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MHP Management and IT Consulting GmbH	Accounting / financial reports	Annual financial statements for the business year from 01/01/2017 to 12/31/2017	December 10, 2018
Surname	**Area**	**information**	**V. date**

MHP Management and IT Consulting GmbH

Ludwigsburg

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

Management report for December 31, 2017

A. BUSINESS DEVELOPMENT AND FRAMEWORK CONDITIONS

MHP (MHP Management und IT-Beratung GmbH, Ludwigsburg) is a subsidiary of Dr. Ing.hc F. Porsche Aktiengesellschaft, Stuttgart (PAG) (81.8%) and offers management and IT consulting with a focus on automotive and manufacturing. In January 2017, MHP changed its name to "MHP Management und IT-Beratung GmbH" to underline the strength of the "MHP brand". In 2017, MHP grew sales with an unchanged high return by 14%. According to the 2017 Lünendonk study, the leading IT consulting and system integration companies were again able to significantly outperform the previous year with an average growth of 10.4%. MHP was unchanged from the previous year in 16th place in the top 25 companies. For 2017 and 2018, Lünendonk expects growth of 11.5% and 11% for the industry, respectively. Lünendonk expects customer companies to invest heavily in two areas in the coming years, digital operational excellence and digital customer experience. MHP is well positioned in both areas and expects further above-average growth. The framework for this is defined with Strategy 2025; MHP is well on the way with regard to the milestones set for 2017. that customer companies will invest heavily in two areas in the coming years, digital operational excellence and digital customer experience. MHP is well positioned in both areas and expects further above-average growth. The framework for this is defined with Strategy 2025; MHP is well on the way with regard to the milestones set for 2017. that customer companies will invest heavily in two areas in the coming years, digital operational excellence and digital customer experience. MHP is well positioned in both areas and expects further above-average growth. The framework for this is defined with Strategy 2025; MHP is well on the way with regard to the milestones set for 2017.

On the customer side, automotive customers still make up the main share of MHP sales, although the focus is increasingly on the share of manufacturing sales in connection with Strategy 2025. The development among the automotive customers relevant for MHP in Germany was again positive in 2017. For 2018, the VDA expects global vehicle sales growth to slow from 2% in 2017 to 1% in 2018. The overall economic development of the global economy and MHP Germany's main market was also positive in 2017. According to the forecast of the German Advisory Council, the positive development will continue in 2018. In addition to the positive development of the economy, MHP continues to benefit from advancing digitization. MHP was again able to use the positive framework conditions for further growth.

In 2017, a strategic cooperation between MHP and Porsche Consulting was agreed. The aim of the cooperation is to offer customers added value, especially in the digital transformation, through access to the competencies of both companies.

With the opening of another MHP Lab in Israel, the expansion of activities in the Berlin Lab and a consistent further development of the portfolio, MHP continues to position itself successfully in the digitization consulting market. In 2018, as in the current year, the organization will be adapted to the growth and changes in the market. To this end, the responsibilities in consulting and sales will be adjusted. As in previous years, the management consulting business with the specialist departments was expanded and the NOS share and thus competitiveness increased.

Sales development

Sales of 289.0 MEUR were achieved in the 2017 financial year. Compared to the previous year, the turnover could be increased by 35.5 MEUR. This corresponds to an increase of 14.0%. Significant increases in sales were achieved in all major MHP segments; this also applies to the main business areas of Customer Experience, CIO Services & Technology, Operations Excellence, Big Data & Analytics and Managed Services. As in the previous year, our customers' need for digitization led to strong demand for IT consulting and a correspondingly positive sales trend.

International subsidiaries

Business in the existing MHP foreign companies developed differently in 2017.

At MHP Americas Inc. sales increased by 51.2% to 8.7 MUSD (previous year 5.8 MUSD). A pre-tax result of 0.3 MUSD was achieved (previous year 0.2 MUSD). The value adjustment for a loan of 4 MUSD at MHP GmbH as the lender from the previous year was maintained. Further growth in the USA is targeted for 2018.

