

Annual financial report  
2017/18

## Key figures

<b>Burgenland Holding AG</b>		<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>
Balance sheet total	EURm	79.8	80.8	79.8
Equity	EURm	79.8	80.7	79.7
Investment income	EURm	9.5	10.6	9.7
Net income	EURm	9.4	10.5	9.5

<b>Energie Burgenland Group</b>		<b>2017/18 forecast</b>	<b>2016/17</b>
Electricity sales	GWh	1,278	1,258
Natural gas sales	GWh	1,141	1,242
Revenue	EURm	318.5	320.4
Pre-tax profit	EURm	25.8	30.6
Balance sheet total	EURm	868.2	879.7
Equity	EURm	324.6	324.2

## Energising Burgenland Burgenland Holding AG

Burgenland Holding AG holds 49% of the share capital of Energie Burgenland AG. The remaining 51% of the shares are held by Landesholding Burgenland GmbH. The share capital of Energie Burgenland AG amounts to EUR 34.9m.

The shares of Burgenland Holding AG (share capital: EUR 21.8m) are listed on the Official Market of the Vienna Stock Exchange under AT0000640552. EVN AG is the majority shareholder in Burgenland Holding AG and holds an unchanged stake of 73.63% of the share capital, with VERBUND AG holding more than 10% and WIEN ENERGIE GmbH holding between 5% and 10%. All other shareholders hold less than the mandatory reportable threshold of 4%.

# Annual financial report 2017/18

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## Foreword of the Executive Board



Nikolaus Sauer, Klaus Kohlhuber

### **Dear Sir or Madam, dear shareholders,**

The performance of Energie Burgenland AG, and thus also of Burgenland Holding AG, is influenced strongly by the surrounding framework of energy industry and energy policy. After the one-off increase in the dividend payout of Energie Burgenland AG in the past business year, the investment income of Burgenland Holding AG for the 2017/18 financial year was back at the level of previous years.

The reporting period was furthermore marked by significantly warmer temperatures compared to the unusually cold winter in the previous year. The primary energy prices for natural gas and coal in the financial year were above last year's levels. Due to the favourable economic development and the resulting industrial demand for CO<sub>2</sub> emission certificates as well as the further reduction of the availability of emission certificates from 2021 agreed by the European Parliament in February 2018, the prices for CO<sub>2</sub> emission certificates were actually markedly higher than last year. In line with the favourable economic development and the price increase of emission certificates, the spot and forward prices of base load and peak load electricity also rose last year.

The shares of Burgenland Holding AG again performed very well during the reporting period. Not only did the transaction volume rise, but the share price of Burgenland Holding AG recorded an increase of 6.8%.

The Executive Board of Burgenland Holding AG will propose to the Annual General Meeting a dividend of EUR 3.15 per share for the 2017/18 financial year.

Based on the forecasted profits of the associated company Energie Burgenland AG for 2017/18, investment income for the 2018/19 financial year of Burgenland Holding AG is expected to remain basically unchanged from the reporting year.

Eisenstadt, 4 December 2018

Handwritten signature of Klaus Kohlhuber in black ink.

Klaus Kohlhuber  
Member of the  
Executive Board

Handwritten signature of Nikolaus Sauer in black ink.

Nikolaus Sauer  
Member of the  
Executive Board

# Report of the Supervisory Board to the 30<sup>th</sup> Annual General Meeting

Within the reporting period, the Supervisory Board performed the duties and obligations prescribed by law and laid down in the by-laws in four plenary sessions as well as by three circular resolutions. The Supervisory Committee of the Supervisory Board was convened twice in the 2017/18 financial year. The Supervisory Board's Personnel Committee, which at the same time acts as Nominating and Compensation Committee, passed one circular resolution in the reporting year.

The Executive Board informed the Supervisory Board in a regular, timely and comprehensive manner about all relevant matters relating to business performance, including the risk situation and the risk management of the Company as well as the associated company Energie Burgenland AG. On the basis of those reports in particular, the Supervisory Board continuously monitored and supported the management activities of the Executive Board. Monitoring occurred in the context of an open exchange between the Executive Board and the Supervisory Board and did not give rise to any complaints. Suggestions by the Supervisory Board were taken into consideration by the Executive Board.

## Significant resolutions of the Supervisory Board

The significant resolutions of the Supervisory Board in the 2017/18 financial year, besides the adoption of the annual accounts and the approval of the 2018/19 budget, included above all determining the voting behaviour of Company representatives at the Annual General Meetings of Energie Burgenland AG.

## Austrian Code of Corporate Governance, Committees of the Supervisory Board

In its meeting on 4 December 2018, the Supervisory Board, based on the report of the Supervisory Committee pursuant to § 96 AktG (Austrian Companies Act), examined the Corporate Governance Report in accordance with the opinion issued by the Austrian Financial Reporting and Auditing Committee; this review did not give rise to any complaints.

As a listed company, Burgenland Holding AG is committed to complying with the Austrian Code of Corporate Governance. The Supervisory Board put into effect the Austrian Code of Corporate Governance as amended in January 2018 for Burgenland Holding AG as of 16 March 2018. The Supervisory Board endeavours to consistently comply with those regulations of the Code which apply to the Supervisory Board.

As a result, all rules affecting the cooperation of the Supervisory Board with the Executive Board as well as the Supervisory Board itself are being followed with two exceptions that are described accordingly in the Corporate Governance Report.

As required by the Austrian Code of Corporate Governance, the Supervisory Board conducted a self-evaluation of its activities in the reporting year. This was carried out on the basis of a written questionnaire covering mainly the organisation and work methods of the Supervisory Board. The findings of the survey were discussed in a plenary session.

## Annual accounts

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, the auditors appointed for the 2017/18 financial year from 1 October 2017 to 30 September 2018, audited Burgenland Holding AG's annual financial statements as of 30 September 2018, which were prepared in accordance with Austrian financial reporting requirements, and the Management Report. It provided a written report of the audit and conferred its unqualified opinion.

The Supervisory Board received and reviewed the auditor's report. Pursuant to § 92 AktG, the Supervisory Board's Supervisory Committee reported to the Supervisory Board on the result of the audit and its implications for financial reporting as well as on the additional reporting by the auditors pursuant to Article 11 of EU Regulation No. 537/2014.

Following a review and discussion in the Supervisory Committee and by the Supervisory Board, the Supervisory Board approved the financial statements as of 30 September 2018, including all notes, Management Report and Corporate Governance Report as well as the recommendation concerning the application of profits as presented by the Executive Board. Therefore, the financial statements as of 30 September 2018, are deemed completed pursuant to § 96 para 4 Austrian Companies Act (AktG).

In conclusion, the Supervisory Board would like to express its gratefulness to the Executive Board for its efforts in the 2017/18 financial year.

Eisenstadt, 4 December 2018  
For the Supervisory Board



The Chairman  
Stefan Szyszkowitz

# Corporate Governance Report (pursuant to § 243b UGB)

## Commitment to the Austrian Code of Corporate Governance

Burgenland Holding AG is an Austrian public limited company listed on the Vienna Stock Exchange. Besides the applicable regulations of Austrian law, in particular the Companies Act and Capital Markets Act, corporate governance is governed by the By-Laws of Burgenland Holding AG, the Austrian Code of Corporate Governance (ACCG) – see [www.corporate-governance.at](http://www.corporate-governance.at) – as well as the rules of procedure of corporate bodies.

The Executive and Supervisory Boards of Burgenland Holding AG are bound by the Principles of Good Corporate Governance and thus fulfil the expectations of Austrian and international investors with regard to responsible and transparent corporate governance and management control with a long-term perspective. As of 16 March 2018, Burgenland Holding AG has fully submitted to the ACCG as amended in January 2018.

The standards of the ACCG are subdivided into three groups: The first category (Legal Requirements) is based exclusively on mandatory legal provisions and has to be applied by all listed Austrian companies and is also fulfilled to the letter by Burgenland Holding AG. Non-compliance with C-Regulations (Comply-or-Explain) is possible, but has to be justified publicly. Burgenland Holding AG is posting such declarations in this report as well as on its homepage. R-Regulations (Recommendation), by contrast, are of purely recommendatory character and deviations do not require any explanation.

Since the Company is not obliged to prepare consolidated group accounts, IFRS are not applicable to Burgenland Holding AG. Reporting is effected pursuant to applicable Austrian financial reporting requirements; Regulations 65, 66, 69 and 70 of the ACCG are not applied.

The Executive and Supervisory Boards of Burgenland Holding AG declare, notwithstanding the deviations and explanations listed below, full and complete compliance with the C-Regulations of the ACCG; there are also only isolated

deviations from R-Regulations. The Corporate Governance Report of Burgenland Holding AG is available at [www.buho.at/corporate-governance-report](http://www.buho.at/corporate-governance-report).

