the HBS unit, where six new patents were issued in connection with NFCs, and four new ones were applied for (one international and five/three national ones, respectively) for the year under review.

Mentioning the following scientific advances in the business areas may serve as cases in point: In the research field *Molecular diagnostics*, NGS (NextGenSequencing) could be successfully established on miRNA directly from saliva samples, and an immunoglobulin G and A profile from saliva is now possible as well. This gives AIT now a clear USP as a technology partner. In the research field *Advanced Implant Solution*, the critical parameters and control elements for a reproducible and clear process for the ECAP technology could be determined. This now allows a fully automated ECAP process at room temperature and precise monitoring of process parameters. In the research field *Exploration of Biological Resources*, the excellence in the area of Trichoderma gene annotation could be underscored by a major first-author publication by Monika Schmolli in *Microbiol Mol Biol Reviews*.

## ENERGY

### OVERVIEW

As in previous years, the Center for Energy has successfully continued to pursue its growth path in 2016. Currently, more than 240 employees work here on innovative projects with high visibility at national and international level. The know-how of the Center is in demand beyond the European borders. Among other things, the "Urbanica" simulation tool was substantially expanded in course of the cooperation with the Inter-American Development Bank and will be ready for urban infrastructure planning in Latin American cities from the coming year on.

The evaluation carried out by international experts in May confirmed the Center's excellent research and also provided important insights for the strategy process for the period from 2018 through 2021 which was launched in autumn. In accordance with Vision 2025, the focus of the owners will be on decarbonisation and digitisation and concentrate on the systems of energy infrastructure, cities and urban areas, as well as energy-efficient industry. In particular, the expansion of existing expertise in the areas of simulation and laboratory infrastructure on the topic of "decarbonisation of industry" is an important contribution to strengthening Austria as an industrial location. The main emphasis is on energy efficiency technologies, innovative process flows as well as material and energy demand side management through the flexible use of energy and resources.

Integrating the Environmental Resources & Technologies team from the former Health & Environment Department has proven to be an important strategic step towards pooling competencies. The synergies with Smart Cities & Regions provide the best preconditions for building a joint service portfolio. The emphasis is on resilience, i.e. the resilience of cities in the face of natural hazards and climate change as well as on the sustainable use of water and soil in urban areas. In addition, the internal networking of the individual research groups was driven forward by Lab Nights in the areas of sustainable buildings and cities as well as thermal energy systems.

In July, the Smart Cities team reinforced itself by welcoming the internationally renowned expert Reinhard König who is researching digital planning tools for the cities of the future. In December, an application was submitted for his appointment as Principal Scientist. His complementary work at the Bauhaus-Universität Weimar and ETH Zurich is resulting in close cooperations with these two renowned research institutes. Head of Center Brigitte Bach was re-elected as Chairwoman of the Advisory Group on Energy for Horizon 2020 for two years and will thus continue to help actively shape the European research agenda in the future. At the national level, the cooperation with the research partner TU Vienna will be further strengthened by a joint interdisciplinary lecture on the future topic "Urban Living Labs – Fundamentals and Implemented Projects".



## HIGHLIGHTS IN PORTFOLIO DEVELOPMENT

AIT is chiefly responsible for the monitoring and evaluation of the flagship project "Smarter Together", one of the largest and most important projects of the European Union in the field of *Smart Cities*. In selected districts of Vienna, Lyon and Munich, innovative holistic solutions for a smart urban renewal are to be implemented by 2020. The aim is to achieve the energy and climate protection targets through the use of new technologies for thermal and energetic restoration, sustainable mobility and the development of environmentally friendly and renewable energy while simultaneously improving the quality of life of the urban population. The successful measures identified are to be implemented in other Viennese districts and subsequently at European and international level as well and thus achieve the broadest possible effect.

European infrastructure operators rely on the know-how of the experts for electrical energy systems. For example, the Center for Energy is conducting stability studies on the Swiss railway network on behalf of the Swiss Federal Railways in the coming years in order to investigate network resonances and develop countermeasures. These resonances are the result of the increased use of power electronics in the railway network and the increasing cabling density due to additional tunnel distances and building control requirements. Using a simulation-based analysis of the railway power system and "hardware-in-the-loop" tests, the experts are developing measures to stabilize the railway network. The aim is to draw up a technical specification for a power electronic system which is designed to ensure a stable power supply to the railway network and thus to ensure a high level of reliability in rail traffic.

## MOBILITY

### STRATEGIC DEVELOPMENT

The positioning of AIT Mobility lies in the sustainable development of safe, efficient and environmentally compatible solutions for key issues in the research and development of mobility systems. AIT Mobility concentrates on system approaches with technological detail and market understanding in the three areas of *Transport Infrastructure*, *Low Emission Transport* and *Multimodal Mobility Systems*.

The evaluation of the Mobility Department in 2016 provided indications for the future work of the two Centers "Low Emission Transport" and "Mobility Systems" emerging from it. For example, possibilities for strengthening dissemination have been identified and partly already implemented (e.g. via the international conference TRA2018 in Vienna). A further focus in the portfolio that was achieved in particular for the *Dynamic Transportation Systems* and *Electric Drive Technology* business areas by new heads of business areas with a market and industry understanding is driving forward the digital capturing of the traffic infrastructure as well as the high-end development in control technology for 2017. The positioning of research topics is intensively co-designed through the integration into national and international networks as well as bilateral cooperation agreements and represents a continuous strategic focus for the networking with other research organizations, universities and industry partners for long-term partnerships in the transport sector.

### BATTERY RESEARCH – CHEAP, LIGHT AND ENVIRONMENTALLY FRIENDLY

Powerful, cost-effective, safe and environmentally friendly batteries are the key to tomorrow's electromobility and energy systems. AIT is one of the pioneers in the research into these future questions and has strengthened its focus on battery research by appointing Prof.in Atanaska Trifonova as Principal Scientist in the spring of 2016. AIT is also investing into the laboratory infrastructure with a new research pilot line with which components and cells can be produced under standard industry conditions. The battery laboratory offers battery and cell manufacturers, material developers and the automotive industry all R&D services from a single source: from material development via cell design and production technology all the way to battery testing. These analyses and test methods provide information on the battery performance such as thermal behaviour, aging as well as battery safety. This makes it possible to derive recommendations and optimisation proposals for manufacturers and to further advance the transformation from the fuel-driven to the electrically-powered vehicle for the automotive industry.

In addition to vehicle applications, powerful batteries also play an increasingly important role in the storage of wind and solar power and are therefore a key component of the energy transition. In close cooperation with AIT Energy, the battery laboratory is therefore also working on innovative stationary storage technologies for future electrical energy systems. Thanks to their high energy density, power, efficiency and service life, lithium-ion batteries still represent the gold standard among battery technologies – while still presenting great potential for optimisation. Therefore, a focus of battery research at AIT is on the further improvement and optimisation of the materials and production processes for lithium-ion technology. An increase in energy density and a further cost reduction are strived for.

At the same time, however, AIT is already working on materials for the batteries of the post-lithium generation. These include, among others, the lithium-air cell or magnesium-ion battery which are expected to provide a two- or three-fold capacity increase in the future. The experts of the AIT battery laboratory are also among the first in Europe to deal with the future-oriented Mg technology. In the EU research project "eCAIMAN", which is coordinated by AIT, competences are combined in order to develop an excellent lithium-ion battery for production in Europe. All components and their coordination are optimized in a targeted manner in order to build up a 5V cell. In addition, a module is being developed which can be used in light and heavy vehicles as well as in cars. The semi-industrial production of a stable large-sized high-voltage cell has already been achieved.

