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BTC Business Technology Consulting AG

Oldenburg

Annual financial statements for the business year from 01/01/2017 to 12/31/2017

Independent auditor's report

To BTC Business Technology Consulting AG

Note on the audit of the annual financial statements and the management report

Examination Opinions

We have the annual financial statements of BTC Business Technology Consulting AG, Oldenburg - consisting of the balance sheet as of December 31, 2017 and the income statement for the financial year from January 1 to December 31, 2017 as well as the notes, including the presentation of the accounting - and evaluation methods - checked. In addition, we have audited the management report of BTC Business Technology Consulting AG for the financial year from January 1 to December 31, 2017. We have not checked the content of the declaration on corporate governance in accordance with Section 289f (4) HGB (information on the quota of women) contained in the management report, in accordance with German legal regulations.

According to our assessment based on the knowledge gained during the audit

- the attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and give a true and fair view of the asset and financial position of the company as of December 31, 2017 as well as its earnings position for the financial year from January 1 to December 31, 2017 and
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the above-mentioned declaration on corporate governance pursuant to Section 289f para 4 HGB (information on the quota of women).

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Basis for the examination results

We carried out our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is described in more detail in the section entitled "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" of our auditor's report Compliance with these requirements. We believe

Other Information

The legal representatives and the supervisory board are responsible for the other information. The other information includes the corporate governance declaration pursuant to Section 289f (4) of the German Commercial Code.

Our audit opinions on the annual financial statements and management report do not cover the other information, and accordingly we do not issue an audit opinion or any other form of audit conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and, in doing so, to assess whether the other information

- have material inconsistencies with the annual financial statements, management report or our knowledge obtained during the audit or
- otherwise appear materially misrepresented.

Responsibility of the legal representatives and the supervisory board for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all essential respects with the German commercial law regulations applicable to corporations, and for ensuring that the annual financial statements, in compliance with the German principles of proper bookkeeping, give a true and fair view of assets and finance - and the company's earnings. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of the annual financial statements,

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue business operations. Furthermore, they are responsible for disclosing matters relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for the going concern basis of accounting, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides an accurate picture of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal regulations and to be able to provide sufficient suitable evidence for the statements in the management report.

The Supervisory Board is responsible for overseeing the company's accounting process for the preparation of the annual financial statements and the management report.

Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain sufficient certainty as to whether the annual financial statements as a whole are free of material - intended or unintentional - misrepresentation and whether the management report as a whole gives an accurate picture of the company's position and, in all material matters, with the annual financial statements as well is in line with the findings of the audit, complies with German legal requirements and correctly presents the opportunities and risks of future development, as well as issuing an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Adequate security is a high level of security, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) in accordance with the German principles of proper auditing established by the Institute of Auditors (IDW) will always reveal a material misstatement. Misrepresentations can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they individually or collectively influence the economic decisions made by the addressees on the basis of these annual financial statements and management report.

During the examination, we exercise our due discretion and maintain a critical attitude. Furthermore

- we identify and assess the risks of material - intentional or unintentional - misrepresentations in the annual financial statements and management report, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk that material misrepresentations will not be detected is higher in the case of violations than inaccuracies, since violations can involve fraudulent interaction, forgeries, intentional incompleteness, misleading representations or the overriding of internal controls;
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the provisions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these Delivering systems to society;
- we assess the appropriateness of the accounting methods used by the legal representatives as well as the acceptability of the estimated values presented by the legal representatives and related information;
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances, the significant doubts about the company's ability to continue as a going concern can raise. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and in the management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances can, however, mean that the company can no longer continue its business activities;
- we assess the overall presentation, structure and content of the annual financial statements, including the information, as well as whether the annual financial statements present the underlying business transactions and events in such a way that the annual financial statements provide a true and fair view of the asset, financial and the company's earnings position;
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it provides of the company's position;
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of adequate, suitable audit evidence, we particularly review the significant assumptions on which the legal representatives are based on the future-oriented information and assess the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a considerable unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Other statutory and other legal requirements

Note on the examination of compliance with the accounting obligations in accordance with Section 6b (3) EnWG.

Audit opinion

We have checked compliance with the accounting obligations in accordance with Section 6b (3) EnWG, according to which separate accounts are to be kept for activities in accordance with Section 6b (3) EnWG.

In our opinion, the accounting obligations in accordance with Section 6 b (3) EnWG, according to which separate accounts are to be kept for activities in accordance with Section 6 b (3) EnWG, have been met in all material respects.

Basis for the audit opinion

We conducted our audit in accordance with Section 6b (5) EnWG, taking into account the generally accepted German auditing standards established by the Institute of Auditors (IDW). Our responsibility according to these regulations and principles is described in more detail in the section "Responsibility of the auditor for checking compliance with the accounting obligations under Section 6b EnWG" and in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report".

Responsibility of the legal representatives for the accounting according to § 6b Abs. 3 EnWG

The legal representatives are responsible for compliance with the obligations according to Section 6b (3) EnWG as well as for the precautions and measures (systems) that they have considered necessary to comply with these obligations.

Responsibility of the auditor for checking compliance with the accounting obligations according to Section 6b (3) EnWG

Our objective is to obtain sufficient certainty as to whether the accounting obligations according to Section 6b (3) EnWG have been met in all essential matters and to issue a note stating our audit opinion on compliance with the accounting obligations according to Section 6b (3) EnWG includes. The audit includes the assessment of whether the valuations and the allocation of the accounts according to § 6b (3) EnWG have been carried out properly and comprehensively and whether the principle of consistency has been observed.

Bremen, February 19, 2018

Ernst & Young GmbH
auditing company

Horn, auditor

Lange, auditor

Balance sheet as of December 31, 2017**assets**

| | EUR | EUR | December 31, 2016 KEUR |
|---|---------------|---------------|---------------------------|
| A. Fixed assets | | | |
| I. Intangible Assets | | | |
| 1. Self-created industrial property rights and similar rights and values | 993,633.00 | | 0 |
| 2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values | 221,929.00 | | 239 |
| 3. Internally generated intangible assets under construction | 1,175,381.24 | | 1,051 |
| | | 2,390,943.24 | 1,290 |
| II. Tangible assets | | | |
| 1. Technical systems and machines | 591,236.00 | | 602 |
| 2. Other equipment, factory and office equipment | 182,297.00 | | 170 |
| 3. Facilities under construction | 19,037.87 | | 0 |
| | | 792,570.87 | 772 |
| III. Financial assets | | | |
| 1. Shares in affiliated companies | 11,135,849.92 | | 6,880 |
| 2. Loans to affiliated companies | 35,000.00 | | 35 |
| | | 11,170,849.92 | 6,915 |
| | | 14,354,364.03 | 8,977 |
| B. Current Assets | | | |
| I. Inventories | | | |
| 1. Work in progress, work in progress | 8,248,966.29 | | 8,723 |
| 2. Advance payments made | 868,440.75 | | 86 |
| 3. Advance payments received for inventories | -4,603,707.90 | | -3,810 |
| | | 4,513,699.14 | 4,999 |
| II. Receivables and other assets | | | |
| 1. Trade accounts receivable | 13,349,351.47 | | 8,961 |
| 2. Receivables from affiliated companies | 18,778,333.29 | | 18,919 |
| 3. Other assets | 335,462.78 | | 214 |
| | | 32,463,147.54 | 28,094 |
| III. Cash and bank balances | | 3,952.71 | 3 |
| | | 36,980,799.39 | 33,096 |
| C. Prepaid expenses | | 479,739.93 | 390 |
| | | 51,814,903.35 | 42,463 |