In contrast, the business of MHP (Shanghai) Management Consultancy Co., Ltd declined as expected in 2017 due to the expiry of a large customer order. The financial year was characterized by the acquisition of new customers in order to broaden the customer base. A turnover of 19.9 MRMB (previous year 25.7 MRMB) with a profit before tax of 1.1 MRMB (previous year 3.0 MRMB) was achieved. The business remains very volatile and depends on individual customers. For 2018, compared to 2017, growth based on a broader customer base is planned, but the year will continue to be characterized by the stabilization of business and the employee base.

For MHP Consulting UK Limited, founded in February 2016, 2017 was the first full business year. Compared to the previous year, an increase in sales from 4.2 MGP to 7.6 MGP was recorded. Due to the ongoing depreciation of the customer base in UK transferred from the parent company when the company was founded, earnings before taxes were slightly negative at -0.1 MGP (previous year loss of -0.3 MGBP).

The business of our subsidiary Mieschke Hofmann und Partner (Schweiz) AG, Regensdorf (MHP CH) achieved a high percentage growth at a low level compared to the previous year. Sales amounted to 3.1 MCHF (previous year 2.1 MCHF). The year ended with earnings before taxes of TCHF 451 (previous year: TCHF 15).

MHP Consulting Romania SRL once again developed very positively in 2017. The company exclusively provides advice and services for MHP companies and their customers. Sales of 46.1 million euros (previous year: 33.3 million euros) were achieved with a profit before taxes of 2.8 million euros (previous year: 1.7 million euros). Significant growth is still aimed for in 2018.

Headquarters and branches

MHP pursues a concept of regional presence, in addition to the main branches also through project offices for specific customers.

The year 2017 was mainly dominated by the expansion of the headquarters in Ludwigsburg, as well as the existing branches and project offices. In addition, MHP GmbH has set up a facility in Tel-Aviv, Israel, and has rented premises there.

Site expansions in Ludwigsburg and the expansion of the lab in Berlin are again planned for 2018.

B. VALUE ADDING FACTORS

Sales market

MHP achieved above-average growth in the new strategic manufacturing sector. The automotive share of sales was 79.6% (previous year 78.4%) and the manufacturing share of sales was 4.8% (previous year 4.2%). The dependency on the German automotive and supplier industry is still high. The Group's share of sales (Volkswagen Group incl. PAG) was 57.1% (previous year: 47.4%), well above the previous year. The sales of consulting services with the largest customer, Porsche AG, contributed significantly to the increase in the group sales share and amounted to 35.7% (previous year 29.8%). The share of sales with the 10 largest customers was 74.0% (previous year 72.0%).

Due to the digitization pressure of the target customers, the general conditions for MHP are still very positive. Incoming orders rose by 27.1% in 2017, the order backlog as of the balance sheet date by 34.7% compared to the previous year.

Project quality

The Excellence in Opportunities & Projects division, which is responsible for managing project quality, is already involved in the offer process and accompanies all major projects through to project completion. The project quality was still high in 2017, although there are significant project risks in 2 major projects. The corresponding risks are taken into account in the annual financial statements. As of December 31, 2017, 3.0% of the major projects had a red light (previous year 1.5%). MHP's quality management was successfully certified for the first time in 2017 as part of an ISO 9001 certification.

Human resources and resources

The demand for IT specialists remains high. MHP was able to significantly increase the number of employees again. The good image of MHP again had a positive effect. In the Glassdoor_Ranking 2017, MHP positioned itself among the top 20 companies with the best career prospects and the top 10 highest rated CEOs. In the Focus Employer Ranking 2017, MHP was recognized as a top employer in the consulting industry. In the 2017 ranking of the most family-friendly companies kununu / freundin, MHP was once again recognized. MHP has once again been recognized by kununu as "top company" and "open company". In the Best of Consulting competition organized by Wirtschaftswoche 2017, MHP was awarded in two categories. In December, MHP received the Glassdoor Award for employee satisfaction in second place. These awards are a recognition of MHP's pursuit of excellence.

In the 2017 financial year, the number of employees rose by 21.3% compared to the previous year to 2,067 employees (as of December 31, 2017).

In relation to the management level above senior manager, MHP has increased the proportion of women in management positions to 10.5% compared to 9.3% in the previous year. Overall, the proportion of women is 21.9%.

Employee utilization of 96.2% is slightly above the previous year's level of 94.0%. The fluctuation of 13.3% has fallen slightly from 14.0% in the previous year and is thus still below the industry average.