### Deviations from C-Regulations

Due to the special character of the Company, Burgenland Holding AG deviates from the following C-Regulations of the ACCG:

**Regulation 16:** No member of the Executive Board was elected Chairman. The Company is a holding with a minor extent of operating business activities. Given a two-member Executive Board, appointing a Chairman of the Executive Board would also entail certain disadvantages. Therefore, the Supervisory Board chose not to make such appointment. As this is not subject to any temporal restrictions, changes can be made at any time. The Executive Board acts as a collegial body and has always adopted its resolutions unanimously.

**Regulation 27:** The remuneration of the Executive Board does not contain any variable components. The size of the Company, the limited influence on investment income as well as the character of the position as sideline employment are good arguments for a simplified remuneration scheme. Therefore, the Supervisory Board chose not to stipulate any provisions to this effect. As this is not subject to any temporal restrictions, changes can be made at any time. Fixed remuneration as currently in place has proved suitable.

**Regulation 37:** The Chairman of the Supervisory Board communicates with the Executive Board as a whole. The Company is a holding with a minor extent of operating business activities. The Supervisory Board therefore refrained from appointing a Chairman of the Executive Board (see justification of Regulation 16). As this is not subject to any temporal restrictions, changes can be made at any time. Coordination of strategy, business development as well as risk management with the full Executive Board has worked very smoothly given the limited number of business transactions.

# Corporate bodies

## Executive Board



### Klaus Kohlhuber

Born in 1972, Doctor iuris, Head of Corporate Investment Management of EVN AG, management positions in domestic and foreign EVN Group companies, Member of the Executive Board of Burgenland Holding AG since 2011.

Initial appointment: 5 September 2011

End of current term: 4 September 2021

In accordance with the disclosure required by Regulation 16 of the ACCG, he holds two Supervisory Board mandates in other companies.<sup>1)</sup>



### Nikolaus Sauer

Born in 1969, Magister iuris, Senior officer at Wasserleitungsverband Nördliches Burgenland, Member of the Executive Board of Burgenland Holding AG since 2008 and Managing Director of WLW GmbH.

Initial appointment: 25 February 2008

End of current term: 24 February 2023

No Supervisory Board mandates or comparable functions pursuant to Regulation 16 of the ACCG.

In the reporting period expenses for each of the members of the Executive Board amounted to EUR 4,400.00, totalling EUR 8,800.00 (previous year total Executive Board: TEUR 8.8).

## Members of the Supervisory Board<sup>2)</sup>

Name (year of birth)	Appointment	Other functions	Independence Regulation 53 <sup>3)</sup>
Stefan Szyszkowitz (1964) Chairman	from 11.03.2011	Spokesman of the Executive Board of EVN AG, Supervisory Board member of VERBUND AG and Austrian Post AG	yes
Felix Sawerthal (1954) Vice-Chairman	from 09.12.1996	Head of Secretariat General and Corporate Affairs of EVN AG	yes
Michael Amerer (1963)	from 31.03.2005	Managing Director VERBUND Hydro Power GmbH	yes
Rita Heiss (1969)	from 16.03.2018	Divisional Manager Finance and Accounting of Flughafen Wien AG	yes
Martin Krajcsir (1963)	until 16.03.2018	Managing Director of WIENER STADTWERKE GmbH	yes
Johannes Lang (1973)	from 20.03.2015	Head of Group Accounting of EVN AG	yes
Franz Mittermayer (1958)	from 16.03.2018	Member of the Executive Board of EVN AG	yes
Georg Reitter (1955)	until 16.03.2018	Head of Business segment Energy of EVN AG	yes
Christoph Schmidt (1988)	until 16.03.2018	Managing Director of SWITCH Energievertriebsgesellschaft m.b.H.	yes
Jörg Sollfelner (1974)	from 18.03.2016	Managing Director of ENERGIEALLIANZ Austria GmbH	yes
Ute Teufelberger (1977)	from 21.03.2014	Business segment Energy of EVN AG	yes
Peter Weinelt (1966)	from 16.03.2018	Managing Director of WIENER STADTWERKE GmbH Supervisory Board member of VERBUND AG	yes

1) EVN Macedonia AD, Netz Niederösterreich GmbH

2) The term of the Members of the Supervisory Board elected by the Annual General Meeting ends upon conclusion of the Annual General Meeting deciding the 2017/18 business year.

3) The freefloat of Burgenland Holding AG is about 7%. Regulation 54 therefore does not apply.

### Committees of the Supervisory Board

Both, the Supervisory Committee and the Personnel Committee consist of the following members of the Supervisory Board:

Stefan Szyszkowitz (Chairman),  
Felix Sawerthal (Vice-Chairman),  
Johannes Lang,  
Franz Mittermayer (from 16 March 2018) and  
Georg Reitter (until 16 March 2018).

### Compensation scheme for the Supervisory Board

Compensation of the Supervisory Board was generally revised in the 27<sup>th</sup> Annual General Meeting. The remuneration consists of a total lump sum of EUR 14,100.00 per year as well as meeting fees, which were set at EUR 200.00 per participating member of the Supervisory Board per meeting. The Supervisory Board was authorised to distribute the remuneration of the Supervisory Board among its members according to each member's respective function.

Of the lump sum remuneration of the Supervisory Board in the amount of EUR 14,100.00 per year, the Chairman receives EUR 3,000.00, the Vice-Chairman receives EUR 2,000.00, and the seven members of the Supervisory Board are paid EUR 1,300.00 each.

The following amounts were paid to the individual members of the Supervisory Board in this business year:

Name (function)	Compensation in EUR
Stefan Szyszkowitz (Chairman)	4,000.00
Felix Sawerthal (Vice-Chairman)	2,800.00
Michael Amerer	2,300.00
Leopold Buchmayer	650.00
Rita Heiss	400.00
Martin Krajcsir	1,500.00
Johannes Lang	2,100.00
Franz Mittermayer	600.00
Georg Reitter	1,300.00
Christoph Schmidt	850.00
Jörg Sollfelner	2,100.00
Ute Teufelberger	2,300.00
Peter Weinelt	400.00

### Management of the Company by the Executive Board

The Executive Board of Burgenland Holding AG is comprised of two members. On its own responsibility, the Executive Board has to manage the Company in such a manner as is required by the purpose and the viability of the Company taking into account the interests of shareholders and employees as well as public interest. Its actions are based on legal regulations and the By-laws as well as the Rules of Procedure for the Executive Board as laid down by the Supervisory Board. Further important rules of conduct are stipulated by the ACCG.

In matters requiring consent stipulated as such by law or resolution of the Supervisory Board, the Executive Board has to obtain the consent of the Supervisory Board. The Rules of Procedure contain an extensive catalogue of such matters.

### Reporting duties of the Executive Board

The Executive Board has to report to the Supervisory Board in accordance with the provisions of organisational law. The reporting obligation specified therein applies also towards

Committees of the Supervisory Board. The reporting duties of the Executive Board also include quarterly reports about the situation of the Company as well as information on important matters concerning associated companies.

Communication between Executive Board and Supervisory Board is effected in the course of meetings of the Supervisory Board, its Committees as well as in writing if called for. Moreover, continuous coordination between the Executive Board and the Chairman of the Supervisory Board occurs with regard to those activities which fall within the purview of the Supervisory Board. This includes, above all, the preparation of meetings.

### Shareholders and Annual General Meeting

Shareholders exercise their rights and cast their votes in the Annual General Meeting. Each share of Burgenland Holding AG confers one vote. There are no shares with multiple or preferred voting rights. The Annual General Meeting makes all decisions defined by law or the Company's By-laws. It votes on the distribution of net profits as well as on the discharge of the members of the Executive Board and the Supervisory Board and elects the auditor as well as the members of the Supervisory Board. Suggested changes to the By-laws as well as planned capital measures also have to be presented to the Annual General Meeting. The voting results as well as the agenda of the 29<sup>th</sup> Annual General Meeting of Burgenland Holding AG of 16 March 2018, can be found on the homepage of Burgenland Holding AG ([www.buho.at](http://www.buho.at)).

### Clear separation of Company management and supervision

The Austrian Companies Act (AktG) prescribes a two-tier governance system. It provides for a clear separation of members of the executive body (Executive Board) and monitoring body (Supervisory Board). Simultaneous membership in both bodies is not admissible.

### Supervisory Board

As of 30 September 2018, the Supervisory Board of Burgenland Holding AG comprises a total of nine members elected by the Annual General Meeting. The Supervisory Board is headed by the Chairman and a Vice-Chairman, which the Supervisory Board elects from within its own members.

The independence of the individual members of the Supervisory Board according to Regulation 53 of ACCG can be seen from the list on page 6. The Supervisory Board exercises its functions in accordance with the provisions of the Austrian Companies Act as well as the Company By-laws. Furthermore, its actions are based on the Rules of Procedure for the Supervisory Board as well as ACCG.

