

## Search Result

BTC Business Technology Consulting AG Oldenburg	Accounting / financial reports	Annual financial statements for the business year from <b>01/01/2019 to 12/31/2019 Supplemented on</b> ----- information	11/16/2020  V. date
<b>Surname</b>	<b>Area</b>		



**BTC Business Technology Consulting AG**

**Oldenburg**

**Annual financial statements for the business year from 01/01/2019 to 12/31/2019**

### 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, 2019 and the income statement for the financial year from January 1 to December 31, 2019 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, 2019. 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 assets and financial position of the company as of December 31, 2019 as well as its earnings position for the financial year from January 1 to December 31, 2019 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 under these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our auditor's report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe

##### Other Information

The legal representatives are responsible for the other information. The other information includes the declaration on corporate governance in accordance with Section 289f (4) of the German Commercial Code (information on the quota of women) and the statements in the management report in the section "Non-financial performance indicators" in the subsections, "BTC in transition", "Portfolio" and "Innovation".

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 and is in line with the knowledge gained during 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 the management report, plan and carry out audit activities 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 checked whether the company complied with its obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts for the financial year from January 1, 2019 to December 31, 2019. In our opinion, the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts have been complied with in all essential matters.

#### **Basis for the audit opinion**

We have carried out our audit of compliance with the obligations to keep separate accounts in accordance with § 6b Abs. 5 EnWG taking into account the draft of a new version of the IDW auditing standard: Audit according to § 6b Abs. 5 Energiewirtschaftsgesetz (IDW EPS 610 new version). Our responsibility in accordance with these regulations and principles is described in more detail in the section "Responsibility of the auditor for checking compliance with the accounting obligations in accordance

with Section 6b (3) EnWG". We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. As an auditing company, we apply the requirements of the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1). We are of the opinion that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our audit opinion on compliance with the accounting obligations according to Section 6b (3) EnWG.

#### **Responsibility of the legal representatives and the supervisory board for compliance with the accounting obligations in accordance with Section 6b (3) EnWG**

The legal representatives are responsible for compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts.

In addition, the legal representatives are responsible for the internal controls that they have deemed necessary to comply with the requirements for maintaining segregated accounts.

The Supervisory Board is responsible for monitoring compliance with the company's accounting obligations in accordance with Section 6b (3) EnWG.

#### **The auditor's responsibility for checking compliance with the accounting obligations in accordance with Section 6b (3) EnWG**

Our objective is to obtain sufficient certainty as to whether the legal representatives have complied with their obligations under Section 6b (3) sentences 1 to 5 EnWG to keep separate accounts in all essential matters.

Furthermore, our aim is to include a note in the auditor's report that contains our audit opinion on compliance with the accounting obligations according to Section 6b (3) EnWG.

The examination of compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG for maintaining separate accounts includes the assessment of whether the allocation of the accounts to the activities according to Section 6b (3) sentences 1 to 4 EnWG has been carried out properly and transparently the principle of continuity was observed.

Hamburg, April 24, 2020

**Ernst & Young GmbH**  
auditing company

*Barnstedt, auditor*

*Horn, auditor*

#### **Balance sheet as of December 31, 2019**

##### **assets**

	€	€	December 31, 2018 T €
<b>A. Fixed assets</b>			
<b>I. Intangible Assets</b>			
1. Self-created industrial property rights and similar rights and values	1,034,035.00		1,389
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	119,305.00		282
		1,153,340.00	1,671
<b>II. Tangible assets</b>			
1. Technical systems and machines	359,893.00		548
2. Other equipment, factory and office equipment	103,825.00		255
		463,718.00	803
<b>III. Financial assets</b>			
1. Shares in affiliated companies	17,416,820.64		17,380
2. Loans to affiliated companies	35,000.00		35
3. Holdings	1,000.00		0
		17,452,820.64	17,415
		19,069,878.64	19,889
<b>B. Current Assets</b>			
<b>I. Inventories</b>			
1. Work in progress, work in progress	353,678.50		5,958
2. Advance payments made	323,969.50		2,537
3. Advance payments received for inventories	0.00		-3,676
		677,648.00	4,819
<b>II. Receivables and other assets</b>			
1. Trade accounts receivable	17,388,557.92		14,891
2. Receivables from affiliated companies	20,005,764.73		19,096
3. Other assets	725,487.46		634
		38,119,810.11	34,621
<b>III. Cash and bank balances</b>		2,315,646.35	841
		41,113,104.46	40,281

	€	€	December 31, 2018 T €
C. Prepaid expenses		1,216,420.73	584
		61,399,403.83	60,754