The growth was also secured through the involvement of subcontractors. These increase flexibility and responsiveness and complement our advisory services with special skills. The proportion of external services decreased slightly from 20.9% in the previous year to 20.6%. The NOS share of MHP Romania is included in the external service quota. The decline is due to the difficulties involved in commissioning sub-service providers in connection with the legislation on temporary employment and the law on work and services. Nevertheless, the goal is to increase the rate of external services; for this purpose, sourcing was organizationally assigned to consulting (previously HR).

The demand for IT specialists and the good economic situation are leading to rising salaries. Due to the high staff ratio, this leads to unchanged cost pressure. As in previous years, we are counteracting this through the targeted development of our personnel structure (senority index) and the growth of our company in Romania. The performance-based salary system continues to have a positive effect on the result. With target group-appropriate career models, we offer excellent development opportunities for our employees, which is underlined by the Glassdoor ranking.

For 2018, MHP is again planning double-digit growth in the number of employees. One of the ways MHP counteracts the strong competition for qualified consultants is by continuously developing talent management. In 2017 MHP was certified according to the latest version of the quality management standard ISO 9001, which also includes all talent management-relevant processes. In addition, the focus of MHP for 2018 is to make the career models even more attractive, to further optimize the individual performance evaluation process, to adapt the promotion and salary process and to offer MHP employees a comprehensive range of further training.

innovation

In 2017, the service portfolio was further developed in the direction of digitization. The LAB activities in Berlin were expanded and another LAB opened in Israel. The Product & Innovations division will be assigned to consulting in 2018 as part of a reorganization. The even closer integration with the consulting project business is intended to create additional customer benefits. Our above-average growth is the result of the permanent further development of our consulting skills. We work closely with our customers to develop and implement innovative, needs-based solutions.

C. EARNINGS, ASSETS AND FINANCIAL POSITION

Earnings situation

The earnings situation, derived from the income statement, is as follows in comparison to the previous year:

	2017		2016		change	
	MEUR	%	MEUR	%	MEUR	%
sales	289.0	93.2%	253.5	97.7%	35.5	14.0%
Inventory change	21.0	6.8%	6.1	2.3%	14.9	244.3%
Overall performance	310 0	100.0%	259.6	100.0%	50.4	19.4%
Services received	50.4	16.3%	43.7	16.8%	6.7	15.3%
Personnel expenses	166.0	53.5%	132.7	51.1%	33.3	25.1%
Depreciation	0.4	0.1%	0.5	0.2%	-0.1	-20.0%
Operating expenses	32.2	10.4%	26.0	10.0%	6.2	23.8%
Distribution expenses	4.1	1.3%	3.8	1.5%	0.3	7.9%
Administrative burden	15.7	5.1%	12.8	4.9%	2.9	22.7%
Other operating expenses less other operating income	-6.3	-2.0%	-5.2	-2.0%	-1.1	21.2%
Operating expenses	262.5	84.7%	214.3	82.6%	48.2	22.5%
Operating profit	47.5	15.3%	45.3	17.4%	2.2	4.9%
neutral result	1.9		-3.3		5.2	
Financial result	0		-0.1		0.1	
Profit before tax	49.4	15.9%	41.9	16.1%	7.5	
Taxes	14.3		14.6		-0.3	
Annual surplus	35.1		27.3		7.8	

The operating result, defined as earnings before taxes and financial result (adjusted for neutral effects), increased by 2.2 MEUR (4.9%) to 47.5 MEUR in the 2017 financial year compared to the same period in the previous year. This means that the increase in the operating result is disproportionate to the increase in sales (14.0%) and the development of total output (19.4%).

The development of the operating result compared to the total output is due to the disproportionate increase in operating expenses overall. This disproportionate increase affects all major expense components with the exception of the services purchased.

Mainly due to the annual average increase in the number of employees (20.1%), personnel expenses rose by 25.1% to 166.0 MEUR. The staff ratio as a share of total output rose again compared to the previous year. This results from the declining external service quota, the increases in sales were achieved - in addition to the increased capacity utilization - by new employees.