#### **AIT SMART SURVEY – AUTOMATIC MOBILITY SURVEY WITH SMARTPHONES**

Efficient planning and design of the mobility offer requires the collection of comprehensive data on the multimodal personal mobility behaviour, its modelling and the forecast of the transport demand. Compared to traditional survey methods, an efficient, high-quality and more cost-effective service for gathering mobility information by means of smartphones was developed with "Smart Survey". For example, the means of transport are determined and stored in a digital mobility journal by taking into account various smartphone sensors. From June through August 2016, the AIT Smart Survey was successfully used by the Wiener Linien (Vienna Lines) in the study "Multimo – Multimodal Mobility Behaviour Vienna". Besides being used in mobility research, the technology of smartphone-based travel mode identification (TMI) is considered to have great potential, especially for mobile ticketing. In collaboration with a transport operator, there will be a proof of concept in the Center for Mobility Systems from spring 2017 on, and already a first pilot system upon successful completion starting in 2018.

## DIGITAL SAFETY & SECURITY

### OVERVIEW

The department was able to successfully continue the previously planned growth strategy for the eighth time in a row since 2009. Growth has been achieved in all indicators, both scientific and economic ones. In accordance with the established department strategy, on the one hand dedicated areas of competence in the international environment were strengthened and expanded as a technology competence center; on the other hand, new science and technology areas could be initiated and newly established. The establishment as a technology competence center in these areas was mainly based on: a) international networking in the scientific and innovation community as well as on b) the realization of critical masses of major international project initiatives, and finally c) the establishment of concrete industrial cooperations.

During the evaluation of the department carried out in 2016, the experts made special mention of the particular scientific quality in image processing, monitoring of cyber-physical systems and epilepsy research. They confirm the growth of scientific output in terms of quality and quantity compared to the evaluation four years ago. The cooperation with universities was acknowledged as well, particularly the current strategy of intensifying these partnerships to provide excellent scientific results and to foster young academics. The experts suggested strengthening the competencies in the area of *Machine Learning* which is already planned for the next strategy period in the areas of *Image Processing*, *Cyber Security* and *Telemedicine*. Targeted investments in dedicated hardware as the basis for machine learning research in the broad context of the department reinforce this approach. The experts furthermore recommended an increased involvement in facilitating start-ups and spin-offs; measures to this effect have been identified and are being examined for their feasibility in the context of the strategic orientation.

## HIGHLIGHTS FROM THE RESEARCH AREAS AND INITIATIVES ON TECHNOLOGY TRANSFER

Three initiatives were implemented in the research area *Intelligent Vision and Systems*. Mobile identity management and automatic border control systems for Europe (airports, maritime and land borders) – thanks to an investment of approx. EUR 30 million in EU project budgets managed by DSS, technology and market leadership could be established in several areas (identity detection of individuals through mobile devices, and physical protection of critical infrastructures). This now forms the basis for extensive technology marketing 2017+. Camera-based driver assistance systems for autonomous vehicles in the railway, construction machinery and aerospace sectors of the leading international technology providers rely on AIT technology in their respective product strategy. In high-speed image processing for optical quality control in the industrial 4.0 sector, AIT has been able to further expand its international technology leadership and even establish an explicit cooperation with the European Central Bank.

In the research area *Highly Reliable Software and Systems*, the cooperation basis with the Austrian industry has been further expanded in key areas, and a stable technology portfolio for *Testing und Validation* of the next generation has been established (four successfully submitted projects with large Austrian industrial partners; programme: ECSEL JU Electronic Components and Systems for European Leadership).

Research Area *Future Networks and Services*: In the research focus area of eHealth / Telemedicine, AIT was able to establish itself as THE Austrian Technology Competence Center through the competence and available technology in the Department. All major telemedicine initiatives initiated in Austria (at the federal level for diabetes, and in the federal states of Tyrol and Styria for cardiac insufficiency and heart failure) were implemented in cooperation and based on AIT technology.

In order to take account of global technology dynamics, a new field of technology on the topic of "blockchain" was established in the Department in the *Data Science* research area in 2016, which also proves to be an internationally leading application-oriented research initiative. AIT was able to make a blockchain technology platform available on the market. This provided the foundation for a cooperation with Europol and Interpol as well as many other European security ministries.

Furthermore, a new research group was established on the topic of the next generation of wireless technology (5G). The team is positioning itself in the field of reliable communication for real-time control in the domains of autonomous driving and industry 4.0. Together with Austrian industry, funds were raised for national and international research projects.

In the area of *Cyber Security*, the technology and research portfolio could be completed in order to pursue a comprehensive solution approach: Risk Management, Security by Design, Encryption, Cyber Attack Information Systems (CAIS), and Cyber Incident Information Systems (CIIS). Finally, the international network and comprehensive technology competence proved a viable the basis for an agreement on a strategic cooperation with the IAEA (International Atomic Energy Agency) to increase the safety standard for industrial control systems in a global context. Through a successful international industrial cooperation with Huawei Technologies, the special AIT science and technology core competencies in the field of *optical electronics and quantum research* were demonstrated as leading in an international context.

In the area of *Crisis and Disaster Management (CDM)*, a technology portfolio for a communication system for a collaborative situation assessment and decision-making support has been established which forms the basis for a comprehensive technology rollout planned for 2017.

Besides many national conferences and events, international industry events and trade fairs such as the Essen Security trade fair, VISION trade fair Stuttgart, aerospace exhibition Farnborough (UK) were also co-designed to promote the R&D results of the department and to increase brand awareness. In addition, a technology and innovation performance exhibition under the title "Seeing and Understanding – Technologies from Austria that Move the World" with a focus on business and industry as well as public sector target groups was staged repeatedly as an important communication tool (in cooperation with Digital City Vienna and the Vienna Business Agency).

## INNOVATION SYSTEMS

### OVERVIEW OF THE STRATEGIC DEVELOPMENT AND THE RESULTS ACHIEVED 2016

In the scientific area, the year 2016 was characterized, among other things, by the evaluation by an international panel. The department as a whole was attributed a scientific quality of high international standard characterized by internationally visible excellence in several areas. The suggestion of the experts to make the remarkable excellence in research in general, in policy design and in experience strategies more visible and accessible to companies is taken account of as part of the currently ongoing strategy process through restructuring the business cases in the Center for Technology Experience and a sharpened focus in the Center for Innovation Systems & Policy. The two Centers are the former two Business Units of the department AIT / Innovation System (IS) which were turned into independent Centers as of 1 January 2017. Two further suggestions from the experts, i.e. to increase the number of senior staff and the scientific publication in peer review journals in the Technology Experience business unit were already tackled and partly implemented in 2016. The increase in the number of senior staff is presently reflected in current or upcoming calls for applications for the Center for Technology Experience. The first results of intensifying the publication of scientific articles in peer review journals can be found in the AIT/IS intellectual capital report.

We use the indicators of the AIT/IS intellectual capital report along with the satisfaction of clients with our research projects to assess the quality of our research achievements. IN 2016, 37 of our scientific articles were published or accepted for publication in peer review journals. In addition, we submitted an additional 16 articles for publication. This is the highest number of scientific articles in peer review journals that AIT ever published and got accepted in a year. We also released a book and got another approved for publication. During the year under review, the staff of AIT/IS gave 38 invited lectures at international conferences. In addition,

we used lectures for the dissemination and transfer of our knowledge to students. In 2016, 19 staff members held 41 lectures at 15 universities and technical colleges. In the already well-established programme "Innovation Systems – Knowledge and Talent Development Program", we also supervised 22 doctoral students and master students in the preparation of their doctoral or master's thesis; it should be pointed out here that the topics of the doctoral and master's theses were worked out by the AIT/IS employees and are advertised after consultation with the university institutes from our network.