In particular, the Supervisory Board is charged with supervising the Executive Board, from which it can request a report on Company matters at any time. The range of transactions requiring consent by law (§ 95 AktG) can be expanded by resolutions of the Supervisory Board. Such a catalogue can be found in relevant Rules of Procedure for the Executive and the Supervisory Board. The Supervisory Board addresses the efficiency of its activities, in particular its organisation and procedures, on a yearly basis. This self-evaluation is conducted based on a written questionnaire as well as oral discussions.

### Independence of the Supervisory Board

A member of the Supervisory Board shall be deemed independent if he or she has no business or personal relations with

the Company or its Executive Board which would constitute a material conflict of interest and thus could influence the member's behaviour. In case such a conflict exists, the ACCG provides for transition periods of several years.

The guidelines concerning the independence of the elected members of the Supervisory Board therefore stipulate that the Supervisory Board member

1. shall not have any business or personal relations with Burgenland Holding AG or its Executive Board which would constitute a material conflict of interest and thus could influence the member's behaviour.
2. shall not have served as a member of the Executive Board or as an executive of Burgenland Holding AG in the past five years.
3. shall not maintain or have maintained in the past year any business relations with Burgenland Holding AG of significant extent. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest, but shall not apply to the exercise of functions pertaining to corporate bodies within the Group. The approval of individual transactions by the Supervisory Board according to L-Regulation 48 of ACCG does not automatically qualify the person as not independent.
4. shall not have been auditor of Burgenland Holding AG or have owned a share in or worked for the auditing company in the past three years.
5. shall not be a member of the Executive Board of another company in which a Executive Board member of Burgenland Holding AG is a Supervisory Board member.
6. shall not serve or have served on the Supervisory Board for more than 15 years. This shall not apply to members of the Supervisory Board who are shareholders with an entrepreneurial investment or represent the interests of such a shareholder.
7. shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Executive Board member or of persons in one of the aforementioned positions.

#### Focus of activities of the Supervisory Board

Within the reporting period, the Supervisory Board performed the duties and obligations prescribed by law and laid down in the By-laws in four plenary sessions as well as by three circular resolutions.

Of all the significant resolutions of the Supervisory Board – besides the adoption of the annual accounts for 2016/17 and the approval of the 2018/19 budget – determining the voting behaviour of Company representatives at the Annual General Meeting of Energie Burgenland AG has to be pointed out specifically.

The ACCG as amended in January 2018 was put into effect for Burgenland Holding AG as of 16 March 2018.

The Supervisory Board addresses the efficiency of its activities, in particular its organisation and procedures, on a yearly basis. This self-evaluation is conducted based on a written questionnaire as well as oral discussions.

The Supervisory Board has acknowledged the report on the current implementation of Regulation (EU) No 596/2014 (Market Abuse Regulation) as well as the report on precautions taken to fight corruption in the Company pursuant to Regulation 18a of

the ACCG. Moreover, the Supervisory Board once again examined potential conflicts of interest and found none to exist. Due to the premature departure of three members, the Annual General Meeting appointed three new members of the Supervisory Board.

The attendance rate of all members of the Supervisory Board at its meetings amounted to 83.3% on average.

#### Functioning of the Committees of the Supervisory Board

The Supervisory Board will exercise its functions in plenary session unless individual matters are assigned to committees of the Supervisory Board which prepare for the latter negotiations and resolutions, monitor the implementation of its resolutions or decide on matters specifically assigned by the Supervisory Board. At the moment, the following committees have been set up in the Supervisory Board of Burgenland Holding AG, each of which consists of four elected members of the Supervisory Board.

The Supervisory Committee performs the following tasks:

- monitoring the accounting process as well as providing recommendations or suggestions to safeguard its reliability;
- monitoring the effectiveness of the internal control system, and of the internal audit system, if applicable, and the Company's risk management system;
- monitoring the audit, taking into account findings and conclusions in the reports of the audit regulatory body;
- examining and monitoring the independence of the auditors, especially with regard to additional services provided for the audited company; furthermore, Article 5 para 5 of Audit Regulation (EU) 537/2014 has to be observed;
- reporting to the Supervisory Board on the result of the audit and outlining how the audit contributed to the reliability of financial reporting as well as the Supervisory Committee's role in this context;
- auditing the annual accounts and preparing its adoption, examining of the proposal for the distribution of profits, the Management Report and, if applicable, of the Corporate Governance Report as well as reporting to the Supervisory Board about the findings of the audit;
- carrying out the process of selecting the auditor with regard to appropriate fees as well as recommending the appointment of such auditor to the Supervisory Board; Article 16 of Audit Regulation (EU) 537/2014 shall apply here.

The Supervisory Committee includes the financial expert required by law and Regulation 40 of the ACCG. The members of the Supervisory Committee are all familiar with the sector in which the Company operates. The Supervisory Committee of the Supervisory Board was convened twice in the 2017/18 financial year.

The Personnel Committee performs the duties of a nominating and a compensation committee and deals with personnel matters related to the members of the Executive Board including the planning of succession. The Personnel Committee is responsible for all matters regarding the relations between the Company and the members of the Executive Board with the exception of such matters where it is mandatory for the entire Supervisory Board to be involved.

The Supervisory Board's Personnel Committee in its capacity Compensation Committee includes a member with know-how and experience in the area of compensation policy (Regulation 43

of the ACCG). Within the reporting period, the Personnel Committee passed a circular resolution regarding the extension of an Executive Board position.

#### Compensation report

**Compensation system for executives (Regulation 28a):** Since the Company does not have any employees of its own, Regulation 28a is not applicable.

**Stock options (Regulation 29):** Burgenland Holding AG does not have a stock option scheme for members of the Executive Board.

**Profit participation of the Executive Board (Regulation 30):** There are no variable compensation components of the Executive Board within the Company. Likewise, there is no corporate pension scheme and no entitlement/claim of the Executive Board upon termination of their functions. The fixed components of total compensation therefore account for 100%.

**Directors and Officers liability insurance (D&O insurance, Regulation 30):** Burgenland Holding AG does not have separate D&O insurance. As an associated company of EVN AG, its corporate bodies are included in the latter's D&O insurance.

**Compensation of the Executive Board (Regulation 31):** Total expenditure on members of the Executive Board in the reporting period amounted to EUR 4,400.00 each, thus EUR 8,800.00 in total (total for Executive Board in the previous year: TEUR 8.8).

**Contracts of members of the Supervisory Board requiring consent (Regulation 48):** In the 2017/18 financial year, one contract exceeding minor amounts of remuneration was concluded with EVN AG, in which several members of the Supervisory Board have a material economic interest:

Starting in the middle of the business year, the Company's liquid funds were invested with EVN AG mostly under an investment agreement with a commitment period of several months. Total income in the 2017/18 financial year amounted to EUR 8,800.00.

From past business years, the following contracts exceeding minor amounts of remuneration were concluded with EVN AG, in which several members of the Supervisory Board have a material economic interest:

Until the middle of the business year, the Company's liquid funds were invested with EVN AG mostly under an investment agreement with a commitment period of several months; total income in the 2017/18 financial year amounted to EUR 13,559.43.

Since the Company does not have any employees of its own, administration of the Company is conducted by EVN AG via service relationships, which, for example, comprise the areas of accounting, legal affairs, management accounting, cash management and investment management; total remuneration in the 2017/18 financial year amounted to EUR 105,082.00.

Starting with the 2013/14 business year, the Company has been part of a group of companies in accordance with § 9 KStG (Austrian Corporation Tax Act), with NÖ Landes-Beteiligungsholding GmbH as the group parent. For this purpose, a consolidated tax

sharing agreement was concluded with EVN AG in September 2014. A tax allocation of EUR 50,528.48 was recorded for the 2017/18 financial year in favour of Burgenland Holding AG.

**Compensation scheme for the Supervisory Board (Regulation 51):** Please refer to notes on the Supervisory Board on page 7.

**Directors' Dealings (Regulation 73):** In the 2017/18 financial year, no purchases regarding shares of Burgenland Holding AG were reported to Burgenland Holding AG or the Financial Markets Authority by persons with an executive position within Burgenland Holding AG or persons with close relations to the former under Article 19 of the Market Abuse Directive.

#### Measures to promote women on the Executive Board, the Supervisory Board and in executive positions

As the Company does not have any employees of its own or any executive employees, no specific promotion measures are planned; improvements in this regard can only be achieved when filling the vacant positions of its corporate bodies. One position on the Executive Board was extended in the past business year while three Supervisory Board positions were newly appointed. With Ms. Rita Heiss, a further woman was elected to the Supervisory Board.