The expenses for purchased services include expenses for external services in connection with the operational provision of services in the project business. They increased by 6.7 MEUR (15.3%) compared to the previous year. The external service quota (share of total output) is 16.3% (previous year 16.8%). As in the previous year, the share of external services in sales could not be increased - despite the increased use of consulting services within the MHP Group in connection with the expansion of NOS resources in Romania.

Operating expenses, such as travel expenses and company vehicles, increased disproportionately to sales by 23.8%. Administrative expenses also rose significantly, primarily due to increases in rents in connection with the location expansions and IT expenses. The balance of other operating income and expenses increased slightly compared to the previous year (income).

Earnings before taxes increased by 7.5 MEUR (17.9%) compared to the previous year. Compared to the operating result, it is influenced by positive neutral effects amounting to 1.9 MEUR (PY -3.3 MEUR). This included a one-time sales tax effect of around 4 MEUR in 2016, which burdened the result and no longer occurred in the past financial year.

The tax rate has decreased significantly to 28.9% compared to the previous year. Compared to the normal mixed tax rate of around 30%, the tax burden decreased in 2017 due to one-off effects in connection with the change in the legal framework for the realization of income from contracts for work and services. The tax expense for 2016 also includes taxes for previous years as part of corrected declarations. This one-off effect no longer occurred in 2017.

Financial position

The asset structure, derived from the balance sheet, is as follows compared to the previous year:

	December 31, 2017		December 31, 2016		change	
	MEUR	%	MEUR	%	MEUR	%
ASSETS						
Long-term assets	5.9	4, 7%	4.1	4.1%	1.8	43.9%
Intangible VG	0.4	0.3%	0.0	0.0%	0.4	> 100%
Property, plant and equipment	3.6	2.9%	2.6	2.6%	1.0	38.5%
Financial assets	1.1	0.9%	1.0	1.0%	0.1	10.0%
Long term claims	0.8	0.6%	0.5	0.5%	0.3	60.0%
Short-term assets	120.4	95.3%	96, 3	95.9%	24.1	25.0%
unfinished tasks	13.8	10.9%	7.3	7.3%	6.5	89.0%
Short term claims	58.6	46.4%	55.4	55.2%	3.2	5.8%
Financial receivables	5.2	4.1%	3.5	3.5%	1.7	48.6%
Cash and WP	42.8	33.9%	30.1	30.0%	12.7	42.2%
	126.3	100.0%	100.4	100.0%	25.9	25.8%

The balance sheet total after offsetting the prepayments received against the work in progress increased by 25.9 MEUR (25.8%) compared to the previous year. This was due to various effects. On the one hand, short-term receivables and work in progress increased compared to the previous year due to growth. Even after offsetting the advance payments already received, the unfinished services increased disproportionately to the increase in the total output, ie the capital tied up from the unfinished services increased on a percentage basis compared to the previous year.

In addition, the funds granted to MHP UK as loans have the effect of increasing the financial receivables. It is true that liquid funds also increased by EUR 12.7 million compared to the previous year. This results mainly from the loan liabilities of EUR 10.0 million still existing on the reporting date, which will be repaid in January 2018 in accordance with the contract. On the other hand, the increased capital commitment due to growth and the change in the payment terms of a major customer reduced the cash and cash equivalents at year-end.

As in the previous year, the vast majority of assets are short-term assets, at over 90.0%.

Investments

In the financial year, total investments in intangible assets and property, plant and equipment amounting to 1.8 MEUR were made. The vehicle fleet, hardware and operating and office equipment of our company are essentially leased. The investments mainly relate to the furnishing of office space and conversions at the various locations.

Capital structure

The capital structure, derived from the balance sheet, is as follows compared to the previous year:

	December 31, 2017		December 31, 2016		change	
	MEUR	%	MEUR	%	MEUR	%
LIABILITIES						
Equity	35.7	28.3%	27.9	27.9%	7.8	28.0%
Long term debt	0.1	0.1%	0.1	0.1%	0.0	0.0%
Financial liabilities Porsche	14.2	11.2%	4.2	4.1%	10.0	> 100%
Short term debt	76.3	60.4%	68.2	67.9%	8.1	11.9%
	126.3	100.0%	100.4	100.0%	25.9	25.8%

The capital structure reflects the increased business volume and the changed financing structure due to the reporting date. Equity increased by 7.8 MEUR due to the annual surplus exceeding the dividend payment of 27.3 MEUR. Due to the increased balance sheet total, the equity ratio rose only slightly to 28.3%.