liabilities

| | EUR | EUR | December 31, 2016 KEUR |
|------------------------|-----|--------------|---------------------------|
| A. Equity | | | |
| I. Drawn capital | | 2,000,000.00 | 2,000 |
| II. Capital reserve | | 1,100,000.00 | 1,100 |
| III. Retained earnings | | | |

| | EUR | EUR | December 31, 2016 KEUR |
|--|---------------|---------------|---------------------------|
| 1. Legal Reserve | 200,000.00 | | 200 |
| 2. Other retained earnings | 2,453,099.00 | | 2,453 |
| | | 2,653,099.00 | 2,653 |
| IV. Balance sheet profit | | 7,148,825.12 | 7.149 |
| | | 12,901,924.12 | 12,902 |
| B. Provisions | | | |
| Other provisions | | 11,498,759.63 | 10,449 |
| C. Liabilities | | | |
| 1. Advance payments received on orders | 473,640.02 | | 1,860 |
| 2. Trade accounts payable | 2,457,029.51 | | 1.101 |
| 3. Liabilities to affiliated companies | 22,556,014.28 | | 13,506 |
| 4. Other Liabilities | 1,852,176.94 | | 2,543 |
| of which from taxes EUR 885,130.96 (previous year: EUR 1,019 thousand) | | | |
| | | 27,338,860.75 | 19,010 |
| D. Prepaid expenses | | 75,358.85 | 102 |
| | | 51,814,903.35 | 42,463 |

Income statement for 2017

| | EUR | EUR | 2016 KEUR |
|--|----------------|----------------|--------------|
| 1. Sales | 130,043,274.05 | | 125.168 |
| 2. Increase or decrease in stocks of finished and unfinished products | -135,827.21 | | -4,759 |
| 3. Other own work capitalized | 1,228,322.56 | | 1,051 |
| 4. Other operating income | 1,571,781.12 | | 1,674 |
| of which income from currency translation EUR 31,496.92 (previous year: EUR 1 thousand) | | | |
| | | 132,707,550.52 | 123.134 |
| 5. Cost of materials | | | |
| a) Expenses for raw materials, consumables and supplies and for purchased goods | 4,617,360.56 | | 3,423 |
| b) Expenses for purchased services | 31,710,156.49 | | 27,748 |
| 6. Personnel expenses | | | |
| a) Wages and salaries | 59,569,899.61 | | 56,660 |
| b) Social security and pension and support expenses | 11,163,185.19 | | 10,254 |
| of which for pensions EUR 903,430.37 (previous year: EUR 854 thousand) | | | |
| 7. Depreciation on intangible assets and property, plant and equipment | 537,846.01 | | 425 |
| 8. Other operating expenses | | | |
| of which expenses from currency translation EUR 1,973.86 (previous year: EUR 3 thousand) | | | |
| | | 21,938,393.87 | 22,035 |
| | | 129,536,841.73 | 120,545 |
| 9. Income from participations | 5,300,494.24 | | 4,791 |
| of which from affiliated companies EUR 5,300,494.24 (previous year: EUR 4,791 thousand) | | | |
| 10. Other Interest and Similar Income | 599.04 | | 0 |
| 11. Interest and Similar Expenses | 50,227.84 | | 46 |
| of which to affiliated companies EUR 4,778.41 (previous year: EUR 1 thousand) | | | |
| of which expenses from discounting EUR 24,937.00 (previous year: EUR 30 thousand) | | | |
| | | 5,250,865.44 | 4,745 |
| 12. Earnings before other taxes and before profit transfer | | 8,421,574.23 | 7,334 |
| 13. Other taxes | | 41,544.05 | 39 |
| 14. Profits transferred on the basis of a profit transfer agreement | | 8,380,030.18 | 7,295 |
| 15. Annual net income | | 0.00 | 0 |

Appendix for the 2017 financial year

of BTC Business Technology Consulting AG, Oldenburg

GENERAL EXPLANATIONS

BTC Business Technology Consulting AG (BTC), Oldenburg, is a large corporation within the meaning of Section 267 (3) HGB.

The annual financial statements are prepared in accordance with the accounting regulations for corporations of the Commercial Code (HGB), taking into account the German Stock Corporation Act.

The fiscal year is the calendar year.

The income statement was prepared using the total cost method.

In the interest of better clarity and clarity, the notes to be made under the items of the balance sheet and profit and loss account in accordance with the statutory provisions, as well as the notes that can optionally be made in the balance sheet or profit and loss account, are largely listed in the appendix.

The company is registered under the company BTC Business Technology Consulting AG with its registered office in Oldenburg in the commercial register of the Oldenburg District Court under the number HRB 4717.

ACCOUNTING AND VALUATION METHODS

The annual financial statements were prepared assuming the going concern.

The following accounting and valuation methods continued to apply to the preparation of the annual financial statements.

Capital assets

Intangible fixed assets purchased from third parties are capitalized at cost and depreciated on a straight-line basis over their expected useful life, pro rata temporis in the year of acquisition. Be there

IT programs acquired against payment are depreciated over a normal useful life of three years. Internally generated intangible assets are valued at their production costs and depreciated pro rata according to their useful life. Insofar as the fair values of individual intangible fixed assets fall below their book value, unscheduled depreciation is also made in the event of a likely permanent decrease in value.

Property, plant and equipment are valued at acquisition or production cost less scheduled straight-line depreciation. Depreciation on additions to property, plant and equipment is always pro rata temporis. Insofar as the fair values of individual assets fall below their book value, additional write-downs are made in the event of a likely permanent decrease in value.

Low-value assets with acquisition costs up to and including € 410 are written off in full in the year of acquisition and treated at the same time as disposals.

The financial assets are to be booked with the acquisition costs or lower fair values. The loans are generally recognized at their nominal value.