#### Issuer compliance

In accordance with the provisions of Regulation (EU) No. 596/2014 (Market Abuse Regulation), the Austrian Companies and Stock Exchange Acts, as well as the EU's Market Abuse Directive, Burgenland Holding AG has an extensive set of internal rules in place aimed at preventing the abuse of insider information. Two permanent confidentiality areas existed in the 2017/18 financial year.

This area is monitored and administered by a Compliance Officer, who reports directly to the Executive Board. The employees concerned undergo training on a regular basis. The regular inspections by the Compliance Officer did not result in any complaints in the 2017/18 financial year.

#### Code of Conduct of Burgenland Holding AG

In order to safeguard its good reputation and its financial success, Burgenland Holding AG is fully committed to integrity and law-abiding conduct of its own business activities and those of its business partners. This claim is manifested in the Company's Code of Conduct, which can also be downloaded from the Company's homepage. Furthermore, a compliance management system headed by a Compliance Officer was established.

In a separate item on the agenda of its meeting on 7 December 2017, the Supervisory Board was informed about content, goals, and current status of the compliance organisation, thus complying with Regulation 18a of the ACCG.

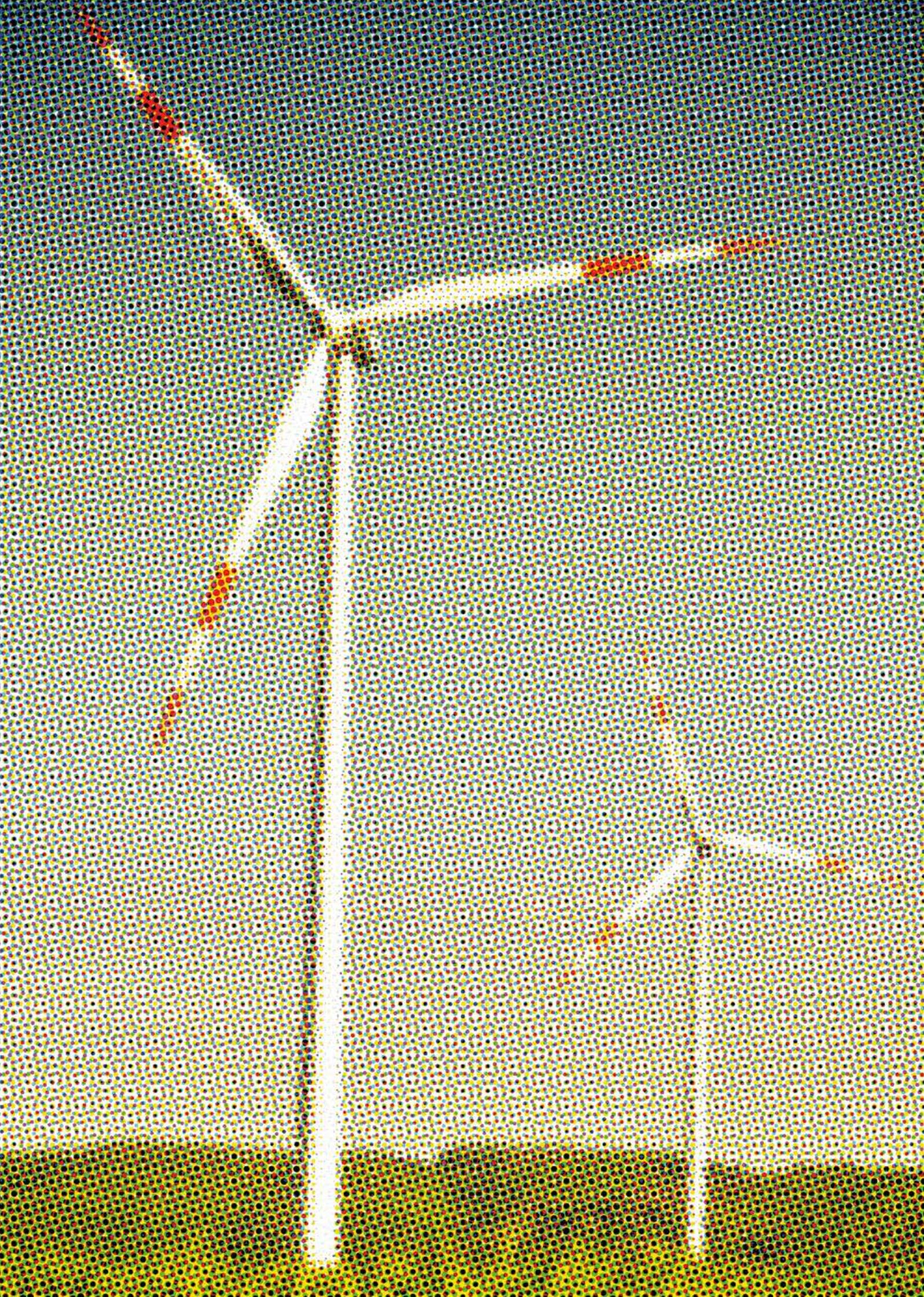
Eisenstadt, 16 November 2018



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board



# Energie Burgenland Group

## Business development 2017/18 (forecast)<sup>1)</sup>

### 1 October 2017 – 30 September 2018

#### Highlights

- Feed-in of additional wind power into the electricity grid by commissioning the Bruckneudorf transformer station in December 2017
- New natural gas pressure reduction station in Jois
- Approval of Netz Burgenland as combined grid operator by E-Control
- Construction of the Parndorf V wind park
- Start of public participation model Parndorf
- Mass rollout of smart meters in the districts of Jennersdorf and Güssing completed; Oberwart district nearing completion; start of installation in the districts of Mattersburg and Oberpullendorf

The generation of ecological energy remains one focus of Energie Burgenland. Thus, 219 wind parks<sup>2)</sup> with a total capacity of 502 MW<sup>3)</sup> produce around 1,000 GWh of ecological electricity per year.

#### Energy sales and supply

In the 2017/18 business year, electricity sales volumes by Energie Burgenland Vertrieb GmbH & Co KG rose to 1,278 GWh, an increase of 1.6% compared to the volume in the corresponding period of the previous year. Grid sales volumes, by contrast, dropped to 1,834 GWh, 0.4% less than in the 2016/17 business year.

Natural gas sales volumes will amount to 1,141 GWh, thus 8.1% below last year's levels. Compared to the previous year, grid sales volumes will also decline 4.6% to 2,360 GWh.

#### Income situation

Revenue of Energie Burgenland Group is expected to amount to EUR 318.5m, which corresponds to a decrease of 0.6% compared to the previous period. Pre-tax profit is forecast to amount to EUR 25.8m, representing a drop of 15.8% compared to the previous year.

#### Financial situation

The net cash flow from operating activities will amount to EUR 61.9m, with operating cash flow expected to come in at EUR 76.1m.

#### Balance sheet and capital structure

As of 30 September 2018, the balance sheet total is estimated to amount to EUR 868.2m, with non-current assets

(EUR 695.7m) accounting for 80.1% of total assets. Shareholders' equity will amount to EUR 324.6m, resulting in an equity ratio of 37.4%. Taking into account construction and investment grants, the equity ratio will rise to 52.2%.

#### Outlook

The 2018/19 business year will see further expansion of ecological electricity infrastructure in the wind energy sector (expansion of the Zurndorf transformer station, capacity increase at the Pama transformer station). In addition, specific projects will be developed in connection with "Repowering".

As a result of higher procurement prices and the dissolution of the price zone with Germany the prices of electricity and natural gas will be raised in the standard-rate customer segment (electricity: 15%, natural gas: 5%) as of 1 October 2018.

The strategy regarding biomass will be reshaped: Electricity production will be abandoned gradually over the next few years so that the exclusive focus will be on district heating. EUR 15.9m is to be invested in this field in the 2018/19 business year.

For the 2018/19 business year, investments in the electricity grid, the natural gas grid and the wind energy sector are planned to amount to EUR 61.2m, EUR 10.2m and EUR 8.8m, respectively.

#### Energie Burgenland – Group

		<b>2017/18 forecast</b>
Electricity sales volumes	GWh	1,278
Grid sales (electricity)	GWh	1,834
Natural gas sales volumes	GWh	1,141
Grid sales (natural gas)	GWh	2,360
Revenue	EURm	318.5
Pre-tax profit	EURm	25.8
Balance sheet total	EURm	868.2
Equity	EURm	324.6
Operating cash flow	EURm	76.1

1) At the time of printing, the final financial statements of Energie Burgenland AG as of 30 September 2018 were not yet available. Therefore, the data presented here are preliminary and are based on forecasts as well as the interim statements as of 30 June 2018.

2) Number of wind turbines are calculated in line with the Company's share in the wind parks.

3) Total capacity is calculated in line with the Company's share in the wind parks.