Current liabilities primarily include other provisions and tax provisions (55.3 MEUR; PY 53.9 MEUR). The overall increase relates primarily to personnel provisions and is due to the increase in the number of employees.

As of the reporting date, part of the credit line granted by the Group was still being used as a loan. This financing is due to the chosen maturities, a repayment took place - with the exception of the USD loan passed on to MHP US - in January 2018.

The aim of the MHP management is to avoid borrowing as much as possible and to secure the operational business from internal financing. In order to hedge against risks and to compensate for fluctuations in liquidity caused by business developments, MHP has a credit line from the Porsche Group available as a means of raising external capital.

The credit lines are granted for one year and a possibly necessary extension is approved by the shareholders' committee upon request. In the financial year, the credit line for MHP GmbH was significantly increased by the Porsche Group to secure growth. The total existing operational credit line of 51.0 MEUR had been used in the amount of 10.0 MEUR on the balance sheet date. A renewed use of the operational credit line up to a total of 49.0 MEUR is planned for the middle of 2018 due to the distribution. Collateral in the form of pledging of assets was not provided. At the same time it is planned

Cash flow statement

	2017 MEUR	2016 MEUR
Cash flow from operating activities		
Annual surplus	35.1	27.3
Change in provisions	4.2	3.7
Depreciation	0.4	0.5
other non-cash expenses and income	0.0	0.0
Cash flow in the narrow sense	39, 7	31.5
Change in working capital	-6.1	-14.1
	33, 6	17.4
Cash flow from investing activities		
Payments from investments in intangible assets	-0.5	0.0
Payments from investments in property, plant and equipment	-1.4	-0.7
Payments from investments in financial assets	0.0	0.0
Disbursements from investments in loans to subsidiaries	-1.7	-2.5
	-3.6	-3.2
Cash flow from financing activities		
Deposits from taking out loans	37.0	27.0
Payouts from loan repayments	-27.0	-49.1
Dividend payments	-27.3	-23.7
	-17.3	-45.8
total	12.7	-31.6

	2017 MEUR	2016 MEUR
Change in financial resources		
Cash and cash equivalents at the beginning of the period	30.1	61.7
Cash and cash equivalents at the end of the period	42.8	30.1
Change in financial resources	12.7	-31.6

In the past financial year, a cash flow from current business activities in the amount of 33.6 MEUR (previous year 17.4 MEUR) was generated, that is 11.6% (previous year 6.9%) of sales. The increase compared to the previous year resulted from the higher earnings from a lower growth-related increase in working capital. In addition, negative special effects from the previous year (higher income tax and other tax payments) were included in the current cash flow.

The operating cash flow exceeded investments and dividend payments to shareholders by 2.7 MEUR in 2017. In addition to office equipment, the payments for investments largely relate to the granting of loans to the subsidiaries.

MHP's financial position can be described as solid. Liquid funds as of the balance sheet date were 42.8 MEUR (previous year 30.1 MEUR), with the increase compared to the previous year, in addition to the effects described above, primarily due to the borrowing and repayment planned after the balance sheet date.

The company vehicles and IT equipment made available to employees are primarily financed through leasing contracts. The lease payments for the year amounted to 12.6 MEUR (PY 11.0 MEUR). In connection with the planned increase in employees, we expect a corresponding increase in current leasing obligations.

Overall assessment of the company's situation

The course of business and the situation of MHP for the 2017 financial year can again be rated as very positive. As in previous years, MHP has exceeded the targets set for this year in terms of sales development and profitability. Both the economic situation and the customer sector environment have had a positive effect on MHP's development. The digitization trend and the good market positioning in the core market of Germany once again led to above-average growth. In terms of internationalization, further progress was made in all foreign companies in 2017. However, the share of the foreign companies in total MHP sales is still low. This is to be increased in the future.

Important events in the financial year

With the change of name to "MHP Management und IT-Beratung GmbH", MHP took a further consistent step in corporate development in 2017. In the past few years, MHP has increasingly come to the fore as a brand in communication. The change of name takes this into account and also lays the foundation for the further development of the brand.