Current assets

Inventory assets are valued at acquisition or production cost, including directly attributable individual costs and necessary proportionate overheads or lower current values on the balance sheet date.

Receivables and other assets are shown at their nominal value. In addition to the appropriate individual valuation allowances, the general credit risk for trade receivables was taken into account by creating a general valuation allowance of less than one percent on the non-individually valued net receivables.

Cash and cash equivalents are shown at their nominal value.

Prepaid expenses

The prepaid expenses take into account incoming and outgoing payments before the balance sheet date, insofar as they represent income or expenses for a certain period after this point in time.

accruals

The provisions were recognized in the amount of the settlement amount required according to prudent business judgment.

The provisions for anniversaries and partial retirement with a remaining term of more than one year are discounted using the average market interest rate for the past seven financial years corresponding to their remaining term.

The employer-financed company pension scheme for employees whose employment relationship began after August 31, 2007 has been outsourced to the EWE-Treuhandverein. In doing so, BTC transfers the funds required to finance retirement benefits within the framework of a contractual trust arrangement (CTA) to trust assets that are managed by the EWE trust association. The invested assets serve exclusively to fulfill the obligations and are not accessible to other creditors. The obligations were valued according to the principles of accounting for obligations in kind and offset against the assets in accordance with Section 246, Paragraph 2, Clause 2 of the German Commercial Code.

The fair value of the assets managed by EWE-Treuhandverein as shown in the table below was derived from the stock exchange prices of the fund assets on the reporting date.

Due to the investment of the trust assets in securities, the pension obligations are accounted for as securities-linked commitments and are to be valued and offset against the fair value of the securities in accordance with Section 253 (1) sentence 3 HGB and the assets in accordance with Section 253 (1) sentence 4 HGB. The fair value of the securities exceeds the promised minimum benefit of the pension obligation. Due to the valuation of the pension obligation at the fair value of the securities, there is no difference to be stated in accordance with Section 253 (6) sentence 2 HGB.

| | |
|---|-------------------|
| | December 31, 2017 |
| Settlement amount from the company pension scheme | 6,384,022 |
| Fair value of the plan assets invested | +6.384.022 |
| Excess of assets (active difference) | 0.00 |
| The net income resulting from the plan assets and the offsetting against the interest expenses of the corresponding settlement amounts of the pension provisions in the 2017 financial year are as follows: | |

| | |
|---|-------------------|
| | December 31, 2017 |
| Net return on CTA assets | 240,651 |
| Interest expense from the corresponding pension provision | 240,651 |
| Balance after settlement | 0.00 |

Provisions for obligations from partial retirement are set up in accordance with the block model. The valuation of the provisions for partial retirement is based on an assumed interest rate of 1.33% pa and on the basis of the 2005 G mortality tables by Dr. Klaus Heubeck according to actuarial principles. The provisions for partial retirement were set up for potential early retirement agreements that were already concluded on the balance sheet date and for future partial retirement agreements. They contain top-up amounts and the company's performance obligations that have accrued up to the balance sheet date.

The provisions for anniversary payments are shown according to actuarial principles at their present value with an interest rate of 2.80%.

The other provisions take into account all uncertain liabilities and impending losses from pending transactions and are based on the probable utilization.

liabilities

All liabilities are shown at their settlement amount.

Deferred taxes

There were no deferred tax items. According to the formal approach, the sole tax debtor is the controlling company, ie the actual and deferred taxes of the controlled company must be shown in full in the controlling company's annual financial statements. Accordingly, the temporary differences of the controlled company are recorded in the financial statements of the controlling company.

Foreign currency

Assets and liabilities denominated in foreign currencies were generally converted using the mean spot exchange rate on the reporting date.

EXPLANATIONS TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Fixed assets

The development of the individual items of fixed assets is shown in the following schedule of fixed assets.

A list of the shareholdings recognized under financial assets is attached below.

Shareholdings of BTC AG as of December 31, 2017

| Name and seat of the companies | Percentage ownership % | currency | Signed capital | Equity 2017 | Annual result 2017 |
|--|------------------------|----------|----------------|--------------|--------------------|
| BTC IT Services GmbH, Oldenburg * | 100.00% | € | 750,000.00 | 1,462,764.27 | 3,318,282.62 |
| PRO CONSULT Management and System Consulting GmbH, Mainz | 100.00% | € | 100,000.00 | 394,550.66 | 294,550.66 |
| BTC Embedded Systems AG, Oldenburg ** | 93.60% | € | 161,600.00 | 3,039,890.13 | 763,541.30 |
| BTC Business Technology Consulting Sp. Z oo, Poland, Poznan ** | 100.00% | PLN | 200,000.00 | 2,290,205.38 | 1,878,508.74 |
| BTC Bilisim Hizmetleri AS, Turkey, Istanbul ** | 100% *** | TRY | 1,007,400.62 | 7,238,694.57 | 1,207,557.69 |
| BTC (Schweiz) AG, Switzerland, Glattbrugg ** | 90.00% | CHF | 1,000,000.00 | 2,416,797.00 | 1,132,495.00 |
| BTC Software Technology (Shanghai) Co. Ltd., China, Shanghai ***** | 100% **** | CNY | 1,134,825.00 | 1,134,825.00 | - |

* Domination agreement - annual result before profit transfer

** these are the previous year's values *** two shares are owned by third parties **** the company was founded in March 2017 ***** no values are available for the short financial year 2017

2. Receivables and other assets

The trade accounts receivable had almost been paid at the time the balance sheet was drawn up. All receivables and other assets have a remaining term of up to one year.

The receivables from affiliated companies include receivables from the cash pooling agreement in the amount of € 0 thousand (previous year: € 5,263 thousand) and from deliveries and services in the amount of € 18,778 thousand (previous year € 13,656 thousand).

Receivables from affiliated companies

| in € | as of December 31, 2017 | as of December 31, 2016 |
|--|-------------------------|-------------------------|
| EWE Aktiengesellschaft, Oldenburg | 8,610,138.80 | 10,016,678.20 |
| BTC IT Services GmbH, Oldenburg | 4,069,030.94 | 3,518,814.72 |
| EWE NETZ GmbH, Oldenburg | 2,625,089.16 | 1,441,566.37 |
| EWE TEL GmbH, Oldenburg | 2,045,496.12 | 1,871,355.89 |
| wesernetz Bremen GmbH, Bremen | 409,821.84 | 77,745.96 |
| EWE Offshore Service & Solutions GmbH, Oldenburg | 342,527.72 | 22,773.02 |
| PRO CONSULT Management and System Consulting GmbH, Mainz | 295,715.15 | 222,930.40 |
| BTC (Schweiz) AG, Switzerland, Glattbrugg | 101,496.73 | 73,741.00 |
| swb AG, Bremen | 96,195.72 | 228,629.29 |
| BTC Polska SP. z oo, Poland, Porznan | 39,717.06 | 1,840.96 |
| EWE Vertrieb GmbH, Oldenburg | 30,859.65 | 592,271.50 |
| BTC Bilisim Hizmetleri AS, Turkey, Istanbul | 0.00 | 280,180.84 |
| Rest | 112,244.40 | 570,565.79 |
| | 18,778,333.29 | 18,919,093.94 |

Of the receivables from affiliated companies, € 8,610 thousand (previous year: € 10,017 thousand) are due from the sole shareholder EWE Aktiengesellschaft, Oldenburg (EWE).