In parallel with the very good scientific results and the positive assessment of the AIT/IS research by the experts, 2016 was marked by the high proportion of external revenue achieved with the European Commission and the positive expansion of the client spectrum. For example, AIT/IS was able to win the Federal Chancellery as a client for the first time. Based on the concept for "fact-based policy-making" drawn up in 2016, further implementation steps are to be undertaken in 2017. In cooperation with the Institute for Technology Assessment of the Austrian Academy of Sciences, AIT/IS has also succeeded in convincing the Austrian Parliament of the benefit of a science-based support of parliamentarians on the basis of three projects. In January of 2017, a tender for a longer-term support of the Austrian Parliament in the field of *Foresight and Technology Assessment* was published by the parliamentary administration. However, in 2016 we were also able to gain new private customers for AIT/IS as clients. Specifically, some companies have been added in the telecom and/or digitisation sector. Furthermore, strategic steps were taken in the start-up area and several cooperations were started. Overall, business-wise, the department managed to cover 62% of the AIT/IS operating result through external revenue in 2016, and this with an increase of 20% in external revenues compared to 2015.

## SELECTED HIGHLIGHTS FROM STRATEGIC RESEARCH AND THEIR EXPLOITATION / IMPLEMENTATION IN CONTRACT RESEARCH

While the European Framework Programme for Research and Innovation has not even completed half of its running time, the preparations for the development of the next Framework Programme (2021–2027) already started in 2016. AIT/IS is involved in these preparatory processes in multiple and influential ways. Initially, the department was commissioned by the European Commission, with the support from other renowned partners, to carry out a foresight process which is to form one of the central building blocks in the preliminary phase of the formulation of the successor programme called "FP 9". In the course of the participation in the Austrian FP-9 think tank, the department was also involved in the elaboration of theses intended to help define possible cornerstones of the new framework programme. And finally, the department is involved in the development of new multilateral funding instruments such as the joint programming initiatives through its participation in European funding projects.

A second important focal point in 2016 was investigating the economic and social impact of digitisation and automation in industry. On the one hand, these developments under the reference of Industry 4.0, Internet of Things and Advanced Manufacturing trigger high expectations, but, on the other hand, also considerable fears regarding the future of the work and the need for new qualifications. In this respect, the numbers presented are usually widely divergent, either predicting massive job losses or highlighting the growth potentials of the industry and the associated opportunities for creating new jobs. Against the backdrop of the massive uncertainties, in particular with regard to the nature and requirements of newly emerging jobs, the AIT Innovation Systems Department addressed the qualitative dimension of this issue in 2016 as part of several projects for the European Parliament, BMVIT and the FFG, the Austrian Research Promotion Agency. Thus, various future scenarios were developed for four sectors which are of great importance to the Austrian economy (automotive industry, mechanical engineering, ICT & logistics, wood processing) against whose backgrounds job requirements and qualification profiles were developed together with industrial representatives. These results in turn provide insights for the future design of labour markets and education systems.

Research activities in the area of *Technology Experience* were further developed on several levels. The topic of persuasive interfaces and persuasive technologies has developed as a major research strand with a high potential for exploitation. A wide range of applications can benefit from this and the Technology Experience Business Unit is active here and plays an internationally leading role in a number of projects in this regard. For example, in the motivation of appropriate mechanisms for information security in organizations from a usage perspective. In the H2020 project DOGANA, first approaches have been successfully developed and the international positioning has led to a continuation project (COMPACT) in a newly won H2020 project. Especially in the synergy with gamification approaches, a number of exploitation potentials arise which could be implemented, for example, in a project with T-Mobile or which are being used in a number of other, also national, research projects.

A further highlight is the development in the research area *Quality of Experience* and the *Data-Driven Experience Research*. There, the Business Unit can take advantage of extensive preliminary work and very good international positioning. Special models and tools driving forward the synergy of the approaches of Quality of Experience and User Experience were further developed here. The goal is to achieve the optimal synergy between qualitative and quantitative methods in the direction of a comprehensive framework in order to supply different context areas (away from the classic telecom area where most quality-of-experience approaches are found). A number of KU projects (e.g. QoEVID) where a comprehensive perspective comes into effect have been obtained this way.

## SEIBERSDORF LABOR GmbH

In 2016, some of the profits generated were reinvested in our own research and development as well as in the continuous improvement of quality with regard to certifications and accreditations.

The previous years' focal points in applied research and experimental development were continued:

- Detection of doping substances and disease markers
- Development of methods for the characterization of chemicals
- Safety in electromagnetic fields, with a focus on NFC applications, safety of laser radiation
- Development of new methods for the production and quality control of PET medicines
- Development of measurement methods and measuring instruments for radioactivity and ionizing radiation, radiochemical developments

In order to implement legal and normative changes in accredited procedures in a timely fashion, the employees of Seibersdorf Labor GmbH also work in the relevant standardization committees.

This expert activity, the relevant operational implementation, all quality assurance measures – such as the implementation of improvement measures, validations, interlaboratory tests, etc. – were also defined and successfully completed in 2016 in the course of management reviews.

In addition, the re-orientation and expansion of the Seibersdorf Labor GmbH infrastructure was significantly advanced in 2016. On the one hand, by concluding the rental contract for the newly constructed property at the Seibersdorf location, on the other hand, through targeted investments in the construction of an absorber hall (EMC tests) and the TEC hall (radiation resistance tests).



## NUCLEAR ENGINEERING SEIBERSDORF

As in previous years, Nuclear Engineering Seibersdorf put their focus in 2016 on the decommissioning and decontamination of plants, equipment and materials from 45 years of R&D activity of the AIT (predecessor organizations) as well as the treatment and temporary storage of radioactive waste. Long-term contracts with the Federal Ministry of Transport, Innovation and Technology (BMVIT) and the Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) which also regulate the financing of service contracts exist for this purpose.

## BUSINESS PERFORMANCE 2016

### EARNINGS POSITION

In the year 2016 under review, the development of revenues from research contracts showed an overall increase of approx. 6.1%. The growth rate was almost equally distributed between the two categories of contract research (+6.3%, reporting year: 40.6 million EUR, previous year: 38.2 million EUR) and co-financed research (+6.1%, reporting year: 36.5 million EUR, previous year: 34.4 million EUR) and thus marks the solid establishment of the AIT Group's position on the market.

The payments of the shareholders are research grants and form the third major financing pillar of the AIT Group in addition to the external revenues from contract research and co-financed research. In the reporting year, the sum of the shareholder benefits increased by approx. 1.8% above the previous year's level (reporting year: 44.9 million EUR, previous year: 44.1 million EUR). AIT uses the resources of the Federal Ministry of Transport, Innovation and Technology (BMVIT) to expand research focus areas and thus the scientific and technological competence of the company.

Other operating income / other revenues of 13.1 million EUR include the income from the reversal of provisions in the amount of approx. 1.2 million EUR, revenue from expenses charged in the amount of approx. 0.5 million EUR, the reversal of investment grants in the amount of 8.9 million EUR, the proceeds from charged rents of 1.3 million EUR as well as other operating income / other revenues in the amount of approx. 1.2 million EUR.

