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Family asset management Dr. Hamm GmbH & Co.KG	Accounting / financial reports	Consolidated financial statements for the business year from May 1, 2016 to April 30, 2017	05/03/2018
Surname	**Area**	**information**	**V. date**

Family asset management Dr. Hamm GmbH & Co.KG

Darmstadt

Consolidated financial statements for the business year from May 1, 2016 to April 30, 2017

Group management report

1. Company basics

A. Business model of the company

The consolidated financial statements include the family asset management Dr. Hamm GmbH & Co. KG, PROFI Engineering Holding GmbH and PROFI Engineering Systems AG.

The object of PROFI Engineering Holding GmbH is the management of the business and the assumption of personal liability of the "Familien Vermögensverwaltung Dr. Hamm GmbH & Co. KG" in Darmstadt, whose object is the administration of its own assets, in particular the holding and management of business shares in the " PROFI Engineering Holding GmbH "with the seat in Darmstadt, as well as the rental and administration of the property Otto-Röhm-Straße 18 in Darmstadt. The object of the company of PROFI Engineering Holding is also the management of its own assets, in particular the holding and management of shares in "PROFI Engineering Systems AG" based in Darmstadt,

PROFI Engineering Systems AG (hereinafter referred to as PROFI) is a leading European IBM Premier Partner. For over 30 years, PROFI has been supporting its customers with individual, high-quality IT infrastructure solutions to optimize IT processes and system landscapes for more effectiveness and efficiency. The PROFI consultants and technicians are experienced specialists in the areas of high availability, data management, disaster recovery, virtualization strategies and IT integration of business processes.

The PROFI service portfolio covers the entire spectrum from consulting and conception through provision and implementation to operation and maintenance. The solutions offered are industry-independent and are aimed at medium-sized companies, large companies and corporations. In addition, PROFI offers municipalities, cities and state authorities special software solutions for areas of application in public administrations.

B. Research and Development

PROFI develops new, innovative overall IT solutions in cooperation with its business partners and their customers. The main factors are the innovation culture in the company and the highly qualified employees.

Annual participation in the TOP 100 innovation competition for German medium-sized companies constantly puts the innovation culture to the test and provides impetus for further developments. PROFI has already taken part in this competition 15 times and has always been recognized as one of the TOP 100 most innovative German medium-sized companies. The last award took place in June 2016 in Essen.

High investments in education and training ensure the necessary knowledge base and methodological competence of the employees. PROFI holds a large number of certifications from well-known IT hardware and software manufacturers and is therefore able to develop individual IT solutions for customer needs.

2. Economic report

A. Macroeconomic, industry-specific framework conditions

The overall economic situation in Germany in 2016 was still stable and positive compared to the global and European situation. According to the Federal Statistical Office, the gross domestic product rose by 1.9% in 2016 (compared to 1.7% in the previous year).

According to the industry association Bitkom, the German IT market rose by 3.3% in 2016.

Within the information technology sector, the IT service segment contributed growth of 2.7%, the IT hardware segment with 1.8% and the software segment with 6.2%.

Bitkom has forecast growth for 2017 at 2.7%. The industry association again assumes that software will grow the fastest at 6.3%. IT service should register 2.3% growth, IT hardware should remain almost constant at 0.1%.

B. Course of business

The following data is taken from the annual financial statements of PROFI Engineering Systems AG.

In the past financial year, the company was able to report total sales of € 160.4 million (previous year: 148.4).

Hardware revenues accounted for € 79.8 million (previous year: € 74.4 million), which means an increase of 7.3%.

The share of software revenues amounted to € 34.1 million (previous year € 32.7 million). This corresponds to a growth of 4.3%.

Growth was also recorded in the service sector. The total revenues for services rose to € 45.7 million (previous year € 41.3 million). An increase of 10.7%.

Personnel expenses rose from € 24.8 million to € 27.3 million (+ 10%). Here, the recruitment of personnel is responsible in particular for the service division.

The other operating expenses amount to € 11.2 million (previous year € 11.9 million), which means a reduction of 5.9% compared to the previous year.

The EBITDA amounted to minus € 2.2 million (previous year € 2.6 million), a reduction of € 4.8 million compared to the previous year.

Earnings before taxes fell from € 1.5 million in the previous year to minus € 3.0 million.

The balance sheet total is € 42 million. The increase of € 9.3 million compared to the previous year is mainly due to higher receivables on the assets side and to higher liabilities and provisions on the liabilities side.

The equity ratio is 24.9% compared to 40.7% in the previous year. The liquidity situation remains solid and is reflected in an adequate bank portfolio (€ 12.7 million) and a balanced relationship between trade receivables and trade payables.

In the 2016/2017 financial year, the majority of trade accounts receivable were covered by trade credit insurance in order to counteract the risk of default. By selling individual receivables, customer requests for extended payment terms could also be met.

The average and weighted number of employees in the financial year was 359 (previous year 328). Of these, 51 worked in administration, 177 as system engineers (SEs) and 131 in sales.