3. Cash

Cash and cash equivalents include current bank balances and cash on hand.

4. Equity

The subscribed capital amounts to T € 2,000 (previous year: T € 2,000).

5. Other provisions

The other provisions were mainly formed for target agreements, vacation not yet taken, anniversary payments, partial retirement, employer's liability insurance association contributions, flextime, personnel restructuring, warranty obligations and outstanding invoices.

6. Liabilities

As in the previous year, all liabilities have a remaining term of up to one year.

With the exception of the liabilities to EWE Aktiengesellschaft, Oldenburg, liabilities to affiliated companies result from deliveries and services. Of the liabilities to affiliated companies, there is a liability to the sole shareholder from the profit transfer in the amount of T € 8,380 (previous year: T € 7,295) and from cash pooling of T € 8,269 (previous year: T € 0).

Liabilities to affiliated companies

| in € | as of December 31, 2017 | as of December 31, 2016 |
|---|----------------------------|----------------------------|
| EWE Aktiengesellschaft, Oldenburg | 18,923,163.69 | 10,118,034.19 |
| BTC IT Services GmbH, Oldenburg | 2,910,163.05 | 2,334,467.83 |
| PRO CONSULT Management and System Consulting GmbH, Mainz | 284,226.94 | 491,043.20 |
| EWE TEI. GmbH, Oldenburg | 230,779.12 | 357,426.42 |
| BTC Business Technology Consulting Sp. Z oo, Poland, Poznan | 127,342.40 | 132,156.06 |
| EWE VERTRIEB GmbH, Oldenburg | 19,027.48 | 42,778.94 |
| BTC Bilisim Hizmetleri AS, Turkey, Istanbul | 0.00 | 9,676.07 |
| Rest | 61,311.60 | 20,880.81 |
| | 22,556,014.28 | 13,506,463.52 |

7. Sales

The sales are broken down into the areas of services with € 125,422 thousand (previous year: € 119,634 thousand) and trading with € 4,621 thousand (previous year: € 5,534 thousand). T € 127,155 (previous year: T € 121,653) of sales were generated in Germany, the remaining sales were generated abroad at T € 2,888 (previous year: T € 3,515).

8. Other operating income

Other operating income includes income from other accounting periods from the reversal of provisions in the amount of € 314 thousand (previous year: € 856 thousand).

OTHER INFORMATION

Proposal for the appropriation of profits

The Management Board recommends that the retained earnings of € 7,148,825.12 be carried forward to a new account.

Supervisory board and board of directors

The members of the Supervisory Board and the Management Board are listed below.

Supervisory board

Michael Heidkamp, Oldenburg

- Chairman -

Board Member for Sales at EWE Aktiengesellschaft, Oldenburg

Wolfgang Mücher, Lehrte

- Deputy Chairman -

Chief Financial Officer at EWE Aktiengesellschaft, Oldenburg

Bernhard Ellberg, Oldenburg

Senior Government Director of the City of Oldenburg, Oldenburg

Ansgar-Bernhard Focke, Berlin

Target group director of the SIGNAL IDUNA Group, Berlin

Assunta Hamm, Münster

Employee at BTC Business Technology Consulting AG, Oldenburg

Thomas Walter, Bremen

Employee representative at BTC Business Technology Consulting AG, Oldenburg

The members of the Supervisory Board were paid a total of T € 15.

Board

Dr. Jörg Ritter, computer scientist, board member, responsible for the operational business and corporate development, Oldenburg

Dirk Thole, business graduate, commercial director, Lohne

Each board member represents the company jointly with another member of the board or with an authorized signatory.

Employee

In the 2017 financial year, the company had an average of 994 employees (previous year 934).

Contingent Liabilities and Other Financial Obligations

There are obligations from leasing contracts with an amount of T € 2,945 for the period up to 2020 as well as guarantees for advance payments and warranties amounting to T € 4,958. The risk of a claim from the guarantees for down payments and warranties is rated as very low.

Large-scale transactions with affiliated or associated companies in accordance with Section 6b (2) EnWG

In the 2017 financial year, BTC generated revenues for IT services in the amount of € 65.0 million for the Group (previous year: € 68.5 million). The main transactions are based on the agreements of the framework agreement between EWE Aktiengesellschaft and BTC from 01.01.2008. The framework agreement regulates the provision of services for the development, modification and maintenance of IT applications and systems as well as training and advice for the departments of the client's IT departments. In addition, the application operation of the Group's documentation systems is regulated.

The largest group customer, EWE Aktiengesellschaft, was charged € 31.4 million (previous year: € 28.3 million). Services totaling € 8.8 million were provided for EWE Netz GmbH, Oldenburg (previous year: € 18.2). EWE TEL GmbH, Oldenburg, generated € 12.7 million (previous year: € 10.9 million).

BTC spent € 30.7 million on group services for affiliated companies (previous year € 27.1 million). The expenses mainly relate to IT services and rental expenses.

The largest IT services essentially relate to outsourcing and third-party services from BTC IT Services GmbH, Oldenburg, in the amount of € 19.3 million (previous year: € 17.4 million) and third-party services from PRO CONSULT GmbH, Mainz, in the amount of € 4.2 million (previous year € 2.7 million) with total expenditure of € 30.7 million (previous year € 27.0 million).

Rental expenses for office space in the amount of € 4.6m (previous year € 4.4m) were incurred mainly for EWE Aktiengesellschaft.

Addendum

No significant events occurred after the balance sheet date.

Corporate relationships

EWE Aktiengesellschaft, Oldenburg, is the sole shareholder of our company. There is a domination and profit transfer agreement between the two companies in accordance with Section 291 (1) AktG with effect from January 01, 2007.