In contrast to the amended presentation of the P&L structure (Invoicing Reform Act, RÄG 2014) of the annual financial statement, the presentation for the management report was maintained unchanged in order to present the proceeds from research contracts without confusion with the proceeds from expenses charged (that are now to be presented in the revenues pursuant to RÄG 2014 in the amount of 0.5 million EUR (previous year: 0.5 million EUR) and other revenues in the amount of 1.9 million EUR (previous year: 1.9 million EUR).

In the presentation for the management report, an additional 4.1 million EUR (previous year: 3.3 million EUR) was reclassified to the line Nuclear BMFLUW in order to achieve a better presentation of the overall "nuclear financing".

Amounts in thousands of Euros (TEUR)	ACTUAL 2016	ACTUAL 2015
Revenues R&D	39,346	38,666
Inventory changes	1,204	- 494
Revenues R&D including inventory changes	40,550	38,172
Funding R&D	31,845	46,494
Inventory changes	4,606	- 12,075
Funding R&D including inventory changes	36,451	34,419
<b>Total Revenues from Research Contracts</b>	<b>77,001</b>	<b>72,591</b>
Income from BMVIT – Independent research	44,862	44,118
<b>Total Payments of the Shareholders (Research)</b>	<b>44,862</b>	<b>44,118</b>
Nuclear BMVIT	4,325	4,793
Nuclear BMfLUW	4,132	3,256
<b>Total Financing Nuclear</b>	<b>8,457</b>	<b>8,049</b>
Capitalized contributions	0	13
Other operating income / Other revenue	13,146	12,452
<b>TOTAL OPERATING INCOME</b>	<b>143,466</b>	<b>137,223</b>

## EXPENSE STRUCTURE

The company's expense structure for the reporting year 2016 shows for project-related material costs and related services changes compared to the previous year (reporting year: 18.6 million EUR, previous year: 17.2 million EUR). As a result of higher staff numbers as well as of the collective agreement related salary indexing, personnel expenses rose by approx. 3.9 million EUR (reporting year: 81.7 million EUR, previous year: 77.8 million EUR).

Compared with the previous year, other operating expenses showed an increase of approx. 1.4 million EUR, which essentially relates to expenses for project risks in the amount of 1.5 million EUR, expenses for relocation in the amount of 2.4 million EUR (due to the necessary provision allocation), reduced by decreases in expenses for site restoration in the amount of 2.6 million EUR and other expenses in the amount of 0.1 million EUR.

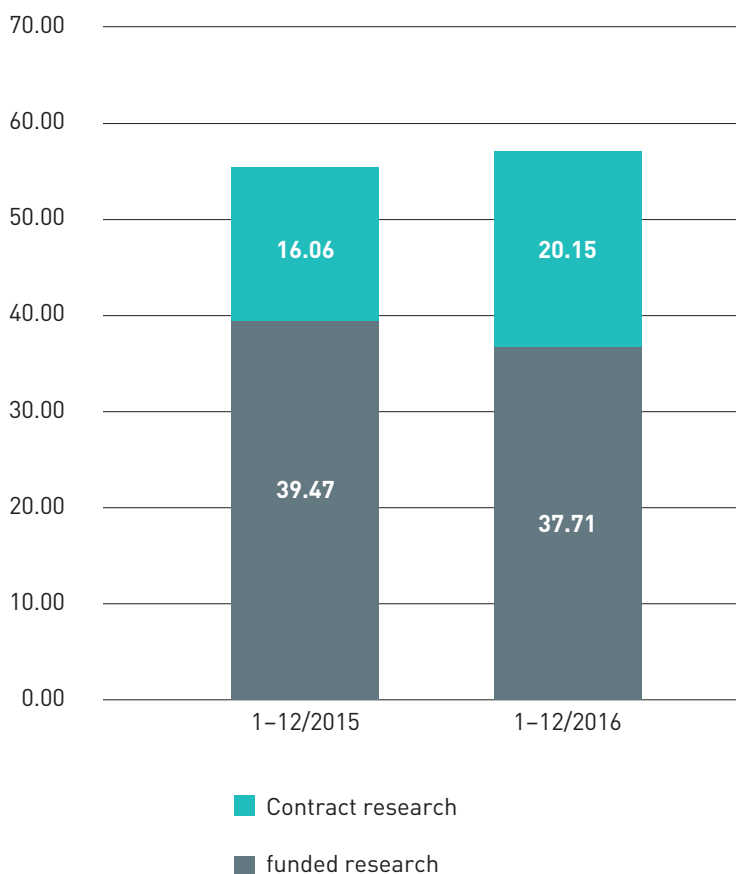
The annual result is 3.6 million EUR and shows a stable development of the AIT Group.

Amounts in thousands of Euros (TEUR)	ACTUAL 2016	ACTUAL 2015
<b>TOTAL OPERATING INCOME</b>	<b>143,466</b>	<b>137,223</b>
Material costs	- 5,816	- 4,219
Services rendered by third parties	- 12,796	- 13,011
Material costs and purchased services	- 18,612	- 17,230
Personnel expenses	- 81,694	- 77,832
Amortizations	- 10,349	- 9,847
Other operating expenses	- 30,591	- 29,145
<b>TOTAL OPERATING EXPENSES</b>	<b>- 141,246</b>	<b>- 134,054</b>
<b>OPERATING PROFIT</b>	<b>2,220</b>	<b>3,169</b>
Financial profit	1,112	19
Result before taxes	3,332	3,188
Taxes on income and earnings	253	- 81
Result after taxes	3,585	3,107
Result carried forward	17,203	14,096
<b>NET PROFIT</b>	<b>20,788</b>	<b>17,203</b>

## INCOMING ORDERS

Incoming orders for the AIT Group could be increased by approx. 4% over the previous year and amounted to 57.9 million EUR in the year under review (previous year: 55.5 million EUR). This increase in new orders compared to last year could be achieved entirely in the category of contract research projects (+25.5%, reporting year: 20.2 million EUR, previous year: 16.1 million EURO), new orders for co-financed projects were not entirely able to match the previous year's level in the very competitive environment (-4.6%, reporting year: 37.7 million EUR, previous year: 39.5 million EUR).

**Incoming orders**  
All amounts in millions of EUR

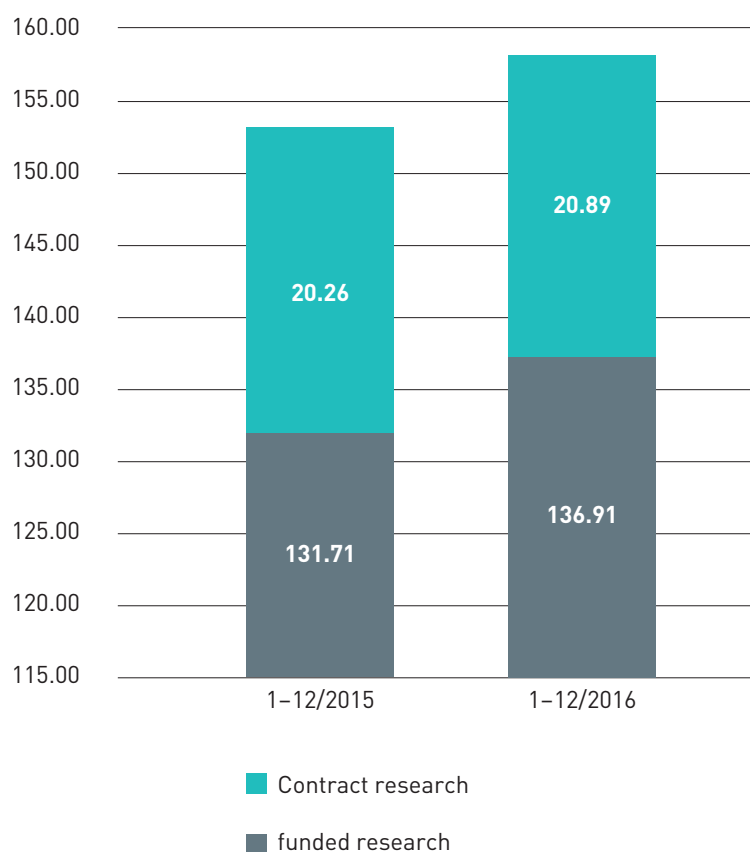


## ORDER LEVEL

In the year under review, the order level was increased by approx. 3.8% over the previous year. In the case of co-financed projects, the order level could be increased by 3.9% (reporting year: 136.9 million EUR, previous year: 131.7 million EUR), the order level of contract research projects grew by approx. 3.0% (reporting year: 20.9 million EUR, previous year: 20.3 million EUR).