C. Location

The company's position remains stable. The course of the financial year and the unsatisfactory result show how important and necessary the restructuring into growth segments and the consolidation of declining business units is. The business model will therefore concentrate more on the growth areas of software solutions, consulting and managed service. The trading business remains an important mainstay, which can be described as quite volatile due to individual projects. Declines in margins also require the corresponding processes to be streamlined. Organizational measures were taken to realign the service area and to increase capacity utilization,

I. Earnings position

Despite the increase in sales to € 160.4 million, the earnings targets could not be achieved. Every sales segment (hardware, software, services) recorded growth. The hardware trading business grew from € 74.4 million in the previous year to € 79.8 million. The software business grew from € 32.7 million to € 34.1 million. However, the trading margin in both segments fell to an average of 9.8% (previous year: 12.1%). The main cause is the competitive pressure and the significant decline in sales with the manufacturer IBM. Large increases with Dell / EMC (+ 126%), among others, increased sales, but with significantly lower margins. The services segment also developed from € 41.3 million to € 45.7 million, although the expectation of self-provided services could not be met. The services provided in-house grew from € 13.5 million to € 14.9 million, but the planned revenues amounted to € 17.9 million. The productivity of the consultants could be increased slightly compared to the previous year, but was not enough to compensate for the increased costs.

II. Financial position

The financial situation can still be described as stable. Financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment period. Receivables management relies on close communication directly with the customer and the relevant customer manager.

Daily financial reporting and weekly short-term liquidity planning support liquidity management and ensure the so-called deadline congruence. The majority of the claim is covered by a trade credit insurance. Long-term payment terms for customer projects are partly processed through factoring.

Our capital structure continues to show solid equity capital and a low level of dependence on traditional investors. There are no long-term liabilities. Most of the liabilities to banks shown have the character of supplier liabilities. This is due to the financing model of IBM Deutschland GmbH, which assigns all of its claims to IBM Kreditbank GmbH.

There are no long-term bank liabilities. Credit lines are only used in the context of performance and rental guarantees. The capital requirement is covered from the cash flow and the cash on hand.

The reported liabilities can be settled within the payment terms.

The reported trade accounts receivable are largely covered by trade credit insurance.

III. Financial position

Our company's financial position is stable. The relationship between liabilities and receivables is balanced. The majority of the assets are shown in the position of bank balances. Significant fixed assets exist only in the context of operating and office equipment. In relation to the total balance sheet total, however, this is subordinate.

IV. Financial performance indicators

Coordinated controlling instruments are used to manage the company. The company is divided into operational, regional offices and supraregional business areas; the profitability is determined via a profit and loss account for each branch. Key figures such as EBT, EBITDA, return on sales, sales per capita, earnings per capita and other specific indicators are used for economic assessment.

No positive return could be generated in the reporting period. In the previous year, the return on sales was 0.6%. Measures to improve results have been taken. Cost reductions have already been initiated, organizational changes both to optimize the retail business and to increase the utilization and efficiency of the service have been implemented with effect from May 1st, 2017.

3. Opportunity, risk and forecast report

A. Risk report

Industry-specific risks:

The IT market is changing rapidly. IT infrastructures are gradually being converted into hybrid or pure cloud solutions. For the classic system house business, this creates risks, but also enormous business opportunities. On the one hand, the demand for IT infrastructures is falling or is being shifted to so-called cloud providers. On the other hand, IT solutions are becoming more and more complex and require comprehensive advice. Companies have to connect their internal IT infrastructure and IT applications with those relocated to the cloud and decide which services can be optimally used in which model.

This results in new consulting approaches for a system house like PROFI.

Topics such as digitization, Industry 4.0, cloud computing, security, big data, mobile computing and social networks also offer further new, advice-intensive growth areas. The clear focus on these topics as well as the expansion of the managed service offer offer PROFI the opportunity to secure and expand market shares in the consulting environment.

PROFI takes this development into account. With effect from May 1, 2017, all service areas were merged into one central unit. This entire area now bundles all consulting fields and is responsible for the utilization and profitability company-wide. Efficient resource and supraregional project management is thus guaranteed. The entire service area has recently been divided into the following departments: Data Center Solutions, IBM Server Solutions, Software Solutions, Strategy and Architecture Consulting, as well as Managed Services and Project Management. The SAP Technology division complements the PROFI range of services.

The SAP application consulting division was closed with effect from August 31, 2017 after the financial year-end. The employees were dismissed for operational reasons. Within two years, the division did not succeed in placing its consulting services on the market sustainably and with corresponding success. Process and application advice can be found in the new Strategy and Architecture Consulting department. Special SAP application advice is mapped via a partner network. In this way, PROFI has covered the entire IT value chain from strategy to implementation to managed service and can support the customer throughout his entire IT cycle.

Income-oriented risks:

Earnings risks lie in the decline and the volatility of the trading business and the increasing price pressure from competitors. Server systems are becoming more and more efficient and cheaper. Large hardware projects are rarer and the competitive pressure is correspondingly greater. The resulting pressure on margins in the IT area requires effective sales, cost and process controlling. PROFI differs from many competitors by offering a comprehensive range of advice, implementation, delivery and follow-up support and becomes more independent of the pure trade margin.

The trading business is tending to decline due to the shift towards more cloud infrastructures. International cloud providers such as Amazon, Microsoft and Google offer computing services and large investments in their own IT infrastructures are gradually becoming superfluous. Through cooperation with cloud providers (DARZ, T-Systems / Deutsche Telekom), however, additional services are also included in the overall portfolio of PROFI.

The German IT market is still strongly characterized by hybrid models. Many customers continue to use their own IT infrastructures, especially for business-critical applications, and use cloud solutions for highly standardized applications and services.

In the last few years, PROFI has adapted strongly to this change and has a business key figure system which derives the causes and the corresponding findings.

Further risks lie in the utilization and management of the service staff. Monthly reports provide timely information. Process and organizational changes and investments in management systems take into account the constant changes from trading business to more consulting business. With the realignment of the service organization, productivity increases are achieved and continue to be expected.

Basically, the risks of future development lie in the general market economy, the willingness of companies to invest, the ability of PROFI to adapt flexibly to changing customer requirements and to take up and implement new IT topics.