BTC was not obliged to prepare consolidated financial statements as of December 31, 2017, as the company's annual financial statements in accordance with Sections 290 ff of companies, and is included in the consolidated financial statements of Ems-Weser-Elbe supply and disposal association Beteiligungsgesellschaft mbH, based in Oldenburg (HR B 201794), which prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements of EWE Aktiengesellschaft and Ems-Weser-Elbe Supply and Disposal Association Beteiligungsgesellschaft mbH, prepared in accordance with international accounting principles, are submitted to the operator of the Federal Gazette and published in the electronic Federal Gazette.

Examination and consultation fees

The total fee calculated by the auditor for 2017 and broken down according to the type of services provided is included in the consolidated financial statements of EWE Aktiengesellschaft, Oldenburg.

Oldenburg, February 2, 2018

The board of directors

Dr. Jörg Ritter

Dirk Thole

Development of fixed assets in 2017

| | 01/01/2017 | Acquisition and production costs | | | December 31, 2017 |
|---|---------------|----------------------------------|------------|--------------------------|----------------------|
| | | Accesses | Departures | Rebooking | |
| | EUR | EUR | EUR | EUR | EUR |
| I. Intangible Assets | | | | | |
| 1. Self-created industrial property rights and similar rights and values | 0.00 | 0.00 | 0.00 | 1,104,036.32 | 1,104,036.32 |
| 2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values | 4,802,953.15 | 113,592.28 | 0.00 | 0.00 | 4,916,545.43 |
| 3. Self-created intangible assets under construction | 1,051,095.00 | 1,228,322.56 | 0.00 | -1,104,036.32 | 1,175,381.24 |
| | 5,854,048.15 | 1,341,914.84 | 0.00 | 0.00 | 7,195,962.99 |
| II. Tangible assets | | | | | |
| 1. Technical systems and machines | 4,007,730.41 | 233,433.81 | 0.00 | 0.00 | 4,241,164.22 |
| 2. Other equipment, factory and office equipment | 1,014,192.81 | 64,705.60 | 27,000.93 | 0.00 | 1,051,897.48 |
| 3. Facilities under construction | 0.00 | 19,037.87 | 0.00 | 0.00 | 19,037.87 |
| | 5,021,923.22 | 317,177.28 | 27,000.93 | 0.00 | 5,312,099.57 |
| III. Financial assets | | | | | |
| 1. Shares in affiliated companies | 8,781,946.92 | 4,256,018.50 | 0.00 | 0.00 | 13,037,965.42 |
| 2. Loans to affiliated companies | 35,000.00 | 0.00 | 0.00 | 0.00 | 35,000.00 |
| | 8,816,946.92 | 4,256,018.50 | 0.00 | 0.00 | 13,072,965.42 |
| | 19,692,918.29 | 5,915,110.62 | 27,000.93 | 0.00 | 25,581,027.98 |
| | | | | Accumulated depreciation | |

| | Accumulated depreciation | | | | December 31, |
|---|--------------------------|------------|------------|-----------|---------------|
| | 01/01/2017 | Accesses | Departures | Rebooking | 2017 |
| | EUR | EUR | EUR | EUR | EUR |
| I. Intangible Assets | 01/01/2017 | Accesses | Departures | Rebooking | 2017 |
| 1. Self-created industrial property rights and similar rights and values | 0.00 | 110,403.32 | 0.00 | 0.00 | 110,403.32 |
| 2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values | 4,564,123.15 | 130,493.28 | 0.00 | 0.00 | 4,694,616.43 |
| 3. Self-created intangible assets under construction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 4,564,123.15 | 240,896.60 | 0.00 | 0.00 | 4,805,019.75 |
| II. Tangible assets | | | | | |
| 1. Technical systems and machines | 3,405,630.41 | 244,297.81 | 0.00 | 0.00 | 3,649,928.22 |
| 2. Other equipment, factory and office equipment | 843,949.81 | 52,651.60 | 27,000.93 | 0.00 | 869,600.48 |
| 3. Facilities under construction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 4,249,580.22 | 296,949.41 | 27,000.93 | 0.00 | 4,519,528.70 |
| III. Financial assets | | | | | |
| 1. Shares in affiliated companies | 1,902,115.50 | 0.00 | 0.00 | 0.00 | 1,902,115.50 |
| 2. Loans to affiliated companies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 1,902,115.50 | 0.00 | 0.00 | 0.00 | 1,902,115.50 |
| | 10,715,818.87 | 537,846.01 | 27,000.93 | 0.00 | 11,226,663.95 |

| | Book values | |
|---|-------------------|-------------------|
| | December 31, 2017 | December 31, 2016 |
| | EUR | KEUR |
| I. Intangible Assets | | |
| 1. Self-created industrial property rights and similar rights and values | 993,633.00 | 0 |
| 2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values | 221,929.00 | 239 |
| 3. Self-created intangible assets under construction | 1,175,381.24 | 1,051 |
| | 2,390,943.24 | 1,290 |
| II. Tangible assets | | |
| 1. Technical systems and machines | 591,236.00 | 602 |
| 2. Other equipment, factory and office equipment | 182,297.00 | 170 |
| 3. Facilities under construction | 19,037.87 | 0 |
| | 792,570.87 | 772 |
| III. Financial assets | | |
| 1. Shares in affiliated companies | 11,135,849.92 | 6,880 |
| 2. Loans to affiliated companies | 35,000.00 | 35 |
| | 11,170,849.92 | 6,915 |
| | 14,354,364.03 | 8,977 |

Management report 2017

of BTC Business Technology Consulting AG, Oldenburg

Basics of society

BTC Business Technology Consulting AG, Oldenburg, (BTC) as a 100% subsidiary of EWE AG, Oldenburg, (EWE) is one of the leading IT consulting companies in Germany.

BTC has a holistic, industry-oriented IT consulting offering and has proven expertise in the energy, industry, public sector, service providers and telecommunications sectors.

The range of services ranges from process consulting and system integration to application support and outsourced system management. Close partnerships with SAP, Microsoft and Oracle ensure access to the latest state-of-the-art technologies.

The BTC portfolio is divided into the following four business areas:

- Consulting: Holistic process consulting along the value chains of our customers.
- System integration: The implementation of methods and IT solutions for the smooth running of the customer's business processes form the focus of our competencies in the business field of system integration
- Software products: Provision of standardized applications for challenges in the energy sector and in other sectors
- Application and system management: System management encompasses the transition and operation of extensive IT infrastructures, from selective application operation to full outsourcing in certified, group-owned and highly secure data centers. The application management provides support for ongoing operations.

BTC takes on the daily support of the applications as well as the support of the users.

The customers in the business areas are addressed via the market units, which are diversified according to industry and customer structure.