# Management report

## Energy policy environment

The framework of energy policy in Austria is determined largely by European energy and climate policy, the resulting goals and their implementation on a national level. The interaction of the European actors within the energy sector – such as the Agency for the Cooperation of Energy Regulators (ACER) or the Energy Community – have a significant influence on the framework of energy policy.

### European energy and climate policy

As early as 2011, the European Council had set the goal to reduce greenhouse gas emissions by 2050 by 80% to 95% compared to 1990 levels. Based on this, the Council defined the following additional goals by 2030 in the climate and energy framework established in 2014:

- Reduction of greenhouse gas emissions by at least 40% (compared to 1990)
- Increase of the share of renewable energy in the total energy mix to at least 27%
- Increase in energy efficiency by at least 27%
- Cross-border electricity interconnectors in the amount of at least 15% of domestic generation capacity
- Increase in supply security of natural gas

In November 2016, the European Commission presented draft legislation on “Clean Energy for All Europeans” intended to contribute to meeting the European goals. Following consideration by the European Parliament and the Council, it is expected to pass by the end of 2018. The package of measures concerns above all the following areas: design of the electricity market, cross-border cooperation, feed-in of electricity and heat from renewable sources, supply security of electricity, control of the future energy union, as well as energy efficiency.

In February 2018, the European Parliament passed a resolution to further reduce the availability of CO<sub>2</sub> emission certificates from 2021, which led to an increase in the prices of CO<sub>2</sub> emission certificates already in the 2017/18 financial year.

### Climate and energy strategy of the Austrian Federal Government

In June 2018, the Austrian Federal Government presented its climate and energy strategy under the title of #mission2030. As part of this strategy, it aims – besides other goals – to exit fossil energy industry (decarbonisation) by the year 2050 and thus lays the foundation for the development of an integrated energy and climate plan. In doing so, Austria is in compliance with the requirements for EU Member States to present to the EU Commission measures to implement their climate goals.

Austria is setting itself the goal to increase the share of renewable energy to 45% to 50% of its primary electricity demand by 2030. Furthermore, by 2030, 100% of total electricity consumption (national balance) is to be covered from renewable energy sources. Control and balancing energy to stabilise grid operations are not to be taken into account for this calculation.

Greenhouse gas emissions of those sectors which are not subject to EU emission trading are to be reduced by 2030 by 36% compared to 2005. The focus here will be on traffic and buildings.

In the area of energy efficiency, Austria is setting itself the goal of improving primary energy intensity by 25% to 30% compared to 2015 also by 2030.

#mission2030 contains a total of ten flagship projects that include very specific measures to implement the Austrian climate and energy strategy. The most relevant of those with regard to business operations of the stake in Energie Burgenland AG are the titles “E-Mobility Offensive”, “Thermal Building Refurbishment”, “Renewable Heat”, “100,000 Roofs-Photovoltaics-and-Small-Storage-Units Programme”, as well as “Renewable Hydrogen and Biomethane”.

### Austrian legislation on ecological electricity

The special allocation of subsidies passed by the Austrian National Assembly in June 2017 as part of the “Small Amendment to the Green Electricity Act” for subsidising the construction of wind parks created an interim solution to work off waiting lists of projects that have already been approved by the authorities.

The climate and energy strategy of the Austrian Federal Government now also provides for a redesign of the legal framework for the expansion of electricity generation from renewable resources. Thus, a new Austrian Energy Act is to come into effect on 1 January 2020, which will, above all, adapt the existing subsidy model to the EU Directive on Energy and Environmental Aid Guidelines.

### German-Austrian electricity price zone

Electricity trade between Austria and Germany, which had been unrestricted since 2002, has been subject to bottleneck management since 1 October 2018, providing for a long-term capacity cap of 4.9 GW between the two countries. Furthermore, the Austrian transmission system operators for electricity has been obliged since 1 October 2018, to contribute to the stabilisation of German transmission systems in the amount of up to 1.0 GW; as of 1 October 2019, this contribution is to rise to 1.5 GW.

### Regulatory environment

Within Energie Burgenland Group, the operation of distribution networks and grid infrastructure for electricity and natural gas in Burgenland is the responsibility of Netz Burgenland GmbH. Any investments and expenditures of the latter that are aimed at safeguarding a functioning grid infrastructure are reimbursed by grid rates which are determined annually by the E-Control Commission in accordance with Austrian regulation methods.

Essential parameters in determining grid rates include the regulatory asset base and the weighted cost-of-capital rate. In addition, productivity factors are defined as a regulatory incentive to function as cost reduction targets while taking into account adjustments for inflation. E-Control always stipulates the weighted cost-of-capital rate and the cost reduction targets for an entire regulation period. In Austria, this extends over 5 years.

Starting with the new regulation period for the natural gas grid on 1 January 2018, the regulator has lowered the weighted cost-of-capital rate in view of generally lower interest rates, but for the first time differentiated between efficiency levels of grid operators as well as between existing and new plants in order to create incentives for further investments and improving efficiency. This way, grid operators whose productivity and/or capital base for new investments are above industry levels benefit from slightly higher returns. In an industry-wide comparison, the grid company of Energie Burgenland AG enjoys a very favourable rating by the regulator in terms of productivity.

A new five-year regulation period for the electricity grid will commence on 1 January 2019.

## General business and energy sector environment

### General business environment

After the economy in the European Union managed to grow by 2.4% in 2017, the growth forecasts for 2018 and 2019 are slightly lower again at 2.0% to 2.3% and 1.8% to 2.0%, respectively. Currency crises in some emerging Eastern European economies, America's unclear stance on trade policy, and the so far unsuccessful search for a procedure for Brexit in 2019 are currently unsettling world trade. On the other hand, the still very favourable situation in the labour markets in Europe as well as in the US are supporting domestic economies. Likewise, Europe's continued expansive monetary policy is providing a positive impulse.

Against the backdrop of a slowing economy in the Eurozone since the beginning of the year, the pace of expansion has decelerated recently in Austria as well. In an international comparison, however, growth has so far proved to be robust: Even though the peak of the upward development appears to have been passed, the Austrian economy is still dynamic. Driven by a sharp increase in employment, a rise in real wages and high consumer confidence, private consumption represents an important pillar of growth in this context. Overall, economic researchers are thus expecting GDP to grow by 2.7% to 3.0% and 1.7% to 2.0% in the years 2018 and 2019, respectively.

### Energy sector environment

The performance in the energy sector of Energie Burgenland AG is determined largely by external factors. With regard to household customers, it is mostly weather conditions that are relevant for the demand for electricity, natural gas, and heat, while the demand of industrial customers is determined mainly by the economic development.

The 2017/18 financial year was marked by significantly warmer temperatures in the markets relevant for Energie Burgenland AG compared to the unusually cold winter in the previous year. In Austria, heating degree day totals – this indicator defines the heating-based demand for energy – were 12.9 percentage points lower than last year. By contrast, the cooling-based demand for energy showed an opposite development: cooling degree day totals – the cooling-related counterpart of heating degree day totals – in Austria were 13.9 percentage points higher than last year.

Mainly as a result of higher crude oil prices, which in turn were caused by the favourable economic development and OPEC's production cuts, the average EEX price for natural gas in the 2017/18 financial year increased by 24.7% compared to last year, to EUR 21.6 per MWh. The average price of coal also rose

4.1% to EUR 77.7 per tonne, driven mostly by a general rise in primary energy prices. At EUR 12.6 per tonne in the reporting period, the prices for CO<sub>2</sub> emission certificates showed a marked increase on last year's levels of EUR 5.3 per tonne. This was mainly due to the favourable economic development and the resulting industrial demand for CO<sub>2</sub> emission certificates as well as the further reduction of the availability of CO<sub>2</sub> emission certificates from 2021 agreed by the European Parliament in February 2018.

The spot and forward prices of base load and peak load electricity also rose sharply last year in line with the favourable economic development and the price increase of emission certificates: On average, the forward prices of base load electricity rose 20.9% compared to the previous period, to EUR 34.1 per MWh, with the prices of peak load electricity going up by 20.4% to EUR 42.2 per MWh. Likewise, the average spot prices of base load electricity rose 11.0% to EUR 39.2 per MWh compared to last year, and those of peak load electricity increased 10.6% to EUR 47.5 per MWh.