The IT market is characterized by rapid changes, ever shorter innovation cycles and constant improvements in the price / performance ratio. Reacting quickly to these changes is essential; the development of innovative solutions and products is the prerequisite for an IT company like PROFI to assert itself in the market. The topic of digitization drives almost all industries and all companies. This offers enormous business opportunities for consulting and service companies like PROFI.

Further risks lie in the dependence on individual customers. Broadening the customer base and placing the complete PROFI portfolio with the customer base reduces this risk. A revised customer service concept supports this. In this way, customer segmentations are carried out and processed through target group-specific support. An annual independent customer survey also provides conclusions as to the extent to which PROFI fulfills customer expectations in various criteria.

Risks lie in the emigration of high performers and the challenge of attracting sufficiently well-trained and self-motivated employees. Employee loyalty, training and further education programs, the involvement of high performers in decision-making processes and a performance-oriented and personal responsibility-oriented working atmosphere are intended to reduce these risks.

Risks lie in aligning the service portfolio in good time with the new market requirements. The decisive factor is how the PROFI succeeds in implementing necessary organizational changes and in getting employees enthusiastic about this development. Management committees, cross-hierarchical and cross-divisional working groups and a defined communication strategy support this change process.

B. Opportunities and forecast report

According to Bitkom, the German IT market will grow by 2.7% in 2017, IT hardware is expected to grow by 0.1%, the software area by 6.3% and IT services by 2.3%.

PROFI will continue to position itself strategically as a full-service provider and continue to develop into a so-called "cloud integrator". The trading business remains an important core element. Additional manufacturer connections increase the sales potential. The areas of software solutions, managed services and the consulting business will be strengthened. Organizationally, the course was set in order to counter the challenges and enable growth in these segments. Structural adjustments and organizational changes as well as entering into partnerships and collaborations support this development.

PROFI expects the market consolidation to continue; the price pressure in the retail sector will continue. The expansion of the manufacturer portfolio enables PROFI to generate additional sales potential for its customers and underlines its independent technology consulting. A streamlining of the processes from order acquisition (customer care concept and central sales support) to service provision (central control) to accounting offer potential for cost reduction.

The competitive pressure, especially with large-volume projects, will continue to be high. The price pressure in the area of services will also remain at a high level. However, increasingly complex consulting projects also offer enormous business opportunities.

The almost unique full range of PROFI and the growth areas in the more complex service projects as well as the steadily broader range of managed service offers differentiation opportunities.

In the next financial year, PROFI is assuming constant sales and an increase in earnings. The decisive factor in achieving these goals is how PROFI succeeds in positioning itself as a full-service provider of IT solutions on the market and differentiating itself with innovative solutions and consulting approaches. In addition, it is crucial to what extent the processes and thus the cost structure can be adapted to the lower trading margins and productivity in the service sector can be increased.

In the software segment, PROFI is planning a revenue increase of 14.4% to € 39.0 million. This further emphasizes the strategic importance of this segment. The share of total sales should therefore be 25%.

With regard to the level of sales in the hardware business, a decrease in volume is assumed. Sales are expected to be € 71.2 million. The intensification of partnerships with manufacturers such as Cisco, EMC2, Nutanix, Fujitsu promise additional business opportunities and are intended to compensate for possible further declines at IBM. The focus is on quality and the trade margin. Contrary to the general trend, PROFI assumes a constant trade margin by optimizing the manufacturer's conditions.

In the service area, PROFI differentiates between self-provided services by PROFI employees and third-party services including maintenance services provided by the manufacturer. For the coming financial year, PROFI is assuming revenue of € 28.1 million (previous year € 30.0 million) in the areas of external services. In contrast, the company's own services are to be increased to € 17.9 million (previous year: € 14.9 million). The new central service organization promises a significant increase in capacity utilization and an increase in recurring revenues through managed services.

The expansion of the portfolio with new manufacturers opens up new and additional market potential. Customers can thus be advised independently and vendor-neutral and be supported on a broader basis with IT infrastructures.

C. Overall statement

The IT market offers enormous opportunities and market potential for the system house business, despite or precisely because of the major changes. The associated risks of relocating the retail business from traditional end customers to one of the cloud providers force system houses to rethink and adapt their business models. Holistic, manufacturer-independent advice creates the basis for accompanying customers in this change process.

In the past few years, PROFI has restructured its structure and personnel and offers medium-sized and large companies individual advice that addresses the topics of cloud, digitization, big data, mobile computing, security, managed services and IT strategy and process advice.

PROFI has focused on these growth topics in recent years. The statements of relevant analysts and the increase in sales in these areas demonstrate the dynamism of the market and the opportunities associated with it.

PROFI has adjusted to the changed market situation through structural, organizational and personnel measures. Cost reductions, process optimization and personnel measures have been implemented in the last few months. PROFI starts the new business year with a new service organization.

Crucial for the future success of PROFI is the ability to retain and attract highly qualified employees. The shortage of skilled workers and the demographic development pose great challenges for personnel development and personnel recruitment.

Through cooperation with universities, technical colleges and professional academies, PROFI offers young professionals the opportunity to study in the IT environment. Furthermore, PROFI trains young people itself in order to ensure the need for well-trained specialists in the future.

PROFI is intensifying its activities in the direction of personnel development including management development and employer attractiveness. Staff turnover is counteracted with extensive programs for employee development, both in a professional and personal direction, and incentive systems for seniority. PROFI offers its employees support with retirement provision. Depending on the length of employment, contributions are paid into direct insurance.