Economic report

Macroeconomic and industry-specific framework conditions

According to the industry association Bitkom eV, the overall IT market should grow by 3.4% to € 85.8 billion in 2017. The software area gained the most with a plus of 6.3% to € 23.0 billion. The IT services business, which also includes project business and IT consulting, grew by 2.3% to € 39.0 billion. IT hardware sales also rose by 2.6% to € 23.9 billion

Digitization and the Internet of Things are increasingly influencing the value creation processes in all industries and companies. The contemporary and innovative support and addressing of customers are particularly important. The core of the 2017 IT trends were therefore speed, proximity to customers, innovation and agility. This is reflected in cloud computing, for example. While the focus was previously on the infrastructure side and the application side, the focus is now increasingly on the range of platforms for the lightweight design of individual IT solutions.

BTC has a deep understanding of the industry and a holistic IT portfolio. It sees itself as a leading IT expert and digitization specialist who accompanies its customers in partnership and supports them in mastering the digital transformation and remaining successful in their business. In addition, BTC is a "digital enabler" that enables its customers to adapt to market challenges at an early stage and to offer agile services. The resulting high level of customer satisfaction is shown, among other things, in an award as "Best Consultant" in the "IT-Advice" (survey by the Service Value analysis institute).

Business development

The first half of the year was marked by a good start in the project business. Compared to the previous year, this ensured higher utilization and billing of employees. The focus of control on market offers is again reflected in the good situation of incoming orders. In particular, the market offerings "Gas Transport", "ERP Core", "SAP IS-U" and "Enterprise GIS" are recording high incoming orders. The successes of the first two quarters could be clearly expanded in the second half of the year.

The 2017 financial year ended with sales of € 130.0 million and thus significantly above the level of the previous year (€ 125.2 million). The result before profit transfer could also be increased by a value of € 1.1 million.

Sales development

BTC was able to increase its sales revenues by 3.9% compared to the previous year. The composition of the proceeds has only changed slightly. The revenues from project business and application management could be increased. In addition, the license business and outsourcing services were above the level of the previous year. Due to the definition of sales according to BilRUG, income of € 8.8 million (2016: € 7.9 million) is reported that is not diversified by industry.

BTC's branch with the highest turnover remains the energy sector with € 81.3 million. In comparison to the previous year, sales could be increased by around 2.8%. The share of the energy supply market in total sales is 67.1%, at the previous year's level.

Sales in the industrial sector are € 13.2 million, 12.8% above the previous year's level.

As in previous years, the focus of activities in the telecommunications sector was on consulting and development services in the areas of customer care and billing. Sales increased to € 12.9 million compared to the previous year and thus achieved the highest percentage growth (+16.2%).

The retail, consumer goods and services (DL) sector is down by € 1.5 million compared to the previous year.

In the public sector, sales of € 3.3 million also remained at the previous year's level.

Subsidiaries

BTC holds 100% of BTC IT Services GmbH, Oldenburg (BITS). A control and profit and loss transfer agreement exists between BTC and BITS. At € 53.6 million, sales in the current financial year of BITS are well above the level of the previous year (€ 49.3 million). The result before profit transfer in 2017 is around 12.7% above the previous year's figure.

PRO CONSULT Management- und Systemberatung GmbH, Mainz, (Pro Consult) achieved significantly more sales with € 7.8 million than in the previous year (€ 4.8 million). The annual surplus could also be increased.

The Turkish subsidiary BTC Bileim Hizmetleri A.5, Istanbul, Turkey, achieved an increase in sales of the previous year despite the political and economic developments and the associated exchange rate devaluations in Turkey. Despite the difficult conditions, a positive EBIT was achieved, which is below the value of the previous year.

The sales of BTC Embedded Systems AG, Oldenburg, could be increased by 5.8% in the current financial year. EBIT was also increased at the end of 2017.

BTC (Schweiz) AG, Glatbrugg, Switzerland, generates sales that are below the previous year's figure. The EBIT at the end of the year could be kept constant.

BTC Business Technology Consulting Sp. Z oo, Poznan, Poland, achieved sales at the level of the previous year. EBIT also remained at the previous year's level.

Another subsidiary was founded in Shanghai in the first quarter of 2017. In addition to BTC products, BTC Software Technology (Shanghai) Co. Ltd., Shanghai, China, will also sell BTC Embedded Systems products in the Chinese market and thus control and expand the local BTC Group's sales services.

Investment development

At € 0.3 million, BTC's investments in property, plant and equipment are at the previous year's level (2016: € 0.3 million). In addition, existing software products as well as new self-developed software products in the amount of € 1.2 million were further developed and capitalized at BTC. Most of these products are expected to be completed in 2018.

The investments for the infrastructure of the operative business are made by the subsidiary BITS.

In terms of financial assets, further shares in affiliated companies were acquired.

Earnings, assets and financial position

Earnings situation

The result before profit transfer by BTC of € 8.4 million (2016: € 7.3 million) in the past financial year is again significantly above the previous year. The return on earnings before profit transfer in relation to sales increased from 5.9% in the previous year to 6.4%.

The development of self-created software products that began in 2016 was continued in 2017. The resulting own work capitalized now amounts to € 1.2 million.

BTC's cost of materials and external services rose by € 5.2 million to € 36.3 million (2016: € 31.2 million). This is mainly due to an increase in the license business and the increased use of external service providers as well as the expansion of outsourcing.

Personnel expenses changed compared to the previous year by € +3.8 million to € 70.7 million. The increase is mainly due to the increase in employees and the general increase in salaries.

BTC's other operating expenses are at the previous year's level. At the end of the year it amounted to € 21.9 million (2016: € 22.0 million).

At € 5.3 million, the investment result of BTC is above the level of the previous year. While the earnings contribution from BITS is higher than the previous year, the distribution from ProConsult remained more or less constant. The distributions of BTC Embedded Systems, BTC Switzerland and BTC Poland could be increased. The distribution of BTC Turkey was below the previous year's value.

Financial position

The long-term assets of BTC are well above the level of the previous year, they amounted to € 14.4 million at the end of the year compared to € 9.0 million in the previous year. The change is also due to the acquisition of additional shares in affiliated companies. Self-developed software products were capitalized in the amount of € 1.1 million. Current assets increased by € 3.9 million to € 37.0 million. This change is mainly due to the increase in trade receivables of € 4.4 million. As a result of these effects, the balance sheet total rose significantly by 22.0% or € 9.4 million to € 51.8 million (2016: € 42.5 million).

Financial condition

As in the previous year, equity amounts to € 12.9 million. The equity ratio decreased to 24.9% (2016: 30.4%) due to the increased balance sheet total. At € 11.5 million, provisions are above the previous year's level.

At the end of the year, liabilities were € 27.3 million, € 8.3 million higher than the previous year's figure (2016: € 19.0 million). While advance payments received fell, trade payables rose. The increase in liabilities to affiliated companies is mainly due to the extension of the loan by € 7.1 million.