**liabilities**

	€	€	December 31, 2018 T €
A. Equity			
I. Drawn capital		2,000,000.00	2,000
II. Capital reserve		1,100,000.00	1,100
III. Retained earnings			
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			
1. Provisions for pensions and similar obligations	155,542.00		165
2. Other provisions	9,760,105.83		12,198
		9,915,647.83	12,363
C. Liabilities			
1. Advance payments received on orders	383,800.20		1,798
2. Trade accounts payable	1,423,231.35		1,643
3. Liabilities to affiliated companies	33,993,311.33		29,792
4. Other Liabilities	2,257,712.90		1,694
of which from taxes € 749,891.04 (previous year: € 1,093 thousand)			
		38,058,055.78	34,927
D. Prepaid expenses		523,776.10	562
		61,399,403.83	60,754

**Income statement for 2019**

	€	€	2018 T €
1. Sales	151,251,350.51		137,451
2. Increase or decrease in stocks of finished and unfinished products	-5,603,874.70		-2,292
3. Other own work capitalized	0.00		769
4. Other operating income	1,368,923.01		4,322
of which income from currency translation € 3.88 (previous year: € 1 thousand)			
		147,016,398.82	140,250
5. Cost of materials			
a) Expenses for raw materials, consumables and supplies and for purchased goods	3,357,538.09		5,065
b) Expenses for purchased services	47,333,884.87		40,748
6. Personnel expenses			
a) Wages and salaries	55,624,339.81		62,189
b) Social security and pension and support expenses	10,524,918.64		11,773
of which for pensions € 739,599.55 (previous year: € 885 thousand)			
7. Depreciation on intangible assets and property, plant and equipment	802,390.64		2,071
8. Other operating expenses			
of which expenses from currency translation € 18,420.45 (previous year: € 39 thousand)	19,016,951.16		25,958
		136,660,023.21	147,804
9. Income from participations	7,529,867.75		5,560
of which from affiliated companies € 7,529,867.75 (previous year: € 5,560 thousand)			
10. Other Interest and Similar Income	1.24		1
11. Interest and Similar Expenses	252,625.21		223
of which to affiliated companies € 108,174.13 (previous year: € 20 thousand)			
of which expenses from discounting € 52,018.00 (previous year: € 185 thousand)			
		7,277,243.78	5,338

	€	€	2018 T €
12. Earnings before other taxes and before profit transfer		17,633,619.39	-2,216
13. Other taxes		43,437.94	42
14. Profits transferred on the basis of a profit transfer agreement		17,590,181.45	-2,258
15. Annual net income		0.00	0

### Appendix for the 2019 financial year

#### 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

Internally generated intangible assets are valued at their production costs and depreciated pro rata according to their useful life. 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. Computer programs acquired for a fee are amortized over a normal useful life of three years.

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.

Interest on borrowed capital was not capitalized.

Low-value assets with acquisition costs up to and including € 800 are written off in full in the year of acquisition and at the same time treated 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 net receivables that were not individually valued.

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 pension provisions were determined on the basis of actuarial calculations based on the "2018 G mortality tables" (Prof. Dr. Klaus Heubeck) using the modified entry-level method / projected unit credit method. For discounting, the average market interest rate of the past 10 years with a remaining term of 15 years of 2.71% (previous year 3.21%) in accordance with the Provision Discounting Ordinance of November 18, 2009 was used. Expected salary increases were taken into account with 2.5% (previous year 2.5%) and expected pension increases with 1.0% (previous year 1.0%). The fluctuation was taken into account at a rate of 1.0% (previous year: 1.0%).

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.

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 actuarial interest rate of 0.67% pa and on the basis of the 2018 G mortality tables from 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 2.32%.

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.

### Notes on the balance sheet and income statement

#### Capital assets

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

With effect from April 1st, 2019, BTC Software Systems Sp. Z. oo, PL-Poznan started its business operations.

The shares in BTC Polska Sp. Zoo, PL-Poznan were sold in 2019.

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

Name and seat of the companies	Percentage ownership %	currency	Signed capital	Equity 2019	Annual result 2019
BTC IT Services GmbH, Oldenburg *	100.00%	€	750,000.00	1,462,764.27	3,807,380.69
PRO CONSULT Management and System Consulting GmbH, Neu-Isenburg	100.00%	€	100,000.00	406,284.46	306,284.14
BTC Embedded Systems AG Oldenburg	93.60%	€	161,600.00	4,057,147.61	1,837,339.61
best-blu consulting with energy GmbH, Salzgitter	100.00%	€	25,564.59	478,105.74	452,541.15
SEC Selecta Energy Consulting GmbH, Kelkheim	100.00%	€	125,000.00	749,676.90	624,676.90
BTC Bilisim Hizmetlen AS, TR-Istanbul **	100% ***	TRY	1,007,400.62	7,873,302.59	268,655.14
BTC (Schweiz) AG, CH-Glattbrugg	90.00%	CHF	1,000,000.00	3,561,853.00	2,055,653.00
BTC Software Systems Sp. Z oo, PL-Poznan ****	100.00%	PLN	200,000.00	487,169.40	287,169.40
BTC Software Technology (Shanghai) Co. Ltd., CN-Shanghai **	100.00%	CNY	1,134,825.00	1,727,471.70	182,705.56