Regular employee surveys and the company suggestion scheme (PROFIdee) should also involve employees more in the creation of PROFI and lead to greater identification with the company.

As one of the best employers in German medium-sized companies, PROFI made it onto the list of the best for the sixth time and received the “Top Job” seal for this. When PROFI took part in February 2017, it was once again able to receive the award for one of the 100 best medium-sized employers in Germany.

4. Risk reporting on the use of financial instruments

The financial instruments existing in the company mainly include receivables, liabilities and bank balances. The company has a solvent customer base. Bad debt losses are only recorded to a minor extent. There is also trade credit insurance for the majority of the receivables.

For larger projects with longer terms and longer payment terms, the sale of the receivable (factoring) secures liquidity and counteracts bad debt losses.

Liabilities are serviced within the agreed payment terms. Project business is largely financed through manufacturer financing, which offers extended payment terms and the purchase of receivables.

The aim of the company's financial and risk management is to secure the company's success against financial risks of all kinds and to secure corporate financing. The company pursues a conservative risk policy in managing its financial positions. The company prepares a daily liquidity status report and weekly liquidity planning.

In the future it will be more and more important to develop different sources of finance. The financing of the projects will change as part of the realignment. Different technologies, which are obtained from different manufacturers, long-term service projects require new or different financing models.

If risks relating to default and credit risks are identifiable, the company makes value adjustments.

5. Branch office report

PROFI is represented throughout Germany with 14 legally dependent locations. Decentralized customer responsibility and lived customer proximity are the basis of consistent customer orientation. “The customer first” is the company's guideline.

The company headquarters with the central functions of corporate management, marketing, business development, accounting, controlling, human resources, sales operations and quality assurance are based in Darmstadt.

Individual locations form higher-level offices or business areas, which are independently controlled via profit and loss responsibility.

The Darmstadt and Mannheim locations combine to form the Central Office. Hamburg / Berlin / Bremen / Hanover to the north / east branch, Bochum / Cologne to the west branch, Stuttgart / Karlsruhe to the south / west branch, Nuremberg / Weiden / Chemnitz and Munich to the south branch / East.

The offices are supplemented as a sales unit by the cross-location operational central areas of service (with the departments Data Center Solutions, IBM server solutions, software solutions, strategy and architecture consulting, managed services, project management) and SAP technology.

6. Other information

Dependency report:

PROFI AG is majority owned by PROFI Engineering Holding GmbH. The 100% shareholder of PROFI Engineering Holding GmbH is the family asset management company Dr. Hamm GmbH & Co. KG (legal successor Dr. Hamm - hereinafter referred to as family asset management). We therefore have to prepare the report on relationships with affiliated companies required in accordance with Section 312 of the AktG.

In the years 2002 to April 30, 2017, PROFI Engineering Holding GmbH granted PROFI AG the following loan at the end of each fiscal year. Interest on the loan was 1% until April 30, 2008 and 1.5% since May 1, 2008.

GJ	Loan liabilities to PROFI Holding z. Balance sheet date
2016/2017	2,787,422.27 EUR

On September 1st, 2005, PROFI AG granted the family asset management a special loan of EUR 250,000.00. The loan is repaid monthly with EUR 1,512.00 and an annual interest rate of 3.5%. As of April 30, 2017, there were receivables of EUR 47,392.00 from this loan from the family asset management.

As of March 1st, 2006, there is a permanent obligation between the family asset management and PROFI AG, which concerns the leasing of the building at Otto-Röhm-Straße 18 in Darmstadt to PROFI AG. The monthly rent for this is EUR 34,382.00 net.

The Management Board has therefore drawn up a dependency report and submitted it to the auditor and the Supervisory Board.

The report closes with the following statement:

We hereby declare that PROFI AG has received appropriate consideration for every legal transaction with PROFI Engineering Holding GmbH. Measures within the meaning of § 312 AktG have neither been taken nor omitted.

No other events of particular importance occurred after the balance sheet date.

Consolidated balance sheet

assets

	April 30, 2017 EUR	April 30, 2016 EUR
A. Fixed assets	3,749,298.19	3,806,135.15
I. Intangible Assets	175,555.83	130,101.37
1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	175,555.83	130,101.37
2. Goodwill	0.00	0.00
II. Tangible assets	3,573,742.36	3,676,033.78
1. Land, land rights and buildings, including buildings on third-party land	2,356,330.04	2,427,522.80
2. technical systems and machines	65,701.39	70,757.47
3. other equipment, factory and office equipment	1,151,710.93	1,177,753.51
B. Current Assets	41,528,903.54	32,466,875.52
I. Inventories	408,021.91	731,356.91
1. Project-related inventory	408,021.91	731,356.91
II. Receivables and other assets	26,968,987.30	15,024,878.64
1. Trade accounts receivable	24,167,534.92	14,128,165.96
2. Claims against shareholders	2,911.35	0.00
3. other assets	2,798,541.03	896,712.68
III. Cash in hand, Bundesbank balances, bank balances and checks	14,151,894.33	16,710,639.97
C. Prepaid expenses	473,510.97	387,198.70
D. Active difference from asset offsetting	120,873.53	86,762.86
Balance sheet total, total assets	45,872,586.23	36,746,972.23