### Energy sector environment – indicators

		2017/18	2016/17
<b>Heating-related energy demand<sup>1)</sup></b>	%	101.8	114.7
<b>Cooling-related energy demand<sup>1)</sup></b>	%	105.2	91.3
<b>Primary energy and CO<sub>2</sub> emission certificates</b>			
Crude oil – Brent	EUR/Barrel	58.3	46.1
Natural gas – NCG <sup>2)</sup>	EUR/MWh	21.6	17.3
Hard coal – API#2 <sup>3)</sup>	EUR/t	77.7	74.6
CO <sub>2</sub> emission certificates	EUR/t	12.6	5.3
<b>Electricity – EEX forward market<sup>4)</sup></b>			
Base load	EUR/MWh	34.1	28.2
Peak load	EUR/MWh	42.2	35.0
<b>Electricity – EPEX spot market<sup>5)</sup></b>			
Base load	EUR/MWh	39.2	35.3
Peak load	EUR/MWh	47.5	43.0

1) Calculated based on the heating degree total respectively cooling degree total; the basis (100%) corresponds to the adjusted long-term average.

2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period

5) EPEX spot – European Power Exchange

# Burgenland Holding AG

## Economic development

### Analysis of the 2017/18 financial year

- Investment income of Energie Burgenland AG below last year's level
- Decrease in profit for the year to EUR 9.4m
- Recommendation to the Annual General Meeting: Dividend of EUR 3.15 per share

#### Income situation

The performance of Burgenland Holding AG is determined to a major extent by the dividend of the associated company Energie Burgenland AG.

Overall, in the 2017/18 financial year Burgenland Holding AG received investment income of EUR 9.5m (2016/17: EUR 10.6m). In addition to the dividend from Energie Burgenland AG in the amount of EUR 9.3m (previous year: EUR 10.3m), a dividend was received from CEESEG AG amounting to EUR 0.2m (previous year: EUR 0.3m).

Due to another drop in interest rates compared to last year, interest and similar income was generated in the amount of EUR 0.02m (last year: EUR 0.03m).

Burgenland Holding AG does not employ any personnel.

A recommendation will be made to the Annual General Meeting to distribute to the shareholders a dividend of EUR 3.15 per share (previous year: EUR 3.45 per share) from the net profit for the 2017/18 financial year. This corresponds to a dividend payout of EUR 9.45m.

#### Stable balance sheet and capital structure

The sound balance sheet structure of Burgenland Holding AG remained essentially unchanged in the 2017/18 financial year compared to the previous year. The balance sheet total of EUR 79.8m was 1.2% lower than last year. The equity ratio as of the balance sheet date of 30 September 2018 amounted to 99.98%.

#### Burgenland Holding share (pursuant to § 243a UGB)

1. As of 30 September 2018, the share capital of Burgenland Holding AG amounted to EUR 21.81m, broken down into 3,000,000 individual no-par bearer shares. Burgenland Holding AG is listed in the "Standard Market Auction" segment of the Vienna Stock Exchange. Form and content of the share certificates are determined by the Executive Board. An entitlement to the representation of shares in individual certificates is excluded. There is only one class of shares. All shares encompass the same rights and obligations.
2. There are no restrictions on voting rights or agreements limiting the transfer of shares which exceed the general requirements of the Austrian Stock Corporation Act.
3. As the majority shareholder, EVN AG continues to hold 73.63% of the shares of Burgenland Holding AG. VERBUND AG holds more than 10% of the shares, while WIEN ENERGIE GmbH holds between 5% and 10%. The shares of the other shareholders are below the reporting threshold of 4% or are in free float.
4. No shares with special control rights have been issued.
5. There is no equity participation of employees since the company does not have any employees.

#### Burgenland Holding AG – key figures

		2017/18	2016/17	Change in %
Pre-tax profit	EURm	9.3	10.4	-10.6
Investment income	EURm	9.5	10.6	-10.4
Net income	EURm	9.4	10.5	-10.5
Balance sheet total	EURm	79.8	80.8	-1.2
Fixed assets	EURm	71.3	71.3	–
Current assets, prepaid expenses and deferred charges	EURm	8.5	9.4	-9.6
Equity	EURm	79.8	80.7	-1.1
Debt capital	EURm	0.0	0.0	–

6. The Executive Board consists of two members who are appointed and removed by the Supervisory Board. Besides complying with the relevant regulations under the Stock Exchange Act, the ownership structure requires in particular compliance with the Staffing Act, which provides for public tender.
7. The Executive Board has no powers pursuant to § 243a para 1 fig. 7 UGB.
8. In the course of restructuring of the associated companies BEWAG and BEGAS in 2012, Burgenland Holding AG concluded a syndicate agreement with Landesholding Burgenland GmbH.
- A change in control in one of the two owners of Energie Burgenland AG would trigger a call option for the other owner with regard to the shares in Energie Burgenland AG.
9. There are no compensation agreements for the benefit of corporate bodies or employees in the event of a public takeover bid pursuant to § 243a para 1 fig. 9 UGB.
- Further information can be found on the Company's homepage at [www.buho.at](http://www.buho.at).

## Key figures for the 2017/18 financial year

### Income ratios

	TEUR	2017/18	2016/17	Change nominal	Change in %
<b>Earnings before interest and tax (EBIT)</b>	Pre-tax profit + interest and similar expenses pursuant to § 231 (2) fig. 15 UGB	9,314	10,407	-1,093	-10.5

The business activities of Burgenland Holding AG consist in holding and managing investments. As a result of a reallocation, Burgenland Holding AG recorded revenue of around TEUR 10 in the 2017/18 financial year.

		2017/18	2016/17	Change in %points
<b>Return on capital</b>				
Return on equity	Pre-tax profit / Average equity	11.6%	13.0%	-1.4
Return on investment	EBIT / Average total assets	11.6%	13.0%	-1.4

### Balance sheet and financial ratios

	TEUR	2017/18	2016/17	Change nominal	Change in %
<b>Working capital</b>	Current assets – Long-term current assets = Short-term current assets – Short-term debt capital = Working capital	8,427	9,413	-986	-10.5
<b>Equity ratio</b>	Equity / Total assets	99.98%	99.98%	–	–

Burgenland Holding AG does not show any liabilities vis-à-vis financial institutions either as of the balance sheet date of 30 September 2018, or last year's reporting date. As a result of the declined profit for this year compared to last year, the working capital is lower than last year. Like last year, net gearing (net debt/shareholders' equity) amounts to 0.00%.

## Cash flow statement

TEUR	2017/18	2016/17	Change nominal	Change in %
Net operating cash flow	1,245	10,570	-9,325	-88.2
Net investment cash flow	0	0	-	-
Net financing cash flow	-10,350	-9,450	-900	-9.5
Change in cash and cash equivalents affecting cash flow	-9,105	1,120	-10,225	-

Composition of cash and cash equivalents:

30 September 2017: cash at banks, cash equivalents from Group cash pooling, short-term Group-investment

30 September 2018: cash at banks, cash equivalents from Group cash pooling

The net profit for the year of EUR 9.4m yielded an operating cash flow of EUR 1.2m. Approximately EUR 8m of this discrepancy was due to a change in the definition of cash and cash equivalents compared to last year. A short-term investment within the Group in the amount of EUR 8m is no longer shown as part of cash and cash equivalents as of this year. The main determinants of the net profit for the year were the distributions of the associated companies.

### Environmental protection

While there are no environmental activities worth mentioning within the Company itself, they do play a role in the associated company Energie Burgenland AG. Furthermore, Burgenland Holding AG is integrated in the environmental management system of EVN Group, which was established to take aspects of environmental protection into consideration whenever management decisions have to be made.

### Branch offices

Burgenland Holding AG does not have any branch offices.

### Risk assessment and control measures

The persons involved in the accounting process via a service agreement with EVN meet the qualification requirements and receive training on a regular basis. The company's accounts are maintained in the ERP software system SAP-FI and safeguarded by access authorisations as well as compulsory automatic and manual checks.

Signatures are subject to a four-eyes-principle, which ensures risk-minimising commissioning of third parties as well as correct gathering and payment of external invoices.

Furthermore, the Company is integrated in an internal review system as well as an audit system under a service agreement in place with EVN AG.

The credit risk is constantly monitored by the Company. Due to the investment of liquid funds within the Group, counterparty risk is considered immaterial.

The Code of Conduct established by Burgenland Holding AG and the values laid down in the Code apply to all persons working for Burgenland Holding AG. A compliance management system has been set up.

Every three months, the Executive Board receives a comprehensive report on the Company's asset, financial, and income situations, which – in addition to the balance sheet – also contains a profit and loss account as well as a cash flow statement. These reports are also presented to the Supervisory Board every three months.

Burgenland Holding AG continues to keep an increased focus on managing its equity risk, which is currently considered to be low thanks to the stable environment.

### Financial instruments, risks, and uncertainties

Existing primary financial instruments are shown in the balance sheet under receivables and payables. In addition, there are deposits with banks and equity interests. There are no derivative financial instruments. The foreign exchange risk is considered to be low. The extent of existing interest rate exposure in financing is in line with industry levels.

### Research and development

Research and development activities are conducted in the associated company Energie Burgenland AG, not at the Company itself.