\* Domination agreement - annual result before profit transfer

\*\* these are the previous year's values \*\*\* two shares are in third-party ownership \*\*\*\* The company commenced operations on April 1, 2019

### 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 deliveries and services in the amount of T € 11,490 (previous year: T € 16,838), from cash pooling in the amount of T € 4,473 (previous year liability: T € 14,216), from profit and loss transfer agreements in the amount of T € 4,473 € 3,807 (previous year: € 4,342k) and loans of € 235k (previous year: € 0k) and are attributable to the following affiliated companies:

#### Receivables from affiliated companies

in €	as of December 31, 2019	as of December 31, 2018
EWE Aktiengesellschaft, Oldenburg	8,342,645.92	7,909,844.00
EWE TEL GmbH, Oldenburg	2,145,975.07	2,130,039.98
BTC IT Services GmbH, Oldenburg	5,757,627.66	3,151,588.77
EWE NETZ GmbH, Oldenburg	1,569,076.96	2,302,130.80
wesernetz Bremen GmbH, Bremen	928,366.23	1,922,192.20
swb AG, Bremen	279,690.63	537,239.72
EWE Offshore Service & Solutions GmbH, Oldenburg	178,511.51	68,707.73
PRO CONSULT Management and System Consulting GmbH, Neu-Isenburg	152,799.65	451,794.23
EWE Vertrieb GmbH, Oldenburg	128,650.76	292,511.38
BTC China, CN-Shanghai	52,703.74	0.00
BTC (Schweiz) AG, CH-Glattbrugg	35,513.50	80,666.11
LIMÓN GMBH, Kassel	31,501.73	0.00
GLASFASER NORDWEST GMBH & Co. KG, Oldenburg	30,190.30	0.00
BTC SP. z oo, PL-Poznan	52,295.26	18,426.44
BTC Software Systems Sp. Zoo, PL-Poznan	241,481.77	0.00
BTC Bilisim Hizmetleri AS, TR-Istanbul	0.00	62,397.00
Rest	78,734.04	168,340.64
	20,005,764.73	19,095,879.00

Of the receivables from affiliated companies, € 8,343 thousand (previous year: € 7,910 thousand) are due from the sole shareholder EWE Aktiengesellschaft, Oldenburg (EWE). These result from cash pooling in the amount of € 4,473 thousand and from deliveries and services.

### Liquid funds

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

### Equity

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

### Provisions for pensions and similar obligations

The employer-financed company pension scheme for employees who started a permanent employment contract on January 1, 2009 or who had an open-ended contract on January 1, 2009 is financed by 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. These assets were offset against the pension obligations in accordance with Section 246 (2) sentence 2 HGB. The assets are target funds, the investment concepts of which are based on the employees' anticipated retirement. If at the end of the financial year the present value of the guarantee exceeds the fair value of the assets to be offset, the settlement amount corresponds to this present value and a pension provision is recognized if the settlement amount exceeds the fair value of the assets to be offset.

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.

in EUR	December 31, 2019
Settlement amount from the company pension scheme	5,148,614
Fair value of the plan assets invested	+ 4,993,072
Pension provision	155,542

The net income resulting from the plan assets and the set-off against the interest expenses of the corresponding settlement amounts for the pension provisions in the 2019 financial year are as follows:

in EUR	December 31, 2019
Net return on CTA assets	89,077
Interest expense from the corresponding pension provision	141,095

The difference according to Section 253, Paragraph 6, Clause 1 of the German Commercial Code (HGB) is € 34 thousand (previous year: € 42 thousand).

### Other provisions

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

### liabilities

With the exception of the long-term loan from the sole shareholder EWE Aktiengesellschaft, Oldenburg, all liabilities have a remaining term of up to one year.

in Euro	December 31, 2019			
Type of liability	up to 1 year	Remaining term more than 1 year	including more than 5 years	faces / type and shape
1. Advance payments received on orders	€ 383,800.20			
2. Trade accounts payable	€ 1,423,231.35			
3. Liabilities to affiliated companies	€ 29,493,311.33	4,500,000.00 €	4,500,000.00 €	
4. Other Liabilities	€ 2,257,712.90			
total	€ 33,558,055.78	4,500,000.00 €	4,500,000.00 €	
in Euro	December 31, 2019		December 31, 2018	
Type of liability	total	up to 1 year	Remaining term more than 1 year	total
1. Advance payments received on orders	€ 383,800.20	€ 1,798,263.24		€ 1,798,263.24
2. Trade accounts payable	€ 1,423,231.35	€ 1,643,065.95		€ 1,643,065.95
3. Liabilities to affiliated companies	€ 33,993,311.33	€ 25,291,510.31	4,500,000.00 €	€ 29,791,510.31
4. Other Liabilities	€ 2,257,712.90	€ 1,694,106.70		€ 1,694,106.70
total	€ 38,058,055.78	€ 30,426,946.20		€ 34,926,946.20

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 € 17,590 thousand (previous year receivables from loss transfer: € 2,258 thousand), as well as from cash pooling of € 0 thousand (previous year: € 14,216 thousand) and a long-term loan of T € 4,500 (previous year T € 4,500).