liabilities

	April 30, 2017 EUR	April 30, 2016 EUR
A. Equity	1,104,318.24	4,212,130.12
I. Capital shares	100,000.00	100,000.00
1. Capital shares of the limited partners	100,000.00	100,000.00
II. Reserves	2,536,345.80	2,536,345.80
III. Balance sheet loss	1,532,027.56	-1,575,784.32
of which profit carried forward	1,575,784.32	0.00
B. Special items with an equity portion	14,688,533.66	14,688,533.66
C. Provisions	5,660,177.17	4,378,467.36
1. Provisions for pensions and similar obligations	0.00	0.00
2. Tax provisions	408,908.00	366,800.48
3. other provisions	5,251,269.17	4,011,666.88
D. Liabilities	22,499,926.08	12,061,650.16
1. Liabilities to banks	16,637,547.40	6,191,101.11
of which with a remaining term of up to one year	16,637,547.40	6,191,101.11
2. Trade accounts payable	4,737,321.48	4,007,801.99
3. other liabilities	934,837.32	1,741,719.92
of which from taxes	411,734.62	900,701.68
of which in the context of social security	59.84	62.07
E. Prepaid expenses	1,354,631.08	816,190.93
F. Deferred Tax Liabilities	565,000.00	590,000.00
Balance sheet total, total liabilities	45,872,586.23	36,746,972.23

Consolidated income statement

	1.5.2016 - 30.4.2017 EUR	1.5.2015 - 30.4.2016 EUR
1. Sales	160,396,600.64	148,528,061.23
2. other operating income	1,507,056.04	3,242,325.75
3. Cost of materials	125,723,171.71	111,840,555.18
a) Expenses for raw materials, consumables and supplies and for purchased goods	98,865,415.70	85,709,963.22
b) Expenses for purchased services	26,857,756.01	26,130,591.96
4. Personnel expenses	27,370,174.38	24,868,909.27

	1.5.2016 - 30.4.2017 EUR	1.5.2015 - 30.4.2016 EUR
a) Wages and salaries	23,593,734.61	21,569,734.90
b) social security and pension and support expenses	3,776,439.77	3,299,174.37
of that for pensions	265,178.28	189,931.18
5. Depreciation	665,643.51	591,666.33
a) Depreciation on intangible assets and property, plant and equipment	665,643.51	591,666.33
6. other operating expenses	10,792,498.97	11,686,117.69
thereof expenses according to Article 67 Paragraph 1 and 2 EGHGB	32,823.00	32,823.00
7. other interest and similar income	6,362.11	36,672.78
8. Interest and Similar Expenses	110,378.91	140,004.77
of which from discounting	78,489.00	78,489.00
9. Taxes on income and earnings	-138,745.59	994,820.79
a) Expenses from changes in deferred taxes	-25,000.00	0.00
10. Profit after tax	-2,613,103.10	1,684,985.73
11. Other taxes	12,795.41	8,758.21
12. Annual deficit	2,625,898.51	-1,676,227.52

Consolidated cash flow statement

	2016/2017 EUR	2015/2016 EUR	Change in TEUR
1. Profit or loss for the period (consolidated profit / loss for the year) (including minority interests)	-2,625.90	1,676.20	-4,302.10
2. + / - write-offs / write-ups on fixed assets	665.6	591.7	74
3. + / - increase / decrease in provisions	1,206.80	3,978.80	-2,772.10
4. + / - Other non-cash expenses / income	393	932.2	-539.2
5. - / + Increase / decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	-11,620.80	-15,756.20	4,135.50
6. + / - Increase / decrease in trade payables and liabilities that cannot be allocated to investing or financing activities	-8.2	5,870.50	-5,878.70
7. - / + profit / loss from the disposal of fixed assets	0	-11.9	11.9
8. + / - interest expenses / interest income	104	103.3	0.7
9. - Other investment income	0	0	0
10. + / - Expenses / income of exceptional magnitude or significance	32.8	-564	596.8
11. + / - Income tax expense / income	-138.7	994.8	-1,133.60
12. + Deposits in connection with income of exceptional magnitude or significance	0	1,000.00	-1,000.00
13. - Payments in connection with expenses of exceptional magnitude or significance	0	-403.2	403.2
14. - / + income tax payments	180.9	-628	808.9
15. = Cash flow from operating activities	-11,810.50	-2,215.70	-9,594.80
16. + Payments from the disposal of intangible assets	0	0	0
17. - Payments for investments in intangible assets	-153.4	-101.7	-51.7
18. + Payments from the disposal of property, plant and equipment	1.2	88.6	-87.4
19. - Payments for investments in property, plant and equipment	-456.6	-3,185.60	2,729.00
20. + Payments from disposals of financial assets	0	0	0
21. - Payments for investments in financial assets	0	0	0
22. + Income from disposals from the scope of consolidation	0	0	0
23. - Payments for additions to the scope of consolidation	0	-1,187.20	1,187.20
24. + Inpayments due to financial investments in the context of short-term financial management	0	0	0
25. - Payments based on financial investments in the context of short-term financial management	0	0	0
26. + Deposits in connection with income of exceptional magnitude or significance	0	0	0
27. - Payments in connection with expenses of exceptional magnitude or significance	0	0	0
28. + Interest received	6.4	36.7	-30.3
29. + Dividends received	0	0	0
30. = Cash flow from investing activities	-602.4	-4,349.20	3,746.80
31. + Payments from equity injections from shareholders of the parent company	0	17,324.90	-17,324.90
32. + Payments from equity contributions from other shareholders	0	0	0
33. - Payments from equity capital reductions to shareholders of the parent company	0	0	0