Liquidity was guaranteed at all times. The ability to meet payment obligations was thus given during the entire financial year.

Overall, the company is in a stable economic situation.

Non-financial performance indicators

Employee

At BTC, the number of employees rose from 1,022 at the end of 2016 to 1,057 at the end of 2017.

The high demands of the market require a high level of qualification of the employees at BTC. During the financial year, BTC spent € 1.0 million on external training measures.

Quota for women (§ 289 f. Para. 4 HGB)

The EWE Group has a fundamental interest in increasing the proportion of women in management positions in the Group and in expanding it in the coming years.

Against this background, on the basis of the law on equal participation of women and men in management positions in the private and public sectors, target women quotas were set for the supervisory board, the executive board and for the two upper management levels of BTC.

Commissioned by the general meeting of BTC AG, the supervisory board set a target women quota for the supervisory board of 17.0%. Against the background of the current contracts, a target rate of 0.0% was approved for the management board of BTC AG. The target quotas were set by June 30, 2022.

The Executive Board has also set a target quota of 15.0% for the first management level. A target female quota of 20.0% was agreed for the second management level. The target quotas were set by June 30, 2022.

Vision 2020

The consistent pursuit of the corporate vision is reflected in the growing success of BTC: "We are boldly leading companies into the Internet of Services, as an IT specialist for digital value creation we are leaders in our markets and inspire our customers, employees, partners and shareholders." The Portfolio Management Board introduced at the beginning of 2018, which will complement the previous "Managing Directors Board", is to further consolidate the success. The aim is the stringent monitoring and control of the entire BTC portfolio on the basis of the company's vision, goals and strategic guidelines. In a further measure, the existing organization was streamlined and the second management level was further strengthened. Seven sales units (market units) were merged into four units. A new corporate unit "Participations & Strategic Partners" will in future be responsible for the consistent management, further development and expansion of participations and strategic partnerships. The foreign participations support the success of BTC, so that they are further expanded. The Chinese subsidiary founded in 2017, with Headquartered in Shanghai, is already generating its first sales. The foreign subsidiary BTC Japan was expanded to include a location in Nagoya. In future will take over the consistent management, further development and expansion of investments and strategic partnerships. The foreign holdings support the success of BTC, so that they are further expanded. The Chinese subsidiary, founded in 2017 and based in Shanghai, is already generating its first sales. The foreign subsidiary BTC Japan was expanded to include a location in Nagoya. In future will take over the consistent management, further development and expansion of investments and strategic partnerships. The foreign holdings support the success of BTC, so that they are further expanded. The Chinese subsidiary, founded in 2017 and based in Shanghai, is already generating its first sales. The foreign subsidiary BTC Japan was expanded to include a location in Nagoya. is already generating its first sales today. The foreign subsidiary BTC Japan was expanded to include a location in Nagoya. is already generating its first sales today. The foreign subsidiary BTC Japan was expanded to include a location in Nagoya.

Research and strategic projects

In the federally funded demonstration project "enera", BTC has been developing progressive solutions for the design of the future energy system together with 31 other consortium partners since January 1, 2017 and in this way supports the advancing energy transition. As an IT partner, BTC connects a large number of data sources with the data - and analysis platform that is set up as part of the project and operated by BTC. In addition, BTC is adapting its established solution for virtual power plants as part of enera so that the integration of small-scale producers and consumers is possible and location-dependent framework conditions can be taken into account. In addition, BTC is developing a network condition forecast as part of the project and uses several examples to show which new possibilities the digitization of the energy industry opens up.

The field test has begun in the federally funded project "The proactive distribution network". Here, BTC - with the help of an energy transaction platform designed in the project - automates activities for forecasting network bottlenecks and using production-side flexibilities in order to avoid the predicted bottlenecks.

In the network-centric projects "NetzDatenStrom" and "Green Access", BTC designs and tests future possibilities for the coupling of network control systems with external data processing modules on the one hand and new control algorithms for their network regulator on the other. The aim is to make it possible to use the power grid capacities optimally and thus to avoid grid expansion measures or to postpone them.

The planning of the federally funded project "Energetic Neighborhood Quarter Oldenburg", which BTC will start with 21 partners from January 1, 2018, also fell in 2017. In this project, BTC is developing a smart city platform for automating energy-related processes in the energetic neighborhood and for the provision of energy services for the residents of the neighborhood. BTC also participates in the interactive conception of services in the neighborhood and contributes its methodological competence.

In 2017, it was the overarching topics of digitization and smart city in particular that moved BTC. For example, BTC has become an integral part of the Allianz Smart City Dortmund, where it acts as a Smart City Service Enabler. Blockchain technology plays an important role in both subject areas - smart city and digitization. For this reason, BTC entered into a cooperation with the Blockchain Center of the Frankfurt School of Finance & Management in 2017. BTC has already proven its ability to deliver in the blockchain context with the development of so-called smart contracts. In the digitization context, the advisory role of BTC in the area of the use of digitization technologies in companies and in their market offers should be mentioned at this point, which has been performed by the newly created BTCIDIGITAL division since 2017. BTCIDIGITAL also focuses on the use of new big data analytics technologies and the lightweight implementation of demonstrators and IT for the implementation of new "digital" business models.

BTC is also a participant in the federally funded research project "prentimo", which aims to make mobile work healthy, appropriate to the phase of life and gender-sensitive. Chances and advantages of mobile work should be better used and stress reduced. In the first step, a comprehensive inventory of the work situation of mobile employees in the context of expert interviews, an employee survey and qualitative interviews with mobile employees in order to ascertain the stressful and health-promoting factors of mobile work.

Internal control system, opportunities and risks

Internal control system

BTC and its subsidiaries understand the internal control system to be the principles, procedures and measures introduced by the Management Board:

- to ensure the effectiveness and profitability of business activities including the protection of property and the prevention and detection of property damage,
- the correctness and reliability of internal and external accounting and
- to comply with the legal regulations relevant to the company.

The function and reliability of the system and the reporting are continuously checked. The internal control system of BTC operationalizes the business risks and continuously monitors the effectiveness and compliance with the controls. Compliance with internal processes and areas of responsibility is determined and controlled at various levels by means of guidelines that are centrally managed and published.

A constant improvement of the internal control system and the organizational and control processes is ensured, among other things, by the internal auditing of EWE. Reporting is made directly to the board of directors of BTC and EWE. Another component of BTC's risk management is taking out insurance.