### Outlook

Based on the forecast profits of the associated company Energie Burgenland AG for 2017/18, investment income for the 2018/19 financial year of Burgenland Holding AG is expected to remain basically unchanged from the reporting year.

Eisenstadt, 16 November 2018

The Executive Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board



# Financial statements 2017/18

## Balance sheet as of 30 September 2018

(Comparison with last year as of 30 September 2017)

Assets	30.09.2018 EUR	30.09.2017 TEUR
<b>A. Fixed Assets</b>		
Financial assets	71,325,280.80	71,325
	<b>71,325,280.80</b>	<b>71,325</b>
<b>B. Current assets</b>		
I. Accounts receivables		
1. Receivables from affiliated companies	8,419,317.94	9,414
2. Other receivables	7,816.91	2
	<b>8,427,134.85</b>	<b>9,416</b>
II. Cash at banks	18,738.36	15
	<b>8,445,873.21</b>	<b>9,431</b>
<b>C. Deferred expenses and accrued income</b>		
Other	<b>4,978.91</b>	<b>5</b>
<b>Total assets</b>	<b>79,776,132.92</b>	<b>80,761</b>
<b>Equity and liabilities</b>	<b>30.09.2018 EUR</b>	<b>30.09.2017 TEUR</b>
<b>A. Equity</b>		
I. Called-up, subscribed and paid-in share capital	<b>21,810,000.00</b>	<b>21,810</b>
II. Capital reserves		
Committed reserves	<b>43,676,373.33</b>	<b>43,676</b>
III. Retained earnings		
Other reserves (free reserves)	<b>4,812,000.00</b>	<b>4,902</b>
IV. Net profit	9,458,782.67	10,354
thereof profit carried forward	4,049.37	3
	<b>79,757,156.00</b>	<b>80,742</b>
<b>B. Provisions</b>		
Other provisions	<b>18,750.00</b>	<b>18</b>
<b>C. Liabilities</b>		
1. Trade accounts payable	226.92	0
thereof with a remaining maturity of up to one year	226.92	0
<b>Total equity and liabilities</b>	<b>79,776,132.92</b>	<b>80,761</b>

# Profit and loss account

## 1 October 2017 – 30 September 2018

(Period of comparison: 1 October 2016 – 30 September 2017)

	2017/18 EUR	2016/17 TEUR
1. Revenue	10,020.00	0
2. Other operating income		
a) other	371.02	1
	<b>10,391.02</b>	<b>1</b>
3. Other operating expenses		
a) taxes, unless covered by fig. 10	-933.70	-1
b) other	-245,140.70	-221
	<b>-246,074.40</b>	<b>-222</b>
<b>4. Total fig. 1 to 3 (Operating result)</b>	<b>-235,683.38</b>	<b>-221</b>
5. Investment income	9,527,645.65	10,595
6. Other interest and similar income	22,360.44	32
thereof from associated companies	22,359.43	32
7. Interest and similar expenses	-117.89	0
thereof from associated companies	-117.89	0
<b>8. Total fig. 5 to 7 (Financial result)</b>	<b>9,549,888.20</b>	<b>10,627</b>
<b>9. Pre-tax profit</b>	<b>9,314,204.82</b>	<b>10,407</b>
10. Taxes on income from tax allocation	50,528.48	44
thereof income from tax credits	50,528.48	44
<b>11. After-tax profit = Net income for the period</b>	<b>9,364,733.30</b>	<b>10,451</b>
12. Release of retained earnings	90,000.00	-
13. Allocation of retained earnings	-	-100
14. Profit carry-forward	4,049.37	3
<b>15. Net profit</b>	<b>9,458,782.67</b>	<b>10,354</b>

# Development of fixed assets

## Fixed asset schedule

Historical acquisition and production costs					
EUR	As of 01.10.2017	Additions	Disposals	Reclassification	As of 30.09.2018
<b>I. Financial assets</b>					
Subsidiaries					
Energie Burgenland AG	70,217,803.48	0.00	0.00	0.00	70,217,803.48
CEESEAG AG	1,107,477.32	0.00	0.00	0.00	1,107,477.32
<b>Total fixed assets</b>	<b>71,325,280.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>71,325,280.80</b>

## Notes

### General information

These financial statements of Burgenland Holding AG as of 30 September 2018, were prepared by the Company's Executive Board in accordance with the regulations of the Austrian Commercial Code (UGB).

Pursuant to § 221 UGB, the Company is classified as a large stock company.

The Company is part of the consolidation circle of EVN Group. The parent company, which prepared the consolidated group accounts for the smallest and the largest circle of firms is EVN AG, Maria Enzersdorf. These consolidated group accounts have been filed with the Commercial Court of Wiener Neustadt.

Starting with the 2013/14 business year, the Company has been part of a group of companies in accordance with § 9 KStG (Austrian Corporation Tax Act), with NÖ Landes-Beteiligungsholding GmbH as the group parent. For this purpose, a consolidated tax sharing agreement was concluded with EVN AG in September 2014. Accordingly, the member of the group will be charged a tax allocation by EVN AG in the event of a positive result for tax purposes based on the stand-alone method, or will be credited a tax allocation in the event of a negative result for tax purposes and a positive result for the group as a whole.

Pursuant to § 231 para 1 in connection with para 2 UGB, the profit and loss account was prepared in accordance with the total expenditure method.

Accumulated depreciation						Book value		
As of 01.10.2017	Additions	Thereof unsched- uled	Disposals	Write- ups	Reclassifi- cation	As of 30.09.2018	30.09.2018	01.10.2017
0.00	0.00	0.00	0.00	0.00	0.00	0.00	70,217,803.48	70,217,803.48
0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,107,477.32	1,107,477.32
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>71,325,280.80</b>	<b>71,325,280.80</b>

## Accounting and valuation methods

### General principles

The financial statements were prepared in conformity with generally accepted accounting principles and meet the general norm for annual financial statements of conveying as fair a view of the Company's asset, financial, and income situations.

In preparing the financial statements, the principle of completeness was observed.

Pursuant to § 237 para 1 fig. 1 UGB, the going-concern principle is used in applying accounting and valuation methods.

The individual valuation principle was applied in valuing individual assets and liabilities.

The principle of conservatism was taken into account by showing only those profits which had been realized as of the balance sheet date. And recognising all potential risks and impending losses that had arisen by the balance sheet date.

The valuation methods used previously remained unchanged.

### Fixed assets

The financial assets were valued at acquisition cost, diminished by write-downs accounting for permanent impairment where applicable.

Write-ups of fixed assets are made if the reasons for non-scheduled depreciation no longer apply. Write-ups can be made up to a maximum level of the net asset value that would have resulted if regular depreciation had been applied as scheduled in the meantime.

### Current assets

Receivables are valued at face value. Individual value adjustments are made for identifiable risks.

Write-ups are made if the reasons for depreciation no longer apply.

### Provisions

In accordance with the principle of conservatism, the provisions contain all risks identifiable at the time of preparing the balance sheet as well as all contingent liabilities at those amounts which are required under due diligence.

### Liabilities

Liabilities are valued at the amount to be repaid.

## Notes to the balance sheet

### Assets

#### Fixed assets

The breakdown of fixed assets and their development in the reporting year are shown in the fixed asset schedule.

<b>Subsidiaries</b>		<b>Equity</b>	<b>Net income</b>	<b>As of</b>
<b>Name and registered office</b>	<b>Total stake</b>	<b>(acc. § 224 (3) UGB)</b>		
	in %	TEUR	TEUR	
Energie Burgenland AG (Registered office: Eisenstadt)	49.00	331,437.1	20,624.8	30.09.2017
CEESEG AG (Registered office: Vienna)	0.99	372,626.6	29,383.0	31.12.2017

#### Current assets

The receivables from affiliated companies in the amount of EUR 8,419,317.94 (previous year: TEUR 9,414) comprise the deposit of short-term funds with EVN AG in the amount of EUR 8,193,800.00 (previous year: TEUR 9,294) as well as receivables from investment income tax and tax allocation against EVN AG within the tax group in the amount of EUR 225,517.94 (previous year: TEUR 121).

Other receivables and assets are composed exclusively of VAT credits vis-à-vis the tax authorities.

#### Prepayments and accrued income

Prepayments and accrued income in the amount of EUR 4,978.91 (previous year: TEUR 5) are made up entirely of other accruals and deferrals.

#### Deferred taxes

No deferred taxes were recognised for the Company's pre-consolidation losses carried forward in the amount of TEUR 2,608 since they cannot be applied in the next few years based on tax result planning. Ongoing tax losses of the Company are applied with group taxation.

## Equity and liabilities

### Equity

The Company's share capital amounts to EUR 21.81m, divided into 3 million individual bearer shares.

### Provisions

The other provisions in the amount of EUR 18,750.00 (previous year: TEUR 18) cover mainly provisions for Supervisory Board remuneration as well as the audit of the financial statements.