	2016/2017 EUR	2015/2016 EUR	Change in TEUR
34. - Payments from equity reductions to other shareholders	0	0	0
35. + Inpayments from issuing bonds and taking out (financial) loans	10,446.40	6,191.10	4,255.30
36. - Payments from the repayment of bonds and (financial) credits	0	0	0
37. + Payments from grants received	0	0	0
38. + Deposits related to income of an exceptional magnitude or significance	0	0	0
39. - Payouts in connection with expenses of an exceptional magnitude or significance	0	0	0
40. Interest paid	-110.4	-140	29.6
41. - Dividends paid to shareholders in the parent company	-481.9	-100.4	-381.5
42. - Dividends paid to other shareholders	0	0	0
43. = Cash flow from financing activities	9,854.20	23,275.50	-13,421.40
44. Cash changes in financial resources (sum of cash flows)	-2,558.70	16,710.60	-19,269.40
45. + / - Changes in cash and cash equivalents due to exchange rates and valuation	0	0	0
46. + / - Changes in financial resources due to the scope of consolidation	0	0	0
47. + Funds at the beginning of the period	16,710.60	0	16,710.60
48. = Cash funds at the end of the period	14,151.90	16,710.60	-2,558.70

Group equity statement

	As of 04/30/2016 EUR	Other changes EUR	Consolidated annual result EUR	As of 04/30/2017 EUR
Limited partnership capital	100,000.00	0.00	0.00	100,000.00
Reserves	2,536,345.80	0.00	0.00	2,536,345.80
Balance sheet loss	1,575,784.32	-481,913.37	-2,625,898.51	-1,532,027.56
difference from capital consolidation	14,688,533.66	0.00	0.00	14,688,533.66
Group equity	18,900,663.78	-481,913.37	-2,625,898.51	15,792,851.90

Notes to the consolidated financial statements for the 2016/2017 financial year

I. General information about the company

The family asset management Dr. Hamm GmbH & Co. KG has its registered office in Darmstadt and is entered in the commercial register at the Darmstadt District Court (HRA 85414).

II. General information on the content and structure of the annual financial statements

The consolidated financial statements are prepared in accordance with the provisions of the Commercial Code in the version of the Accounting Directive Implementation Act (BilRuG) and the principles of proper accounting.

The accounting and valuation methods applied in the previous year were retained - as far as permitted by commercial law - unless otherwise noted in the notes.

Identification options were largely exercised in favor of the notes to the consolidated financial statements.

The consolidated income statement is presented using the total cost method.

Due to the new version of Section 277 (1) of the German Commercial Code (HGB) by the BilRuG, comparability is not comparable as follows: in the previous year, € 178,980.59 from other operating income were added to sales and € 1,000,000.00 from extraordinary income reclassified to other operating income and € 403,196.18 from extraordinary expenses to other operating expenses.

The fiscal year for the Group and the consolidated companies is different, starting on May 1 and ending on April 30 of the following calendar year.

III. Delimitation of the scope of consolidation

The following companies have been included in the consolidated financial statements since the 2015/16 financial year:

- Family asset management Dr. Hamm GmbH & Co. KG, Darmstadt (parent company)

- PROFI Engineering Holding GmbH, Darmstadt (subsidiary)

- PROFI Engineering Systems AG, Darmstadt (subsidiary).

IV. Consolidation methods and principles

Full consolidation

a. Capital consolidation

The capital consolidation is carried out according to the so-called revaluation method in accordance with Section 301 (1) HGB.

b. Debt consolidation

Debt consolidation was carried out in accordance with Section 303 (1) of the German Commercial Code (HGB) by eliminating loans and receivables with the corresponding liabilities between the companies included in the consolidated financial statements.

c. Elimination of intercompany results

It was not necessary to eliminate intercompany results because there was no intra-group purchase or sale.

d. Consolidation of expenses and income

Consolidation of expenses and income was carried out in accordance with Section 305 (1) of the German Commercial Code (HGB) by offsetting sales and other income between the group companies against the expenses incurred.

V. Information on the balance sheet

assets

A. Fixed assets

The **fixed assets** were capitalized at cost. Items that are subject to wear and tear are depreciated on a straight-line basis using the pro rata temporis method.

The development of the fixed assets is shown in the attached fixed asset schedule.

B. Current Assets

For reasons of clarity, the item **Finished Products and Goods** is referred to as **project-related inventory** . The **project-related inventory** is trading goods that are required to process the project work. These merchandise are subject to retention of title. The inventory was valued at acquisition cost less bonus claims against suppliers. There is a security assignment.

The **requirements and other assets** , the **liquid medium** and the **deferred items** are carried at their nominal value. In the case of trade **receivables** , the general credit risk has been adequately taken into account through the formation of individual value adjustments and a general value adjustment. All claims are due within one year.

The trade receivables are subject to a global assignment. Factoring agreements have been concluded for individual receivables for the purpose of hedging risks and financing. There was an inflow of funds before the balance sheet date and payment by the customer after the balance sheet date. This enabled long-term payment terms to be achieved with customers.

Due to the surplus of assets in the reinsurance policy, the entire pension provisions (for all pension beneficiaries) must be shown on the assets side of the balance sheet. The reinsurance policies were made with the **pension** provisions in accordance with Section 246 (2) HGBoffset because these are not accessible to all creditors and only serve to meet the pension obligations. The pension provisions are calculated according to actuarial principles using the modified entry age method using the 2005 mortality tables from Dr. Klaus Heubeck and using an interest rate of 3.91% and amounted to € 1,996,349 as of April 30, 2017. € 1,933,764 was posted as a liability because an amount of € 62,585 was not added to adapt to the new provisions of the BilMoG. This includes € 247,021 for the surviving dependents of a former board member.

The reinsurance claims were based on an expert opinion on the asset value i. H. v. € 1,854,566.00 and the investment funds are valued at a fair value of € 200,071.53. Income i. H. v. € 177,510.43 and expenses of H. v. € 145,803.88 charged.