In the coming financial year, further optimization of the business processes will be implemented.

opportunities

Significant opportunities lie among other things in the services and products geared to market issues, taking into account a consistent focus on profitability and market development. BTC also focuses on innovative standard solutions for the energy transition and will continue to develop as one of the leading consulting companies in the core industries. Further opportunities lie in the increasing internationalization of BTC solutions.

Risks

Overall, from today's perspective, there are no discernible risks that could jeopardize the continued existence of BTC.

The risk management system contains the entirety of all organizational regulations and measures for risk identification and dealing with the risks of entrepreneurial activity.

The Board of Management has overall responsibility for the internal control and risk management system with regard to the accounting process. All strategic business areas are integrated via a clearly defined management and reporting organization. The principles, the structure and process organization as well as the processes of the accounting-related internal control and risk management system are documented in a system-supported tool managed by the parent company. It is adapted to current external and internal developments at regular intervals.

With regard to the accounting process, we consider those features of the internal control and risk management system to be material that can have a significant impact on the accounting and the overall statement of the annual financial statements including the management report. The risk reporting is done quarterly. In addition, risks that arise at short notice are immediately communicated directly to the responsible offices at BTC and the parent company, regardless of the normal reporting channels.

The risks are identified at an early stage at the level of the unit responsible for risk in a regular and structured process, assessed according to the potential amount of damage and the likelihood of occurrence and reported, including appropriate risk management measures. In addition, the Risk and Compliance Board ensures efficient coordination and increased transparency for all governance, risk and compliance-relevant processes. In addition, the Controlling department reports to the Management Board on a monthly basis the risks resulting from the operational business of all relevant company areas.

The continuing shortage of skilled workers is seen as a major procurement risk. Fluctuation and growth result in the challenge of filling vacant positions in the company with skilled workers promptly in order to achieve the expected quality goals.

In order to counter this risk at an early stage, partnerships with university-related institutions are maintained, which are also used as a recruiting channel. BTC is also represented with recruiting at all well-known trade fairs. Strong employee loyalty through extensive training and further education programs is another instrument for BTC to counteract the shortage of skilled workers.

Future framework conditions

In its autumn projection for 2018, the federal government expects the gross domestic product to rise by 1.9% for the overall economy in Germany. The industry association BITKOM expects the German ICT market to grow by 1.3% in 2018. The overall market will therefore grow to a volume of € 162.9 billion. According to BITKOM, it is essential for growth to set up state funding programs in order to promote digitization in small and medium-sized companies as well. The participants in the Lünendonk Study 2017 are also assuming growing markets for 2018. In particular, customers' investments in "Digital Operational Excellence" and "Digital Customer Experience"

Forecast report

Overall statement on the expected development

The management board of BTC assumes that the business of BTC is economically and strategically placed on a good basis, so that overall growth with a further increase in profitability is expected for the following years, despite slightly falling group sales.

Sales and earnings forecast 2018

For the 2018 financial year, BTC expects a further improvement in annual earnings before profit transfer compared to 2017 with slightly increasing sales.

Future forecast

The market for IT consulting and system integration will continue to grow over the next few years. As a full-service provider, BTC will pursue topic-oriented, cross-sector profitable growth in the energy, telecommunications, public sector as well as industry and service providers. An increasing share of sales is expected for services. BTC will continue to be firmly anchored in the region with employees and customers. In addition, BTC will successfully serve customers nationally and internationally.

Based on this, the Management Board expects operating revenues of € 129.0 million to € 135.0 million for the planning year 2018. The revenues result from increasing service revenues for projects and services as well as from outsourcing. The growth is to be achieved with an increasing number of employees. A planned increase in personnel expenses compared to 2017 also results from individual salary adjustments. By reducing the use of third-party service providers, the cost of materials is to be reduced compared to 2017. Other operating expenses will only increase slightly. Depreciation for property, plant and equipment is constantly at a low level, since the investments for the infrastructure of the operative business are carried out in the subsidiary BITS. The capitalization of internally developed software products will increase depreciation.

The expected operating EBIT before investment income will be in the mid single-digit million euro range. The planning for the operating EBIT including investment income provides for a high value in the single-digit million euro range.

Oldenburg, February 2, 2018

The board of directors

Dr. Jörg Ritter

Dirk Thole

Report of the supervisory board

During the year under review, the Supervisory Board performed its duties and responsibilities in accordance with the law and the Articles of Association. In the course of the 2017 financial year, he obtained information about all significant events at BTC Business Technology Consulting AG and discussed them with the Management Board in a timely manner. In addition, the Supervisory Board, and in particular the Chairman of the Supervisory Board, received regular written and personal reports from the Management Board on the development of business and the situation of the company and monitored the management.

All measures that require approval by law or the articles of association were discussed in detail and the necessary decisions were made. This includes above all the discussion of the business plan including investments and financing as well as the intensive discussion of the strategic direction of the company.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Bremen, audited the annual financial statements and management report of BTC Business Technology Consulting AG for the 2017 financial year presented by the Management Board in accordance with the resolution of the Annual General Meeting on May 19, 2017 and declared in its unqualified auditor's report that the bookkeeping and the Annual financial statements comply with the legal requirements, that the annual financial statements give a true and fair view of the asset, financial and earnings position and that the management report is consistent with the annual financial statements.

The annual financial statements, the management report and the audit report for the 2017 financial year were made available to all members of the Supervisory Board for review. The certifying auditors took part in the meeting of the Supervisory Board and reported on the audit procedures and results of the annual financial statements. They were available for explanations. After detailed discussion and consultation, the Supervisory Board took note of and approved the statements made by the auditor. After a final examination, the Supervisory Board therefore approved the management report submitted by the Management Board, the annual financial statements and the proposal for the appropriation of profit as of December 31, 2017 at its meeting on May 23, 2018.

The Supervisory Board met three times in the 2017 financial year and was composed as follows on December 31, 2017:

Michael Heidkamp, Oldenburg

- Chairman -

Member of the Management Board of EWE Aktiengesellschaft, Oldenburg

Wolfgang Mücher, Oldenburg

- Deputy Chairman-

Member of the Board of Directors of EWE Aktiengesellschaft, Oldenburg

Assunta Hamm, Münster

Employee representative of BTC Business Technology Consulting AG, Oldenburg

Thomas Walter, Bremen

Employee representative at BTC Business Technology Consulting AG, Oldenburg

Bernhard Ellberg, Oldenburg

administrative lawyer

Ansgar-Bernhard Focke, Hillmersdorf

Member of the Lower Saxony State Parliament and businessman for insurance and finance

The Supervisory Board expresses its special thanks and appreciation to the Management Board and all employees for the work they have done and the result achieved.

Oldenburg, May 23, 2018

BTC Business Technology Consulting AG

The board of directors

Michael Neidkamp, chairman