### Order Level

All amounts in millions of EUR

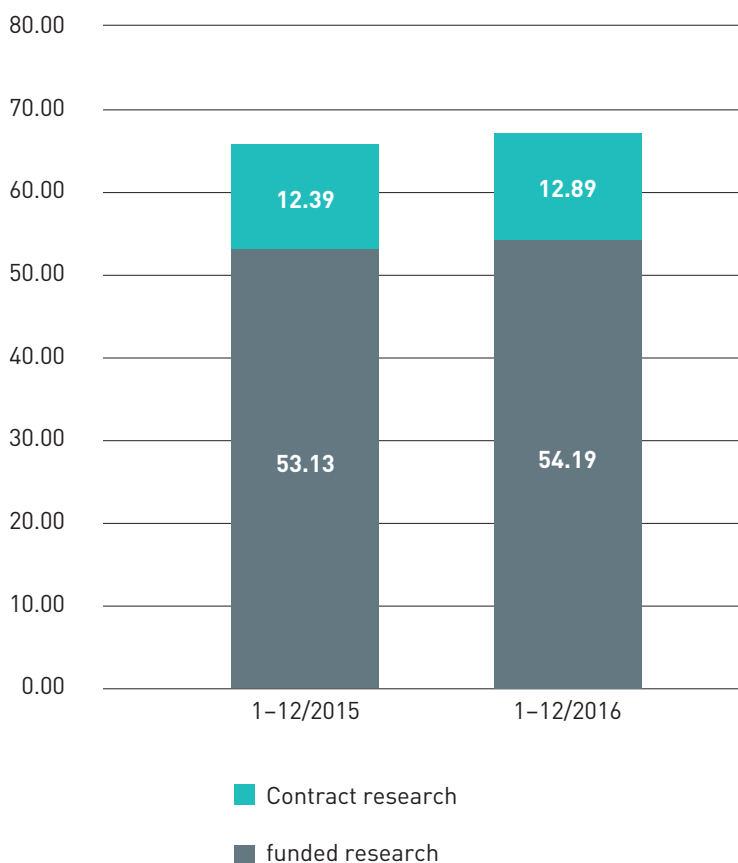


## WORKLIST (PROJECTS NOT YET PROCESSED)

The worklist does not only take account of the invoiced revenues (as in the case of the order level), but also the deferred project revenues due to the project work progress. In comparison with the previous year, the worklist shows an increase of approx. 2.4% (reporting year: 67.1 million EUR, previous year: 65.5 million EUR).

An increase of the worklist in the amount of approx. 2.1% could be recorded in the area of co-financed research (previous year: 54.2 million EUR, previous year: 53.1 million EUR). The worklist for contract research could be increased by approx. 4.0% over the previous year (reporting year: 12.9 million EUR, previous year: 12.4 million EUR).

**Worklist**  
All amounts in millions of EUR



## INVESTMENTS

Total investments in intangible assets and property, plant and equipment in 2016 amounted to 10.7 million EUR and are 1.8 million EUR higher than the corresponding previous year figure of 8.9 million EUR.

The investment in intangible assets (primarily rights) amounted to 0.3 million EUR (previous year: 0.5 million EUR). The acquisition of assets for "land and buildings" amounted to 0.1 million EUR (previous year: 1.1 million EUR). The investment in technical facilities amounted to 4.4 million EUR (previous year: 4.8 million EUR). 1.0 million EUR were spent for factory and office equipment (previous year: 1.7 million EUR) and 3.2 million EUR were received for advance payments and plants under construction (previous year: 0.9 million EUR). Of this, 1.6 million EUR relate to the ongoing investment projects of the NES (incineration plant).

## LIQUIDITY AND FINANCIAL POSITION

As of 31 December 2016, cash and cash equivalents amounted 56.1 million EUR (previous year: 52.4 million EUR). The liquidity level as of 31 December 2016 also includes funds for investment projects already ordered but not yet delivered.

Cash and cash equivalents are offset by liabilities from fiduciary project coordination funds in the amount of 4.6 million EUR (previous year: 9.6 million EUR).

There were securities deposits with a book value of 13.7 million EUR (previous year: 11.7 million EUR).

As of 31 December 2016, liabilities to credit institutions amounted to 0.3 million EUR (previous year: 0.0 million EUR). As of 31 December 2016, equity amounted to 36.4 million EUR (previous year: 32.8 million EUR). After considering the investment grants in the amount of 68.5 million EUR (previous year: 69.2 million EUR), the sum of capital resources expanded for the reporting year 2016 amounts to 104.9 million EUR (previous year: 102.0 million EUR).

## PERSONNEL

As of the reporting date of 31 December 2016, the company employed a total of 991.2 employees (calculated on full-time equivalents [FTE] without taking into account apprentices, apprentices in the retention period, or HF/EU scholarship students). Compared to the previous year reporting date (938.4 full-time equivalents), this corresponds to a total increase of the workforce of 52.8 full-time equivalents. The personnel growth of the AIT Austrian Institute of Technology GmbH as a parent company amounted to 42.7 FTE, in particular due to recruitment in the technical-scientific disciplines.

### 31 December 2015

	FTE	Persons	Average
AIT Austrian Institute of Technology GmbH	744.2	807	738.3
Seibersdorf Labor GmbH	100.9	111	101.3
Nuclear Engineering Seibersdorf GmbH	53.1	54	56.7
LKR Leichtmetallkompetenzzentrum Ranshofen GmbH	40.2	43	40.7
Si.A. Errichtungs-GmbH	0.0	0	0.0
<b>Group</b>	<b>938.4</b>	<b>1,015</b>	<b>937.0</b>

### 31 December 2016

	FTE	Persons	Average
AIT Austrian Institute of Technology GmbH	786.9	855	767.0
Seibersdorf Labor GmbH	97.8	106	99.2
Nuclear Engineering Seibersdorf GmbH	60.2	62	57.8
LKR Leichtmetallkompetenzzentrum Ranshofen GmbH	45.7	49	44.1
Si.A. Errichtungs-GmbH	0.6	1	0.1
<b>Group</b>	<b>991.2</b>	<b>1,073</b>	<b>968.2</b>

### Changes 2015 to 2016

	FTE	Persons	Average
AIT Austrian Institute of Technology GmbH	42.7	48	28.7
Seibersdorf Labor GmbH	- 3.1	- 5	- 2.1
Nuclear Engineering Seibersdorf GmbH	7.1	8	1.1
LKR Leichtmetallkompetenzzentrum Ranshofen GmbH	5.5	6	3.4
Si.A. Errichtungs-GmbH	0.6	1	0.1
<b>Group</b>	<b>52.8</b>	<b>58</b>	<b>31.2</b>



## REPORT ON THE PRINCIPAL RISKS AND UNCERTAINTIES RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In order to implement the company strategy and the associated opportunities, AIT deliberately takes manageable risks in research and service projects. In addition, AIT is exposed to a variety of potential risks that could negatively impact the business. The risks are divided by management into strategic, operational, financial and legal risks.