The discounting of the provision for pensions using the average market interest rate for the past ten years results in a difference of T € 239 compared to the discounting using the average market interest rate for the past seven years. This difference is blocked for distribution.

liabilities

A. Equity

The limited partnership capital of the PROFI Group is € 100,000.00.

The "passive difference from capital consolidation" shown in equity comes entirely from the contribution of a subsidiary with its participation in a sub-subsidiary at tax book values to the parent company as part of the establishment of the group at the beginning of the 2015/16 financial year.

B. Provisions

Recognizable risks and uncertain liabilities have been adequately taken into account when the **provisions are set up** . They are calculated in the amount of the necessary settlement amount, which is necessary according to a reasonable commercial assessment.

The development of the provisions is shown in the following **table of provisions** :

	05/01/16 EURO	Consumption EURO	Resolution EURO	Infeed EURO	04/30/17 EURO
Tax provisions	366,800.48	366,800.48	0.00	408,908.00	408,908.00
Other provisions					
Sales commissions	286,376.19	286,376.19		597,080.84	597,080.84
Pending invoice	611,729.83	611,729.83	0.00	1,923,592.05	1,923,592.05
Vacation and other staff obligations	2,593,052.94	2,593,052.94	0.00	2,289,864.63	2,289,864.63
Year-end costs	90,890.00	90,890.00		85,500.04	85,500.04
Guarantee	10,000.00	10,000.00		10,000.00	10,000.00
Service costs hotline	28,000.00	28,000.00		28,000.00	28,000.00
Other provisions	391,617.92	391,617.92	0.00	317,231.61	317,231.61
Total other provisions	4,011,666.88	4,011,666.88	0.00	5,251,269.17	5,251,269.17
Total provisions	4,378,467.36	4,378,467.36	0.00	5,660,177.17	5,660,177.17

The provisions for **outstanding invoices** are largely (€ 1,920 thousand) for goods and services from the retail business.

In the **vacation and other personnel obligations** are vacation provisions i. H. v. T € 613 as well as outstanding salaries and provisions for overtime i. H. v. T € 1,649 included.

The **other provisions** i. H. v. T € 317.2 mainly consists of a provision for impending losses (T € 240).

C. Liabilities

The **liabilities** were **stated** at the settlement amount.

In order to improve the clarity and clarity, the information in connection with the liabilities has been summarized in the annex "Group liability table" to the notes. The liabilities to banks shown there represent project-related financing of goods. In nature, these are liabilities from deliveries and services.

D. Deferred Tax Liabilities

Due to different valuations in the commercial and tax balance sheets, deferred taxes are i. H. v. T € 565 placed in a provision for deferred tax liabilities. This is mainly based on debt consolidation and different valuations of pension provisions. For the assessment, 15% was used for corporation tax and 14% for trade tax.

Other financial obligations

Figures in T €	total	up to a year	one to five years	greater than 5 years
Rental expenses	3,763	1,082	2,488	193
Leasing expenses	4,870	2,302	2,568	0

VI. Notes to the consolidated income statement

The **sales** were mainly generated in Germany and are broken down by region as follows:

in T € by branch / region	FY 2016/17	Previous year
Darmstadt / Mannheim	21,791	21,453
Bochum / Cologne	23,550	38,671
Munich / Nuremberg	65,955	43,160
Stuttgart / Karlsruhe	16,779	14,087
Hamburg / Berlin / Bremen / Hanover	32,317	30,984
total	160.391	148.355

Extraordinary expenses include an addition to the pension provision of T € 33 in the course of the revaluation by the Accounting Law Modernization Act (BilMoG), as well as an expense for the implementation of personnel measures in the amount of T € 225.5.

VII. Other information

Number of employees

The average number of employees in the financial year was 359.5 (previous year 328). Of these, 51 worked in administration, 177.25 as system engineers (SEs) and 131.25 in sales.

This number does not include the members of the Executive Board.

Auditor's fee

The total fee for the financial year is T € 69.6.

Managing directors

The parent company was represented by PROFI in the 2016/2017 financial year

Engineering Holding GmbH, represented by its managing director

Dr. Udo Hamm, Rüsselsheim, Dr.-Ing. Electrical engineering

Mr. Clemens Gutting, Roßdorf, lawyer

Michael Schweiggart, Hochheim am Main, business economist (since 01.01.2017)

Mr. Martin Dotter Weich, Darmstadt, Dipl.-Ing. (since 01/01/2017).

All managing directors have sole power of representation. The Dr. Hamm, Schweiggart and Dotter Weich are exempt from the restrictions of § 181 BGB.

The management was paid remuneration in the 2016/2017 financial year. H. v. € 9,000.00 granted.

Disclosure of the consolidated financial statements

The family asset management Dr. As the parent company, Hamm GmbH & Co. KG prepares consolidated financial statements in accordance with Section 293 of the German Commercial Code for the 2016/2017 financial year. The consolidated financial statements are published in the electronic Federal Gazette.

Events after the end of the fiscal year

No other events of particular importance occurred after the balance sheet date.