The new strategic manufacturing field developed positively with a sales share of approx. 4.8% compared to 4.2% in the previous year. MHP sees further growth potential here. The expansion of the share of sales from management consulting follows the trend of increasing IT budgets of the departments in the context of digitization. The strategic cooperation with Porsche Consulting created joint service offers and acquired new projects. System integration and consulting projects continue to have by far the largest share of MHP sales. MHP continues to be SAP's “Special Expertise Partner” in all important areas.

The company in Romania again developed above average. Customer acceptance of NOS is steadily increasing. In the meantime, MHP Romania has made a significant contribution to the competitiveness of MHP GmbH. MHP sees further growth potential here for 2018 as well.

The current digitization trend continues to have a very positive effect for MHP. In this context, an MHP LAB was opened in Israel in 2017. The existing LAB in Berlin is currently being expanded into a "House of Mobility". The range of services will be expanded. In this context and against the background of customer requirements for project space, MHP has therefore expanded its business purpose to include the rental of space. An MHP LAB is also to be built at the Ludwigsburg site in 2018.

The individual sub-strategies were developed in 2017 as part of Strategy 2025. The importance of risk management, compliance management and ICS was taken into account with a separate GRC system sub-strategy. Measures to further develop the GRC system were implemented. Among other things, a tool for risk reporting was established. A risk management department and an independent tax department were newly established to take account of MHP's growth.

In 2017, MHP's quality management was successfully certified according to DIN ISO 9001 for the first time. MHP thus meets customer requirements for external certification. Quality management at the MHP has always been closely linked to the claim to excellence.

D. REPORT ON OPPORTUNITIES AND RISKS

As part of the risk management process, MHP follows external developments on the sales and employee procurement markets, the project quality and the development of the economic situation and the regulatory environment. Risk management was anchored in a separate organizational unit in 2017. Central instruments for managing risks are long-term corporate planning, regular forecasts, quarterly risk reports and monthly reporting including target / actual analyzes. The report recipients are the management and the MHP Board as well as the responsible Porsche AG Controlling and the MHP Shareholders' Committee . In the Market Board, market, Systematic tracking of industry and customer risks. Opportunities and risks from offers are assessed and addressed via the Opportunity Board. Project and quality risks are tracked via the monthly project reporting. Opportunities and risks for subsidiaries of MHP GmbH are tracked in turnaround dates and via the shareholder committees.

Sales market

The trend towards the expansion of management consultancies and auditors into the IT consultancy and system integration business remains unchanged, borne by the pressure to change resulting from digitization. Despite the strong demand due to digitization, there is significant price pressure in certain service segments due to, among other things, an increasing NOS and OS share. However, the opportunities from digitization still far outweigh the risks. The effects of the emissions scandal had a rather positive effect on MHP due to the pressure to change in the automotive industry in 2017. In 2017, MHP again benefited from the positive development in the automotive sector. Over 80% of customers came from the automotive sector (previous year: 78%). This means that industry dependency remains high. However, the expansion of the industry focus on manufacturing as part of the MHP Strategy 2025 is showing initial success. The reduction of dependence on the core market of Germany through internationalization is also making slow progress. Group dependency increased significantly in 2017. The price pressure, especially among large customers, remains high. The strategic cooperation with Porsche Consulting opened up additional sales sources. A legal dispute with the customer ATOS from the previous year was resolved by mutual agreement. As of the reporting date, there were unrealized exchange rate losses of 0.2 MEUR from international business,

Human resources and resources

The competition for qualified IT specialists has increased further due to digitization. MHP is well positioned in the recruiting and sourcing market, so that so far there have been no significant negative effects on business development. In view of the increasing competition for qualified IT specialists, MHP has made it its goal to further expand its position as an attractive employer. As numerous awards (Focus, kununu, Glassdoor) show, this was successfully achieved in 2017. We are counteracting the increasing personnel costs through disproportionate growth in Romania and the hiring of junior consultants to ensure a healthy seniority structure. In order to reduce the risk of know-how and capacity bottlenecks, we rely on external service partners, some of whom have been long-standing. An appropriate external service quota should ensure our breathing ability in the event of a crisis. However, the external service quota could not be increased as planned in 2017. Another challenge in the area of personnel is the strong growth. We responded to this in 2017 with a new onboarding process. However, the external service quota could not be increased as planned in 2017. Another challenge in the area of personnel is the strong growth. We responded to this in 2017 with a new onboarding process. However, the external service quota could not be increased as planned in 2017. Another challenge in the area of personnel is the strong growth. We responded to this in 2017 with a new onboarding process.