### Liabilities to affiliated companies

in €	as of December 31, 2019	as of December 31, 2018
EWE Aktiengesellschaft, Oldenburg	24,893,057.71	21,481,654.32
BTC IT Services GmbH, Oldenburg	8,594,327.20	7,730,524.18
EWE TEL GmbH, Oldenburg	237,324.84	279,313.73
PRO CONSULT Management and System Consulting GmbH, Neu-Isenburg	98,611.77	181,769.81
BTC (Schweiz) AG, CH-Glattbrugg	76,519.00	70,407.00
EWE VERTRIEB GmbH, Oldenburg	0.00	19,233.73
BTC Bilisim Hizmetleri AS, TR-Istanbul	19,701.59	5,482.60
Rest	73,769.22	23,124.94
	33,993,311.33	29,791,510.31

### Sales

The sales are essentially broken down into the areas of services with € 145,654 thousand (previous year: € 130,932 thousand) and trading with € 4,809 thousand (previous year: € 6,519 thousand). T € 149,456 (previous year: T € 134,224) of sales were generated in Germany, the remaining sales were generated abroad at T € 1,795 (previous

year: T € 3,227).

#### **Other company income**

The other operating income includes income unrelated to the accounting period from the reversal of provisions in the amount of € 348 thousand (previous year: € 493 thousand) and income from private vehicle use of € 998 thousand (previous year € 1,019 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**

Stefan Dohler, Oldenburg

- Chairman -

CEO of EWE Aktiengesellschaft, Oldenburg

Dr. Urban Keussen, Oldenburg

- Deputy Chairman -

Chief Technology Officer at EWE Aktiengesellschaft, Oldenburg

Bernhard Ellberg, Oldenburg

Senior Government Director of the City of Oldenburg, Oldenburg

Claus Eilers, Zetel

Member of the district council in the district of Friesland

Assunta Hamm, Munster

Employee representative at BTC Business Technology Consulting AG, Oldenburg

Thomas Walter, Bremen

Employee representative of BTC Business Technology Consulting AG, Oldenburg

The members of the Supervisory Board were paid a total of T € 12 (previous year: T € 12).

##### **Board**

Dr. Jörg Ritter, IT graduate, CEO, responsible for sales and corporate development, Oldenburg

Dirk Thole, business graduate, commercial director, Lohne (until September 30, 2019)

Carsten Herrmann, business graduate, commercial director, Bad Zwischenahn (from October 1, 2019 to January 31, 2020)

Percy Hamer, graduate computer scientist, board member, responsible for the operational business and the central functions, Bremen (from February 1st, 2020)

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

##### **Employee**

In the 2019 financial year, the company had an average of 872 employees (previous year 1,017). On average over the year, BTC AG has 664 full-time and 208 part-time employees as well as temporary workers.

##### **Contingent liabilities and other financial obligations**

There are obligations from leasing contracts with an amount of € 1,279 thousand for the period up to 2023 as well as guarantees for down payments and warranties amounting to € 15,617 thousand (previous year: € 10,782 thousand). The risk of a claim from the guarantees for down payments and warranties is rated as very low. There are financial obligations to the parent company for 2021 in the amount of T € 4,200, primarily from tenancies.

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

In the 2019 financial year, BTC generated revenues for IT services in the amount of € 64.7 million (previous year: € 72.3 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 € 24.9 million (previous year: € 28.5 million). Services totaling € 7.6 million were provided for EWE Netz GmbH, Oldenburg (previous year: € 9.7 million). EWE TEL GmbH, Oldenburg, achieved € 12.0 million (previous year: € 12.9 million).

BTC spent € 47.5 million (previous year € 36.6 million) on group services for affiliated companies. 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 € 38.0 million (previous year € 26.7 million) as well as third-party services from PRO CONSULT GmbH, Neu-Isenburg, in Amount of € 0.6m (previous year € 2.0m) with total expenditure of € 47.5m (previous year € 36.6m).

Rental expenses for office space in the amount of € 5.0m (previous year € 4.9m) were incurred mainly for EWE Aktiengesellschaft.

##### **Addendum**

On January 30, 2020, the World Health Organization (WHO) declared an international health emergency due to the coronavirus outbreak. The further course of the spread of the coronavirus and consequences on the course of business of BTC Business Technology Consulting AG are constantly monitored. At this point in time, no further significant burdens are known or can be estimated. However, further burdens are possible in the course of the year.

Beyond this, no events have occurred after the end of the financial year that are of particular significance for the company's earnings, financial and asset position.



**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, 2019, as the company's annual financial statements were included in the consolidated financial statements of EWE Aktiengesellschaft based in Oldenburg (HR B 33), which included the consolidated financial statements for the smallest group, 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 2019 and broken down by type of services is included in the consolidated financial statements of EWE Aktiengesellschaft, Oldenburg.