	Acquisition, manufacturing costs May 1, 2016 EUR	Additions EUR	of which FK interest EUR	Disposals EUR	Rebookings EUR	Acquisition or production costs April 30, 2017 EUR
Capital assets						
Intangible assets						
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,789,208.39	153,351.61	0.00	0.00	0.00	1,942,560.00
Company Value	5,293,085.61	0.00	0.00	0.00	0.00	5,293,085.61
Total intangible assets	7,082,294.00	153,351.61	0.00	0.00	0.00	7,235,645.61
Property, plant and equipment						
Land, land rights and buildings, including buildings on third-party land	2,555,616.75	0.00	0.00	1,351.00	0.00	2,554,265.75
Technical equipment and machinery	280,007.56	0.00	0.00	0.00	0.00	280,007.56
Other equipment, factory and office equipment	5,351,328.83	456,649.66	0.00	108,833.50	0.00	5,699,144.99
Total property, plant and equipment	8,186,953.14	456,649.66	0.00	110,184.50	0.00	8,533,418.30
Total fixed assets	15,269,247.14	610,001.27	0.00	110,184.50	0.00	15,769,063.91

	Cumulative depreciation 05/01/2016 EUR	Depreciation fiscal year EUR	Additions EUR	Disposals EUR	Rebookings EUR	Cumulative depreciation April 30, 2017 EUR
Capital assets						
Intangible assets						
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,659,107.02	107,897.15	0.00	0.00	0.00	1,767,004.17
Company Value	5,293,085.61	0.00	0.00	0.00	0.00	5,293,085.61
Total intangible assets	6,952,192.63	107,897.15	0.00	0.00	0.00	7,060,089.78
Property, plant and equipment						
Land, land rights and buildings, including buildings on third-party land	128,093.95	70,391.04	0.00	549.28	0.00	197,935.71
Technical equipment and machinery	209,250.09	5,056.08	0.00	0.00	0.00	214,306.17
Other equipment, factory and office equipment	4,173,575.32	482,299.24	0.00	108,440.50	0.00	4,547,434.06
Total property, plant and equipment	4,510,919.36	557,746.36	0.00	108,989.78	0.00	4,959,675.94
Total fixed assets	11,463,111.99	665,643.51	0.00	108,989.78	0.00	12,019,765.72

	Write-ups for fiscal year EUR	Book value April 30, 2017 EUR
Capital assets		
Intangible assets		
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	0.00	175,555.83
Company Value	0.00	0.00
Total intangible assets	0.00	175,555.83
Property, plant and equipment		
Land, land rights and buildings, including buildings on third-party land	0.00	2,356,330.04
Technical equipment and machinery	0.00	65,701.39
Other equipment, factory and office equipment	0.00	1,151,710.93
Total property, plant and equipment	0.00	3,573,742.36
Total fixed assets	0.00	3,749,298.19

in Euro	total	Remaining term under 1 year	secured amounts	Type of backup
Liabilities to credit institutions	16,637,547.40	16,637,547.40	16,637,547.40	Assignment v. Insurance claims, global assignment, transfer of space by way of security, pledging of bank accounts
(Previous year)	(6,191,101.11)	(6,191,101.11)	(6,191,101.11)	
Advance payments received on orders	0.00	0.00	0.00	
(Previous year)	(0.00)	(0.00)	(0.00)	
liabilities from goods and services	4,737,321.48	4,737,321.48	0.00	
(Previous year)	(4,007,801.99)	(4,007,801.99)	(0.00)	
Liabilities to limited partners	190,219.88	190,219.88	0.00	
(Previous year)	(121027.14)	(121027.14)	(0.00)	
Other liabilities	934,837.32	934,837.32	0.00	
(Previous year)	(1,741,719.92)	(1,741,719.92)	(0.00)	
	22,499,926.08	22,499,926.08	16,637,547.40	

other report components

signed Darmstadt, July 31, 2017

Dr. Udo Hamm, managing director

Information to determine:

The annual financial statements were adopted on December 20, 2017.

Item 6 5. Reproduction of the auditor's report

We have the Dr. Hamm GmbH & Co. KG - consisting of the balance sheet, income statement, notes, cash flow statement and statement of changes in equity - and the group management report for the financial year from May 1 to April 30, 2017. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law and the supplementary provisions of the articles of association is the responsibility of the company's legal representatives. Our task is to provide an assessment of the consolidated financial statements and the group management report based on the audit we have carried out.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing standards established by the Institute of Auditors (IDW). According to this, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the consolidated financial statements in accordance with the principles of proper bookkeeping and the group management report are given with sufficient certainty be recognized. When determining the audit procedures, knowledge of the business activities and the economic and legal environment of the group as well as expectations of possible errors are taken into account. As part of the audit, the effectiveness of the accounting-related internal control system and evidence of the information in the consolidated financial statements and the group management report are assessed primarily on the basis of random samples. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, the delimitation of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by the legal representatives as well as the assessment of the overall presentation of the consolidated financial statements and the group management report. We are of the opinion that our audit forms a sufficiently secure basis for our assessment.

Our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the consolidated financial statements comply with the statutory provisions and the supplementary provisions of the articles of association and, in accordance with the principles of proper accounting, give a true and fair view of the Group's asset, financial and earnings position. The group management report is consistent with the consolidated financial statements, complies with the legal requirements, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

6. Conclusion

Item 7 We submit the above report in accordance with the statutory provisions and the principles of proper reporting for final audits (Audit Standard 450 of the Institut der Wirtschaftsprüfer in Deutschland eV).

The use of the above-mentioned auditor's report outside of this audit report requires our prior consent. In the case of publications or the distribution of the annual financial statements and / or the management report in a form that deviates from the confirmed version, our renewed statement is required, provided that our auditor's report is quoted or our audit is referred to; reference is made to § 328 HGB.

The unqualified auditor's report issued by us dated October 2, 2017 is reproduced under Item 6 on page 22.

Bad Kreuznach, October 2nd, 2017

MS + P GmbH
auditing company

Ralf Blum graduate in business administration (FH), auditor

Clemens Merk,

Auditors