## Notes to the profit and loss account

The income statement was prepared in accordance with the total expenditure format.

### Other operating expenditure

Other operating expenditure consists mainly of administrative cost for the Company, membership fees and Company publications. Since the Company does not have any employees of its own, administration of the Company is conducted via service relationships, which, for example, comprise the areas of accounting, legal affairs, management accounting, cash management and investment management; total remuneration in the reporting period amounted to EUR 105,082.00 (previous year: TEUR 104).

There is no reference to the expenditure for the auditor applicable to the business year pursuant to § 238 para 1 fig. 18 UGB as such information is contained in the group accounts of EVN AG.

### Investment income

Income investment comprises dividend payouts of Energie Burgenland AG for the 2016/17 financial year in the amount of EUR 9,310,000.00 (previous year: TEUR 10,290). CEESEG AG paid a dividend for the 2017 financial year of EUR 217,645.65 (previous year: TEUR 305).

### Taxes on income

The item taxes on income from tax allocation shows earnings from a tax allocation in the amount of EUR 50,528.48 (previous year: TEUR 44).

## Other information

### Corporate bodies and employees

In the 2017/18 financial year, the following persons were members of the Executive Board:

Klaus Kohlhuber  
Nikolaus Sauer

In the reporting period expenses for each of the members of the Executive Board amounted to EUR 4,400.00, totalling EUR 8,800.00 (previous year total Executive Board: TEUR 9).

In the reporting period, the following persons were members of the Supervisory Board:

Stefan Szyszkowitz (Chairman)  
Felix Sawerthal (Vice-Chairman)  
Michael Amerer  
Rita Heiss (from 16 March 2018)  
Martin Krajcsir (until 16 March 2018)  
Johannes Lang  
Franz Mittermayer (from 16 March 2018)  
Georg Reitter (until 16 March 2018)  
Christoph Schmidt (until 16 March 2018)  
Jörg Sollfelner  
Ute Teufelberger  
Peter Weinelt (from 16 March 2018)

The members of the Supervisory Board received compensation in the amount of TEUR 21.3 (previous year: TEUR 17). Unchanged from the previous reporting period, the Company does not have any employees.

Like last year, no advances or loans were granted to the members of the Executive Board and the Supervisory Board in the reporting period, and no liability was assumed.

Any and all transactions with close companies and persons were effected at arm's length conditions.

### Other remarks

As in the previous year, there is a crossholding with Energie Burgenland AG within the meaning of § 241 fig. 6 UGB.

The Company takes part in the cash-pooling arrangement of EVN Group. A contract was concluded to determine the modalities.

### Significant events after the balance sheet date

There were no significant events following the balance sheet date.

### Appropriation of profits

It is recommended to distribute an amount of EUR 9,450,000.00, which corresponds to a dividend of EUR 3.15 per share, from the net profit for the 2017/18 financial year of EUR 9,458,782.67 and carry forward the remainder.

Eisenstadt, 16 November 2018  
The Executive Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board

# Auditor's report

## Report on the financial statements

### Audit opinion

We have audited the financial statements of

**Burgenland Holding Aktiengesellschaft,  
Eisenstadt,**

which comprise the Balance Sheet as of 30 September 2018, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 30 September 2018, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

### Basis for our opinion

We conducted our audit in accordance with Regulation (EU) 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key audit matters

We have determined that no Key Audit matters exist, that have to be communicated in our report on the financial statements.

### Management's responsibility and responsibility of the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

### Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

## Report on other legal requirements

### Management report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports as applied in Austria.

### Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to § 243a UGB are appropriate.

### Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

### Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

### Additional information in accordance with Article 10 AP Regulation

At the Annual General Meeting dated 16 March 2018, we were elected as auditors. We were appointed by the supervisory board on 14 May 2018. We have been the Company's auditors since 1998 without interruption.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

### Engagement partner

The engagement partner is Mr. Rainer Hassler.

Vienna, 16 November 2018

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.



# The Burgenland Holding AG share

European stock markets showed varied performances in the period from October 2017 to September 2018. While the leading French and British indices as well as Vienna's ATX index rose slightly, Germany's leading DAX index lost 4.5% in value. By comparison, the American benchmark index Dow Jones performed very well, posting a gain of 18.1%. The Dow Jones Euro Stoxx Utilities industry index, relevant for Burgenland Holding AG, dropped 3.4% in the reporting period.

The share of Burgenland Holding AG closed at EUR 79.00, thus 6.8% higher compared to the corresponding period last year. The average daily trading volume in the reporting period amounted to 29 shares. This results in a trading volume at the Vienna Stock Exchange of EUR 0.54m. As of 30 September 2018, the weighting of the share in Vienna's WBI index was 0.19%, with market capitalisation amounting to EUR 237m as of the same day.

The Executive Board will propose the distribution of a dividend of EUR 3.15 per share for the 2017/18 financial year at the Annual General Meeting on 15 March 2019.

## Investor information

### Stock performance

		2017/18	2016/17	2015/16
Average daily turnover	Shares	29	19	18
Total share volume	EURm	0.54	0.30	0.24
Highest price	EUR	86.00	74.00	60.00
Lowest price	EUR	68.00	53.00	47.81
Share price at the end of September	EUR	79.00	74.00	55.99
Market capitalisation at the end of September	EURm	237	222	168
WBI weighting at the end of September	%	0.19	0.18	0.20
Dividend per share	EUR	3.15 <sup>1)</sup>	3.45	3.15

1) Proposal to the Annual General Meeting

## Burgenland Holding share price – relative development compared to Vienna Stock Exchange Index (%)

On the basis of September 2017



# Burgenland Holding AG

## Subsidiaries

### 49% Energie Burgenland AG

#### Energie Burgenland AG investments as of 30 September 2018

100%	Netz Burgenland GmbH	10%	ENERGIEALLIANZ Austria GmbH
100%	Energie Burgenland Vertrieb GmbH & Co KG	2.52%	APCS Power Clearing and Settlement AG
100%	Energie Burgenland Windkraft GmbH	0.44%	AGCS Gas Clearing and Settlement AG
57.6%	EPZ Energieprojekt Zurndorf GmbH & Co KG	1.48%	CISMO Clearing Integrated Services and Market Operations GmbH
57.6%	EP Zurndorf GmbH		
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH	1%	Biomasse Kraftwerk Güssing GmbH u. Co KG
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG		
40%	MMW Potzneusiedl GmbH		
50%	Energie Burgenland – Haider Windpark GmbH		
100%	Windpark Nick Alpha GmbH		
100%	Windpark Baumgarten GmbH		
100%	Energie Burgenland Bürgerbeteiligung GmbH		
20%	Windpark Deutsch Haslau GmbH		
25%	Windpark Nikitsch GmbH		
100%	Green Power Wind Hungária Kft.		
100%	WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Austria)		
51%	Renewind Energetikai Kft. (Budapest, Hungary)		
100%	Energie Burgenland Fernwärme GmbH		
100%	Energie Burgenland Fernwärme GmbH & Co KG		
100%	Energie Burgenland Dienstleistung und Technik GmbH		
100%	Energie Burgenland Konzernclearing GmbH		
100%	Energie Burgenland Wärme und Service GmbH		
33.33%	EBRZ Erstes Burgenländisches Rechenzentrum GmbH		

### 0.99 % CEESEG AG

# Statement of the Executive Board on the annual financial statements

pursuant to § 124 para 1 fig. 3 Stock Exchange Act 2018

The Executive Board of Burgenland Holding AG confirms, that the financial statements drawn up in conformity with the relevant accounting standards present a true and fair view of the Company's assets, liabilities, financial position, and profit or loss; that the Management Report represents the Company's performance, profit and situation in such a manner as to create a true and fair view of the Company's assets, financial, and income situations, and that the major risks and uncertainties are described.

Eisenstadt, 4 December 2018  
The Executive Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board

# Burgenland Holding AG

## Corporate calendar 2018/19<sup>1)</sup>

Results Q1 2018/19	07.02.2019
Record date Annual General Meeting	05.03.2019
Annual General Meeting	15.03.2019
Ex-dividend day	21.03.2019
Record-date	22.03.2019
Dividend payment	28.03.2019
Results HY1 2018/19	29.05.2019
Results Q1–3 2018/19	08.08.2019
Annual results 2018/19	12.12.2019

1) Preliminary

## Basic information<sup>1)</sup>

Share capital	EUR 21.81m
Denomination	3 million no-par bearer shares
Majority shareholder	EVN AG
Identification number (ISIN)	AT0000640552
Ticker symbols	BHAVVI (Reuters); BURG AV (Bloomberg); AT; BHD (Dow Jones)
Stock exchange listing	Vienna

1) As of 30 September 2018

## Imprint

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