At AIT, risks are defined as possible developments or events that may lead to a negative deviation from projections, while opportunities for future developments or events may lead to a positive deviation from projections.

The implemented risk management system, which was further developed and optimized in the past financial year, is used for recording and controlling. The business opportunities are determined in the course of regular quarterly meetings and strategy meetings.

At AIT, risk management is understood as an independent process which is devoted to dealing with results- and event-oriented risks and opportunities at the corporate (organizational) level. The risk management system is implemented throughout the Group as an integral part of our business, support and management processes and is integrated into the planning, control, monitoring and reporting processes. It represents these in a transparent and understandable manner through a structured process of identification, assessment, determining countermeasures, regular reporting, and tracking of risks of all company activities.

AIT understands an internal control system to encompass the totality of all the policies, process descriptions, work instructions and control measures ordered by management which serve to ensure the proper running of business operations at process level. AIT sees the internal control system as a subsystem of risk management with strong mutual interactions. As a rule, optimizations in the internal control system will have a positive effect on risk management since every improvement of the control system at process level tends to contribute to the reduction of the effort required for the dealing with risks.

The structure of the control framework COSO (Committee of Sponsoring Organizations of the Treadway Commission) is used to describe the essential features. The COSO framework consists of five related components such as control environment, risk identification and assessment, control activities, information and communication, as well as monitoring.

## CONTROL ENVIRONMENT

The corporate management of the AIT Group is based on the group strategy adopted jointly between management and the Supervisory Board. It comprises the strategic positioning of the Group and its portfolio as well as its concrete medium-term performance and earnings expectations. The Group directions and annual targets for the companies, departments and divisions are derived from the strategic objectives.

AIT has a clear organizational structure with clear allocation of competencies and responsibilities across all organizational units. The responsibilities are defined in the individual processes. Detailed job descriptions and role descriptions which regulate the duties to be performed, the competencies and associated responsibilities and any representations are available for each. The traditional ICS measures such as the four eyes principle, the separation of functions, signature authorization with set value limits are generally taken into account in all company-wide processes.

The internal personnel management is comprehensively regulated by policies, process descriptions, manuals, company agreements, job profiles, career paths as well as training and qualification measures. The Code of Conduct and a policy on the prevention of corruption assist employees in carrying out their tasks.

Furthermore, the maturity and efficiency of the internal control and risk management system was able to be further increased by means of the systematic implementation of new processes and technical audits for hazardous materials, such as general laboratory regulations, poison regulations, pinprick regulation [Needlestick Safety and Prevention Act] etc.

## RISK IDENTIFICATION AND RISK ASSESSMENT

The risk management system with its structure and process organization is described and defined in a group-wide policy. It includes a comprehensive information, documentation and reporting system. In addition to the quarterly reports, which cover the entire range of risks and potential opportunities, a major internal ad-hoc reporting takes place in the event of material changes and new findings. In regular review meetings with management, all risk and opportunity-relevant topics are analyzed, assessed, controlled and monitored using standardized risk assessment sheets.

A group-wide control system supports the risk identification and early warning system. Standardized processes with appropriate control mechanisms make possible risk potentials more transparent and enable early identification of these at process level.

## CONTROL ACTIVITIES

In the course of the results-oriented control measures, the focus of AIT is on target achievement. The control of the compliance with the budget takes the form of ongoing target-performance comparisons, in order to take corrective action in case of any deviations.

Process-oriented controls essentially consist of systematic control measures to ensure the proper performance of the activities in the operational processes. The responsibilities for the performance of the process-related control activities to ensure a proper functioning of the various organizational units are laid down in the policies, process descriptions, work instructions and implementing regulations, which include, inter alia, provisions regarding the observance of the four eyes principle, the separation of functions and the specification of hierarchically graded approval competencies with a consideration of appropriate value limits.

## INFORMATION AND COMMUNICATION

The management information system of AIT has the task of providing the users with relevant information in a timely manner. It is used for in-house information transmission, whereby the primary focus is on transmitting relevant management information. Furthermore, a reporting set with compressed and meaningful metrics / key performance indicators complements the reporting system.

In quarterly review meetings, the subsidiaries, departments and divisions of the management report the current economic situation as compared to business planning, the previous year and the forecast. As part of these quarterly meetings, information is provided on project-relevant, scientific, financial, legal and administrative matters, opportunities, risks, and newsworthy highlights. This ensures that management has access to relevant information in a timely fashion and is able to take immediate and appropriate measures in case of target deviations.

Relevant information for employees is made available via the AIT intranet platform. The AIT employees are regularly informed about important events and projects by the Corporate and Marketing Communications department.

In accordance with legal and company law provisions, the Supervisory Board receives regular quarterly reports and information on current topics.

## MONITORING

The ongoing monitoring is constantly carried out by management and by the authorities responsible for monitoring (management, Head of Finance & Controlling, central controlling, and department controlling) in a timely manner as well as through the employees as part of their service provision.

The internal audit department monitors the operating and business processes as well as the internal control and risk management system. In particular, the functionality and effectiveness of the internal control system and the risk management system are to be examined and assessed in doing so.

The Audit Committee of the Supervisory Board of AIT supervises the annual financial statements as part of its legal obligations. Its responsibilities include monitoring the accounting process, the effectiveness of the internal control system, the internal audit system and the risk management system.

Furthermore, the corporate bodies of AIT – the General Assembly and the Supervisory Board, as well as the Research Strategic Advisory Board – deal with monitoring ongoing business activities, including the associated risks, within the scope of their duties.

Due to the ownership structure of the AIT Group, which is 50.46% owned by the federal government, as well as the legal anchoring in the Federal Constitution in this case, additional statutory audit and inspection rights of the Court of Auditors obtain.

## RISK AREAS

The following is a description of the key corporate risk areas that may have a negative effect on the assets, financial and profit position of AIT.

### FINANCIAL RISK, INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO § 243 UGB [AUSTRIAN COMMERCIAL CODE] PARA 3(5)

The company currently does not use any derivative financial instruments. Due to the nature of its business operations, the use of derivative financial instruments is not planned in the future either.

The value of the receivables is continuously assessed and monitored by the receivables management. A review of compliance with payment deadlines, limiting of credit limits and obtaining creditworthiness assessments from our customers limit the impact of potential payment defaults on the company's assets, financial and profit position.

### MARKET RISK

The situation on the global markets and the still unclear situation with regard to economic growth in the following years pose risks for each market participant in terms of attainability of projected figures, the development of customer groups and partner networks as well as the implementation of business models. The service portfolio of the AIT Group is diversified and addresses different markets. The continuous monitoring of the order situation as well as an early recognition of trends in the relevant markets with measures that are quickly derived from these remain important tasks for AIT.

## PROJECT FUNDING RISK

A public project funding scheme deviating from the full reimbursement principle as well as changing interpretations of funding guidelines might lead to a worsening of the funding rate. Changes in the terms of the funding project accounting require a system adjustment of the cost accounting and project accounting system. In order to maintain a sound project assessment base, it is necessary to monitor the relevant environment and assess it with regard to possible commercial effects.