**Oldenburg, April 15, 2020**

*The board of directors*

*Dr. Jörg Ritter*

*Percy Hamer*

**Development of fixed assets in 2019**

	Acquisition and production costs			
	01/01/2019	Accesses	Departures	December 31, 2019
	€	€	€	€
I. Intangible Assets				
1. Self-created industrial property rights and similar rights and values	1,766,079.82	0.00	0.00	1,766,079.82
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	3,590,895.69	51,731.01	40,903.40	3,601,723.30
	5,356,975.51	51,731.01	40,903.40	5,367,803.12
II. Tangible assets				
1. Technical systems and machines	2,791,151.91	130,919.45	536,604.32	2,385,467.04
2. Other equipment, factory and office equipment	816,573.59	6,994.18	224,241.32	599,326.45
	3,607,725.50	137,913.63	760,845.64	2,984,793.49
III. Financial assets				
1. Shares in affiliated companies	17,400,058.25	49,575.39	12,697.50	17,436,936.14
2. Loans to affiliated companies	35,000.00	0.00	0.00	35,000.00
3. Holdings	0.00	1,000.00	0.00	1,000.00
	17,435,058.25	50,575.39	12,697.50	17,472,936.14
	26,399,759.26	240,220.03	814,446.54	25,825,532.75
Accumulated depreciation				
	01/01/2019	Accesses	Departures	December 31, 2019
	€	€	€	€
I. Intangible Assets				
1. Self-created industrial property rights and similar rights and values	376,721.82	355,323.00	0.00	0.00
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	3,308,791.69	209,424.01	35,797.40	0.00
	3,685,513.51	564,747.01	35,797.40	0.00
II. Tangible assets				
1. Technical systems and machines	2,242,938.91	192,347.45	409,712.32	0.00
2. Other equipment, factory and office equipment	561,946.59	45,296.18	111,741.32	0.00
	2,804,885.50	237,643.63	521,453.64	0.00
III. Financial assets				
1. Shares in affiliated companies	20,115.50	0.00	0.00	0.00
2. Loans to affiliated companies	0.00	0.00	0.00	0.00
3. Holdings	0.00	0.00	0.00	0.00
	20,115.50	0.00	0.00	0.00
	6,510,514.51	802,390.64	557,251.04	0.00
Book values				
			December 31, 2019	December 31, 2018

	Book values	T €
	December 31,	December 31,
I. Intangible Assets		
1. Self-created industrial property rights and similar rights and values	1,034,035.00	1,389
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	119,305.00	282
	1,153,340.00	1,671
II. Tangible assets		
1. Technical systems and machines	359,893.00	548
2. Other equipment, factory and office equipment	103,825.00	255
	463,718.00	803
III. Financial assets		
1. Shares in affiliated companies	17,416,820.64	17,380
2. Loans to affiliated companies	35,000.00	35
3. Holdings	1,000.00	0
	17,452,820.64	17,415
	19,069,878.64	19,889

## Management report 2019

### of BTC Business Technology Consulting AG, Oldenburg

#### Basics of society

BTC Business Technology Consulting AG (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
- 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 over 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

The overall IT market is expected to grow by 3.2% to € 93.6 billion in 2019. The software area gained the most with a plus of 6.3% to € 26.0 billion. The IT services business, which also includes project business and IT consulting, is growing by 2.4% to € 40.9 billion, according to the Bitkom eV industry association. IT hardware sales will only change and increase slightly by 1.5% to € 26.7 billion

The value creation processes in all industries and companies are now significantly influenced by digitization.

Up-to-date and innovative support and addressing of customers are particularly important in order to prepare them for future developments. Artificial intelligence remains one of the most important technology trends. In combination with big data, it offers countless possibilities to accelerate processes and thus reduce expenses. The cloud concepts (public, hybrid, private) will also change. The general trend is from a centralized to a distributed cloud. The share of edge computing, i.e. decentralized data processing at the edge of the network, is to be increased many times over. IT security is already attracting a lot of attention and is becoming a constant topic in the industry.

BTC is one of the leading product providers in the energy sector as well as one of the leading IT experts and digitization specialists who accompany their customers in partnership and support them in mastering the digital transformation in order to remain successful in their business. An important aspect is the IT organization, which must be able to develop innovative IT products and services and increase end customer satisfaction with shorter release and provision cycles.

The cloud business brings with it completely new billing and sales models. In order to be well positioned for this special market approach as well as the special operational implementation, BTC AG responded with an organizational structure geared towards this. It is now a matter of making the possibilities of shorter software development cycles, maximum availability and highly scalable computing power fully usable for the customer.

Another development that is gaining momentum is the topic of DevOps, i.e. the connection between development and IT processes (operations). DevOps will help to increase and optimize the quality of software, the speed of development, delivery and the interaction of different teams.