## INFORMATION TECHNOLOGY RISKS

The company has a central IT system environment, enabling the joint use of high-quality system components at the various locations. This includes, among other things, a modern security environment with a firewall, virus detection and remote access points with multiple protection for the detection of and defence against attacks. The data is centrally stored, automatically backed up at regular intervals, and copies are kept off-premises. All our projects are based on the generally accepted standards of the Baseline Protection Manual of the Federal Office for Information Security (BSI) and ISO standard 17799 and are supplemented by empirical values reflecting the current state of the art.

## LEGAL RISKS

AIT counters the legal risks through constant communication between the central legal department and the local attorneys, as well as through the implemented reporting system which encompasses ongoing procedures and potential risks. Any risks were taken into account by means of balance sheet risk provisions in the annual financial statement.

## PERSONNEL RISKS

The performance of our employees is essential for the development of our knowledge-based company. The company is competing with other companies for highly qualified specialists and executives. The further development of the AIT management culture, measures for training and further education in connection with the implementation of specific technical and scientific as well as management and support role models will position the AIT more strongly as a top employer internationally. Within the framework of international and domestic cooperation projects with universities and scientific institution, AIT increases its access to well-qualified employees in the course of concrete project work.

### PRODUCT AND ENVIRONMENTAL RISKS

Product and environmental risks may arise in the course of laboratory operation with hazardous materials during storage, handling and disposal. Possible effects obtain in associated incidents with immediate effect on persons and the environment. AIT is therefore taking into account high (safety) technical standards for the use of hazardous materials, and these are subject to consistent monitoring of quality requirements and standards.

### OVERALL RISK

When analyzing the risks, no situations that would jeopardize the continued existence of the company at present and in the foreseeable future could be identified.

### REFURBISHMENT RISKS

Both the structural condition of the buildings and that of the general infrastructure at the Seibersdorf site are no longer adequate to meet the requirements of a modern research location. Various measures to improve the situation at the site have already been taken based on a location and space concept.

## DESCRIPTION OF THE MAIN FEATURES OF THE EXISTING AIT INTERNAL CONTROL RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

A clear management and corporate structure obtains in the departments, the divisions, the company and the Group. Cross-departmental key functions are managed centrally by the company, with the individual companies of the Group having a high degree of autonomy at the same time, in particular with regard to operation-related processes.

The accounting regulations-related internal control system of AIT ensures that accounting records are checked for mathematical and factual correctness.

The material check for the release of bills and receipts takes place in the respective organizational units or subsidiaries and the financial and accounting procedures for all organizational units are then centrally managed at AIT. This centralized management of financial and asset accounting at AIT, with creditor and debtor management and the complete management of all incoming payments and outgoing payments, ensures a comprehensive functional separation of operational and financial processes across the Group.

The functions of the departments which are significantly involved in the accounting process, i.e. accounting and treasury, controlling and business administration, IT, as well as HR, legal, and procurement, are clearly separated. The areas of responsibility are clearly assigned.

The financial systems used are protected against unauthorized access by corresponding IT systems. Standard software is used in the area of financial and management systems.

An adequate policy and process management (e.g. for management, business, controlling, resources and support processes) has been established and is constantly being updated and further developed. The electronic incoming invoice recording with electronic release workflow is comprehensively used throughout the AIT group. The electronic processing of invoices as well as the complete release of invoices for payment in the system ensure a high transparency and reliability as well as the maintenance of the process discipline (e.g. four eyes principle).

The ICS, in particular accounting-relevant processes, is regularly checked by the process-independent internal audit team.

The internal control and risk management system guarantees with sufficient certainty as regards the accounting process, whose essential features have been described above, that business events are accurately recorded in the books, processed and thus properly incorporated into the external accounting.

## INTERNAL AUDIT DEPARTMENT

The internal audit department which is directly responsible to the management of the company supervises the operational and business processes as well as the internal control and risk management system. In particular, the functionality and effectiveness of the internal control system and the risk management system, the compliance with applicable legal and operational policies, the regularity of all operational processes as well as measures for the protection of company assets are to be examined and assessed in this context.

The audits are carried out according to the annual audit plan approved by AIT management and supplemented by short and special audits. The audit reports make recommendations and propose measures which are subject to an ongoing follow-up following the implementation instruction by management.



## FORECAST REPORT / FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS STRATEGIC DEVELOPMENT

The financing agreement with the Federal Ministry of Transport, Innovation and Technology (BMVIT) forms the basis for the strategic development of the AIT Group. In the reporting year 2013, this financing agreement was concluded for the period from 2014 through 2017. The new company strategy in line with the new eight-Center structure will be adopted in 2017. It will serve as a basis for negotiating with the BMVIT the next financial period from 2018 through 2021.

In 2016, an important milestone was reached: The conclusion of the rental agreement for the areas in the "Futurebase" property which, together with the two existing buildings "Techbase" and "Energybase", will make the business location Vienna 21 into the flagship location for AIT.

## INDICATORS FOR THE SCIENTIFIC SUCCESS MEASUREMENT

The following table shows a selection of indicators for the scientific success measurement of the company. These indicators have been developed in the context of the BMVIT financing framework agreement – most recently for the period from 2014 through 2017.

<b>Scientific &amp; Performance Indicators</b>	<b>AIT 2016</b>	<b>AIT 2015</b>
Patents granted (patent families)	27	37 (35)
Publications in scientific peer review journals with impact factor	194	190
Impact factor	518.6	548.9
Publications in scientific peer review journals without impact factor	65	48
Publications as part of conferences (with review process)	370	340
Publications as part of conferences (without review process)	165	141
Invited Lectures	293	297
Lectures	189	197
Number of PhD students	234	232
Number of PhD students from the international arena	82	74
Proportion of PhD students from the international arena (%)	35	32
Completed dissertations	31	26
Completed diploma theses	64	70
Number of habilitated employees	26	28

## EVENTS AFTER THE BALANCE SHEET DATE

No events of special significance have occurred after the balance sheet date that would have led to a different presentation of the asset, financial and earnings position.

Management:



Dipl.-Ing. Anton Plimon e.h.



Prof. Dr. Wolfgang Knoll e. h.

Vienna, 4 April 2017



## BALANCE SHEETS

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**Group consolidated balance sheet**

Status as of 31 December 2016

 Status as of 31 December 2016  
 Status as of 31 December 2015  
 EUR EUR EUR TEUR

Assets	EUR	EUR	EUR	TEUR
<b>A. FIXED ASSETS</b>				
I. Intangible assets				
1. Concessions, rights	1,914,921.08			2,235
2. Advance payments made	0.00			32
		1,914,921.08		2,267
II. Property, plant and equipment				
1. Land, rights to land and buildings, including buildings on land owned by third parties	33,185,120.70			35,853
2. Technical equipment and machinery	22,180,474.25			21,753
3. Other equipment, plant and office equipment	8,457,974.54			8,575
4. Advance payments made and plants under construction	3,209,496.76			1,984
		67,033,066.25		68,164
III. Financial assets				
1. Holdings	119,151.00			34
2. Securities (book-entry securities) of fixed assets	13,720,427.13			11,727
		13,839,578.13		11,761
			<b>82,787,565.46</b>	<b>82,193</b>
<b>B. CURRENT ASSETS</b>				
I. Inventories				
1. Raw materials and supplies		5,100.88		155
2. Finished products		648,146.46		274
3. Not yet billable services				
Non-funded customer projects	9,073,806.93			8,537
less advance payments received	- 4,389,433.98			- 4,423
Funded customer projects	81,101,917.88			76,490
less advance payments received	- 67,574,300.98			- 63,408
		18,211,989.85		17,196
			<b>18,865,237.19</b>	<b>17,625</b>
II. Receivables and other assets				
1. Receivables from deliveries and services	7,803,176.37			13,969
2. Receivables from companies in which an investment is held	37,206.86			3
3. Other receivables and assets	1,345,071.78			1,744
<i>thereof with a residual term of more than one year</i>	<i>3,650.00</i>			<i>1,080</i>
		9,185,455.01		15,716
III. Cash on hand, credit balances with credit institutions		56,103,257.25		52,448
			<b>84,153,949.45</b>	<b>85,789</b>
<b>C. DEFERRED ITEMS</b>				
I. Other			<b>2,587,409.08</b>	<b>2,418</b>
<b>D. DEFERRED TAX ASSETS</b>			<b>439,329.39</b>	<b>0.00</b>
<b>Total Assets</b>			<b>169,968,253.38</b>	<b>170,400</b>