The dynamic change and the growing market temporarily lead to capacity bottlenecks, which IT companies can counter by increasing their staff or by acquiring companies. BTC counters the "war for talents" with a large number of activities in the field of recruiting and its positioning in the field of diversity. Nevertheless, BTC is also feeling the increasing battle for IT talent.

#### Business development

The lack of future earnings prospects and BTC's claim to be able to meet market and customer requirements in the long term led to the sale of the Smart Grid division to PSI Software AG, Berlin, effective January 01, 2019. The implementation of the full separation continued well into 2019. In this context, the Polish subsidiary BTC

Business Technology Consulting Sp. Z oo, Poznan, was sold. Some of the employees who do not work in the smart grid environment have been transferred to the newly founded BTC Software Systems Sp. Z oo, Poznan.

The start of 2019 got off to a promising start. Despite a high level of sick leave in the first quarter, significantly more billable hours could be placed in customer projects. For the better control of individual activities, a focus topic reporting was set up that specifically tracks individual, concentrated measures.

Significant increases in sales were achieved in the Managed Service Provider, SAP Classic and Asset Management market topics. In particular, the IT outsourcing and critical infrastructures market offerings again developed positively.

The second half of the year was characterized by the adjustment of the organizational structure to changing market conditions. The focus here was on establishing the cloud units.

In addition to increasing profitability, the cooperation within the BTC Group with its multitude of competencies was further developed. The cross-functional cooperation of all companies in the BTC Group supports the full use of the group's portfolio.

### **Sales development**

BTC was able to increase its sales revenues of € 151.3 million by a total of € 13.8 million or 10.0% compared to the previous year. Revenues from project business and application management fell slightly. The main sales drivers are the outsourcing services, which could be increased by € 17.2 million and thus by 86.9%. While the maintenance business with own products is declining due to the sale of the Smart Grid partial operation, the license and license maintenance business with third-party products could be continued somewhat above the level of the previous year.

The sector with the highest turnover of BTC AG is still the energy sector with 63.7%. Sales could be increased significantly compared to the previous year and are now at € 95.6 million. The share of the energy supply market in total sales is therefore above the previous year's level due to the total increase in sales.

The trade, consumer goods and services (DL) sector has developed into the second strongest sector compared to the previous year with € 22.6 million. It increased disproportionately to € 2.8 million.

Sales in the industrial sector are slightly below the previous year's level at € 13.6 million (-3.5%; € -0.5 million).

Activities in the telecommunications sector also declined slightly. Sales fell from € 13.2 million to € 12.2 million compared to the previous year.

In the public sector, sales increased by € 0.1 million year-on-year to € 6.0 million.

### **Subsidiaries**

BTC AG holds 100% of BTC IT Services GmbH, Oldenburg (BITS). A control and profit and loss transfer agreement exists between BTC AG and BITS. At € 77.4 million, sales in the current financial year of BITS are well above the level of the previous year (€ 60.3 million). The result before profit transfer in 2019 is € 3.8 million and thus significantly above the previous year's figure of € 2.1 million. This is mainly due to the successful completion of the transition phases and the transition to the operation of two major projects.

The sales of BTC Embedded Systems AG, Oldenburg, reached a value of € 13.2 million in the current financial year (previous year: € 11.4 million). The annual surplus increased again at the end of 2019.

SEC Selecta Energy Consulting GmbH, Kelkheim, (short: SEC) closes 2019 with a positive result with sales of € 3.7 million (previous year: € 0.8 million). In the previous year, the company was included in the BTC Group with a short financial year.

Best-blu consulting with energy GmbH, Salzgitter, (BBC for short) achieved sales of € 3.3 million (previous year: € 0.8 million) and also generated a profit for the year. This company was also included in the previous year with a short financial year.

PRO CONSULT Management- und Systemberatung GmbH, Neu-Isenburg (Pro Consult) achieved sales of € 4.3 million less than in the previous year (€ 5.5 million). The clearly positive result decreased slightly compared to 2018.

BTC (Schweiz) AG, Glattbrugg, Switzerland, generates sales of € 10.2 million (previous year: € 9.3 million) and is thus above the level of the previous year. The annual surplus could also be increased slightly.

The Turkish subsidiary BTC Bilişim Hizmetleri A.Ş., Istanbul, Turkey achieved sales of € 11.7 million, despite the political and economic developments and the associated exchange rate devaluations in Turkey, almost the same level as in the previous year. When viewed in local currency, sales rose from TRY 70.0 million in 2018 to a value of TRY 74.2 million in the current period. The net income, however, was below the value of the previous year.

BTC Business Technology Consulting Sp.z oo, Poznan, Poland, was sold to PSI Polska Sp.z oo with effect from April 30, 2019. The newly founded BTC Software Systems Sp. Z oo, PL-Poznan, achieved an initial annual turnover of € 0.8 million.

BTC Software Technology (Shanghai) Co. Ltd., Shanghai, China, ended its second operating financial year in 2019. The company generated sales of around € 0.6 million (previous year € 0.7 million). A balanced result is expected.

### **Investment development**

At € 0.1 million, BTC AG's investments in property, plant and equipment are below the level of the previous year (2018: € 0.3 million).

In terms of financial assets, BTC Business Technology Consulting Sp.z oo, Poznan, Poland, was sold with effect from April 30, 2019. The addition concerns the new establishment of BTC Software Systems Sp. Z oo, PL-Poznan.

The investments for the infrastructure of the operative business are made by the subsidiary BTC IT Services GmbH (BITS).

### **Earnings, assets and financial position**

#### **Earnings situation**

The earnings before appropriation of profits of BTC AG in the amount of € 17.6 million (2018: € -2.3 million) are significantly above the previous year in the past financial year. The improvement in earnings is mainly due to the increased profitability of the operative business and the one-off effect of the sale of the Smart Grid operation. In addition, the investment result could be improved significantly.

The cost of materials and external services at BTC AG rose by € 4.9 million to € 50.7 million (2018: € 45.8 million). This is mainly due to the increase in outsourcing.

Personnel expenses changed compared to the previous year by € -7.9 million to € 66.1 million (2018: € 74.0 million). The decline is mainly due to the sale of the Smart Grid operation at the beginning of the year as well as one-off effects as part of organizational changes. Employee growth and the general salary development had the opposite effect.

The depreciation of property, plant and equipment is at a normal level of € 0.8 million. The previous year was influenced by an unscheduled depreciation process.

In total, other operating expenses of € 20.1 million are around 22.4% below the previous year's figure. The reduction of around € 5.8 million is due, among other things, to the lower number of employees as well as risks from pending transactions of € 2.7 million taken into account in the previous year.

The investment result of BTC AG is € 7.5 million above the level of the previous year. The earnings contribution of BTC IT Services GmbH is € 3.8 million, around 80% above the previous year. At BTC Embedded Systems AG, just like at BTC (Schweiz) AG, an increase in the distribution was achieved again. Only the distributions by the BBC and SEC were lower due to the previous short financial year. A dividend could also be received for BTC Business Technology Consulting Sp.z oo, Poznan, which was sold in May 2019.

### **Financial position**

The long-term assets of BTC AG are below the level of the previous year, they amounted to € 19.1 million at the end of the year compared to € 19.9 million in the previous year. The decrease is mainly due to the sale of the Smart Grid operation.

Current assets excluding liquid funds, on the other hand, increased by € 3.5 million to € 38.1 million. The reduction in inventories due to the sale of the Smart Grid business is offset by the increase in trade receivables. These are due to the completion of some larger projects. Short-term liquidity also increased. As a result of these effects, the balance sheet total rose slightly by 1.0% or € 0.6 million to € 61.4 million (2018: € 60.8 million).

### **Financial condition**

As in the previous year, equity amounted to € 12.9 million. The equity ratio changed only slightly to 21.0% (2018: 21.2%). At € 9.9 million, provisions are below the previous year's figure of € 12.4 million.

At € 38.1 million, liabilities are above the level of the previous year (previous year: € 34.9 million). The repayment of the cash pool liabilities and the liabilities from operating business were more than offset by the increase in the liability from the profit transfer.

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 AG, the number of employees fell from 1,121 at the end of 2018 to 956 at the end of 2019.

The high demands of the market require a high level of qualification of the employees at BTC AG. During the financial year, BTC AG spent € 0.9 million on external training measures.

#### **Quota of women \***

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 have been set for the supervisory board, management and 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.

#### **BTC in transition \***

The new group strategy, which is increasingly geared towards energy services, meant that BTC also had to face competition from other service providers within the group. To support this, many initiatives to increase profitability were taken at the operational level in 2019, which among other things contributed to BTC achieving its best annual result to date. For the Oldenburg location, 2019 was dominated by the FreiRaum project. The focus of the project was on adapting the premises and the working environment to the changing world of work. First, a flexible workplace concept was implemented with the aim of meeting the requirements of a future-oriented IT company. Following the implementation of numerous flexible workplaces, the first rooms were set up for situation-appropriate work in various working modes. The core element was the implementation of a work café, which was opened at the end of the year and offers employees space for networking, spontaneous meetings and creative collaboration. The entire project will be continued in the coming year. The focus will be on creating more rooms for various contemporary forms of work, which opened at the end of the year and offers employees space for networking, spontaneous meetings and creative collaboration. The entire project will be continued in the coming year. The focus will be on creating more rooms for various contemporary forms of work, which opened at the end of the year and offers employees space for networking, spontaneous meetings and creative collaboration. The entire project will be continued in the coming year. The focus will be on creating more rooms for various contemporary forms of work.

#### **Portfolio \***

A major growth topic is the offering of services in the cloud area, which brings with it completely new billing and sales models. In order to be well positioned for this special market approach as well as the special operational implementation, a "cloud" unit was founded in 2019, which also offers dedicated services in the Amazon web service and Microsoft Azure area.