## Group consolidated balance sheet

Status as of 31 December 2016

 Status as of 31 December 2016  
 Status as of 31 December 2015

Liabilities	EUR	EUR	TEUR
<b>A. EQUITY</b>			
I. Called and paid-in share capital	470,920.12		471
II. Capital reserves			
1. Untied	13,656,321.07		13,656
III. Retained earnings			
1. Legal reserve	47,092.01		47
2. Other reserves (free reserves)	1,466,518.51		1,467
IV. Net profit			
<i>thereof profit carried forward 17,203 TEUR (2015 14,096 TEUR)</i>	20,788,584.49		17,203
		<b>36,429,436.20</b>	<b>32,844</b>
<b>B. INVESTMENT GRANTS</b>			
I. Investment grants by the owner	66,431,075.02		67,103
II. Investment grants by the public sector	633,901.51		240
III. Other investment grants	1,392,312.03		1,860
		<b>68,457,288.56</b>	<b>69,203</b>
<b>C. PROVISIONS</b>			
1. Provisions for severance payments	5,649,573.00		4,999
2. Provisions for pensions	114,240.00		974
3. Provisions for taxes	303,788.79		139
4. Other provisions	19,129,899.17		17,616
		<b>25,197,500.96</b>	<b>23,729</b>
<b>D. LIABILITIES</b>			
1. Liabilities towards credit institutions	250,958.46		0
<i>thereof with a residual term of more than one year</i>	250,958.46		0
2. Advance payments received on orders	9,582,148.53		11,173
<i>thereof with a residual term of up to one year</i>	2,666,170.34		3,340
<i>thereof with a residual term of more than one year</i>	6,915,978.19		7,833
3. Liabilities from deliveries and services	6,294,308.36		4,680
<i>thereof with a residual term of up to one year</i>	6,248,544.11		4,656
<i>thereof with a residual term of more than one year</i>	45,764.25		24
4. Liabilities to affiliated companies	48,611.15		49
<i>thereof with a residual term of up to one year</i>	48,611.15		49
5. Other liabilities	8,361,258.65		15,178
<i>thereof with a residual term of up to one year</i>	3,407,455.83		5,913
<i>thereof with a residual term of more than one year</i>	4,953,802.82		9,265
<i>thereof from taxes</i>	907,052.39		1,435
<i>thereof with a residual term of up to one year</i>	907,052.39		1,435
<i>thereof for social security</i>	1,801,955.40		1,671
<i>thereof with a residual term of up to one year</i>	1,801,955.40		1,671
		<b>24,537,285.15</b>	<b>31,080</b>
<i>thereof with a residual term of up to one year</i>		12,370,781.43	13,958
<i>thereof with a residual term of more than one year</i>		12,166,503.72	17,122
<b>E. DEFERRED ITEMS</b>			
I. Other		<b>15,346,742.51</b>	<b>13,544</b>
<b>Total Liabilities</b>		<b>169,968,253.38</b>	<b>170,400</b>

## Group consolidated profit and loss statement

1 January 2016 to 31 December 2016

	2016 EUR	2016 EUR	2015 TEUR	2015 TEUR
1. Revenues		45,865,275.13		44,421
2. Funding, research grants and financing Nuclear Engineering				
a) Funding	31,845,067.28		46,494	
b) Research grants	44,861,832.00		44,118	
c) Financing Nuclear Engineering	4,324,785.00	81,031,684.28	4,793	95,405
3. Change in the stock of finished products and not yet billable services		5,831,262.56		- 12,569
4. Other own work capitalized		0.00		13
5. Other operating income				
a) Income from the disposal of fixed assets with the exception of financial investments	24,056.56		661	
b) Income from the reversal of provisions	1,162,177.16		70	
c) Other	9,551,623.82	10,737,857.54	9,222	9,953
6. Expenses for material and other purchased manufacturing services				
a) Material expenses	5,816,327.08		4,219	
b) Expenses for purchased services	12,795,234.15	- 18,611,561.23	13,011	- 17,230
7. Personnel expenses				
aa) Wages	50,350.45		82	
bb) Salaries	61,490,797.48		58,540	
b) Social expenses				
aa) Expenses for pensions	932,124.58		1,196	
bb) Expenses for severance payments and employee pension funds	1,818,126.47		1,341	
cc) statutory social security contributions	16,373,093.63		15,666	
dd) Other social expenditures	1,029,943.85	- 81,694,436.46	1,006	- 77,832
8. Amortization of intangible assets of fixed assets and property, plant and equipment thereof extraordinary depreciation 191,151.24 EUR (2015 0.00 EUR)		- 10,348,974.37		- 9,847
9. Other operating expenses				
a) Taxes, other than under item 19	163,299.71		128	
c) Other	30,427,887.18	- 30,591,186.89	29,017	- 29,145
<b>10. Subtotal of items 1 to 9 (operating result)</b>		<b>2,219,920.56</b>		<b>3,169</b>



## Group consolidated profit and loss statement

1 January 2016 to 31 December 2016

	2016 EUR	2015 TEUR
11. Income from investments	174,000.00	10
12. Income from other securities in financial assets	154,240.42	205
13. Other interest and similar income	308,028.24	159
14. Income from the disposal and amortization of financial assets	490,730.28	96
15. Expenses from financial investments thereof amortizations 9,840.23 EUR (2015 84,427.16 EUR)	- 9,840.23	- 84
16. Interest and similar expenses	- 4,695.93	- 367
<b>17. Subtotal of items 11 to 16 (financial result)</b>	<b>1,112,462.78</b>	<b>19</b>
<b>18 Result before taxes</b>	<b>3,332,383.34</b>	<b>3,188</b>
19. Taxes on income and earnings thereof deferred taxes 454,551.20 EUR (2015 27,595.22 EUR)	253,221.95	- 81
<b>20. Result after taxes = net profit for the year</b>	<b>3,585,605.29</b>	<b>3,107</b>
21. Profit carried forward from previous year	17,202,979.20	14,096
<b>22. Net profit</b>	<b>20,788,584.49</b>	<b>17,203</b>

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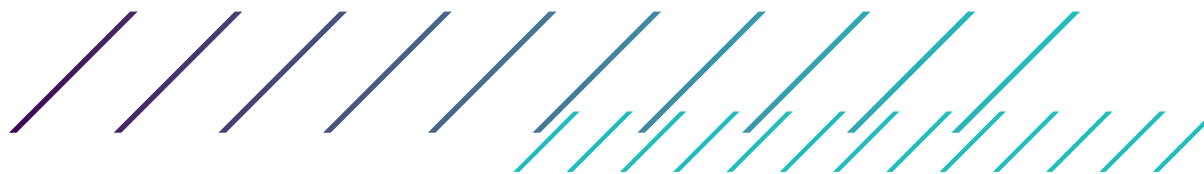
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