A new SAP strategy was developed in 2019. For its successful implementation, it was decided at the end of the year to bundle the topics S / 4 HANA and SAP Classic under the new market topic "SAP Business Software" and to use increased synergies at BTC and on the market. An essential mission is to make the transition to the new SAP systems easier for customers.

#### **Innovation \***

In 2019, BTC was active in three funding projects. In the enera project "Showcase Intelligent Energy - Digital Agenda for Energy", the continuous digitization and technical flexibility of the energy system is demonstrated in a systemic approach. The demonstration phase of the project started in 2019. Applications are implemented on the Smart Data and Service Platform co-developed and operated by BTC and continue to serve as the basis for data-based business model development. As part of the "Energetic Neighborhood Quarter (ENaQ)" project, a new residential area is being built on the site of the former air base in Oldenburg to develop a concept for the quarters of tomorrow. Among other things, BTC is developing digitized neighborhood services there. The emerging quarter serves as a real laboratory for smart city technologies, in which further projects are to be located in the future. The "Green Access" project looked at the question of how intelligent the power grids have to become in order to be able to use as much green electricity as possible at low cost and was successfully completed at the end of 2019.

#### **forecast**

#### **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 above-average growth with higher profitability is expected for the following years despite a slight decrease in group sales.

#### **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. BTC's internal control system 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.

#### **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 and more intensive cooperation within the BTC Group.

#### **Risks**

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

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. Furthermore, 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 following major risks are currently listed in the risk catalog:

#### **Risks from the implementation of projects and services**

Operational project and service risks summarize all risks from order initiation, order management and order processing of projects and services, provided that these are not already covered by, for example, provisions for guarantees or pending losses. The risk can be primarily of a financial nature as well as contain risks that are content-related (technical risk) or identify a resource bottleneck (resource risk).

#### **Risk from the failure of major suppliers**

There is a risk that manufacturers in the IT environment (hardware and software) will fail for a short time and will no longer be available in the future, although there are delivery obligations towards the customer.

#### **Risks from the repayment of subsidies**

The funding agency can carry out a cost review up to five years after submitting the proof of use. If incorrect use is found, the funding agency can reclaim the funding.

#### **Risks from the coronavirus pandemic**

The current spread of the coronavirus and the associated public containment measures also have an impact on our company. The internal measures introduced to protect our employees, restrictions through quarantine measures and increased sick leave have a direct impact on our economic performance. Furthermore, the current shortage of protective equipment can have an impact on part of the service provision. The measures introduced in this context include the establishment of a so-called task force, contact minimization,

Overall, the Management Board believes that the risks mentioned as of December 31, 2019 have been further reduced through suitable measures.

#### **Future framework conditions**

In its autumn projection for 2020, the federal government expects an increase in gross domestic product of 1.0% for the overall economy in Germany. The participants in the Lünendonk Study 2019 are again assuming that the markets will continue to grow significantly in 2020. The IT service providers surveyed expect sales to increase by 10.8%. The integration of digital solutions into the backend IT, agile application developments and cloud implementations are seen as the main drivers in 2020.

#### **Forecast report**

##### **Comparison of sales and earnings forecast 2019**

For the 2019 financial year, BTC AG assumed sales revenues between € 142.0 million and € 146.0 million as well as an operating EBIT including investment income in the low double-digit million range. Both the sales forecast of € 151.3 million and the operating EBIT including the investment result were exceeded. This is mainly due to the sale of the Smart Grid operation.

##### **Sales and earnings forecast 2020**

For the 2020 financial year, BTC expects higher sales revenues than in the past financial year and a lower annual result compared to 2019, since the sale of the Smart Grid division resulted in one-off earnings-improving effects of around € 3.0 million in 2019. Without this special effect, we expect an improved annual result for 2020 compared to 2019.

##### **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 AG 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 revenues of € 140.0 million to € 150.0 million for the planning year 2020. The revenues result from increasing service revenues for projects and services, from outsourcing and an increasing volume of revenues for cloud services. Accordingly, an increase in the cost of materials, especially for outsourcing as well as for the cloud business, and higher personnel costs are expected. The depreciation of property, plant and equipment is constantly at a low level, as the investments for the infrastructure of the operative business are carried out in the subsidiary BITS.

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

The data mentioned for planning and forecasting were compiled well before the outbreak of the corona pandemic. According to current estimates, the constantly changing overall situation will mean that the planned values cannot be met. The management level of BTC AG regularly analyzes the effects of the pandemic on the economic

situation of BTC AG in scenario considerations. The concrete effects of the spread of the coronavirus on developments in 2020 are difficult to assess in view of the constantly changing situation. However, the board of directors anticipates at least a negative effect on sales in the single-digit million range. The sales effect will be counteracted by measures to reduce costs.

**Oldenburg, April 15, 2020**

***Dr. Jörg Ritter***

***Percy Hamer***

\* Information that has not been checked by the auditor.

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