Project quality

The project status of our major projects is reported on a monthly basis and is permanently tracked through a separate area. This enables early intervention. Risk provisions for project risks were taken into account in the annual financial statements, including two major projects. Over the entire 2017 financial year, the proportion of critical projects was still at a low level (1.5-3.5%).

environment

Changes in the legal framework, including temporary employment, data protection and taxes, have a noticeable effect on MHP. MHP addresses this by strengthening the departments responsible for this, internal projects, process adjustments and training. In the WVT business, the pressure to rent office space outside of the customer's factory premises continues unabated. MHP therefore expanded its business purpose to include the rental of space and rented additional project offices. This leads to corresponding additional costs. The implementation of the measures from the site security agreement also results in additional costs.

F. FORECAST REPORT

Due to the pressure of digitization, Lünendonk continues to expect above-average growth in the IT project business in the coming years. The economic outlook for 2018 is positive, and this also applies to the two MHP target industries. According to current estimates, the digitization initiatives in the VW Group will ensure further increases in MHP sales in the Group. In the short term, the goal is to stabilize the group quota; in the medium term, this should be reduced. MHP expects continued above-average growth for the coming year. The basis for this is the good positioning in the market, the focus on a second target industry, the consistent further development of the consulting portfolio, the more active processing of specialist customers, the development of the skills required for digitization, internationalization, the increase in competitiveness by increasing the NOS share and cooperation with Porsche Consulting. For 2018 we expect profitable sales growth of at least 10.0% and a return on sales that is above the strategic target return of 15.0%. the increase in competitiveness by increasing the NOS share and cooperation with Porsche Consulting. For 2018 we expect profitable sales growth of at least 10.0% and a return on sales that is above the strategic target return of 15.0%. the increase in competitiveness by increasing the NOS share and cooperation with Porsche Consulting. For 2018 we expect profitable sales growth of at least 10.0% and a return on sales that is above the strategic target return of 15.0%.

Ludwigsburg, March 9, 2018

Dr. Ralf Hofmann, Chairman of the Management Board

Marc Zimmermann, managing director

Balance sheet as of December 31, 2017

assets

	EUR	EUR	December 31, 2016 TEUR
A. Fixed assets			
I. Intangible Assets			
1. Commercial property rights and similar rights and values acquired against payment as well as licenses to such rights and values	232,973.91		0
2. Advance payments made	188,450.00		
		421,423.91	
II. Tangible assets			
1. Fixtures in third-party properties	583,848.60		547
2. Factory and office equipment	3,000,688.67		2,083
		3,584,537.27	
III. Financial assets			
Shares in affiliated companies		1,062,217.98	1,062
		5,068,179.16	3,692
B. Current Assets			
I. Inventories			
unfinished tasks		63,753,860.44	42,697
II. Receivables and other assets			
1. Trade accounts receivable	29,489,763.31		28.164
2. Receivables from affiliated companies	31,457,694.96		28,867
3. Other assets	3,010,101.48		743
		63,957,559.75	57,774
III. Securities			
Other securities		24,421.32	24
IV. Credit balances with credit institutions		42,815,155.50	30,058
		170,550,997.01	130,553
C. Prepaid expenses		618,512.10	782
		176,237,688.27	135.027

liabilities

	EUR	EUR	December 31, 2016 TEUR
A. Equity			
I. Drawn capital	25,564.59		26th
II. Retained earnings	511,291.88		511
III. retained profit	35,183,200.15		27,408
		35,720,056.62	27,945
B. Provisions			
1. Provisions for pensions and similar obligations	114,271.00		107
2. Tax provisions	2,438,158.53		11,698
3. Other provisions	55,622,166.45		42,199
		58,174,595.98	54.004
C. Liabilities			
1. Advance payments received on orders	49,938,176.88		35,368
2. Trade accounts payable	2,382,561.55		1,592
3. Liabilities to affiliated companies	15,157,318.73		4,493
4. Other Liabilities	14,687,478.51		11,447
of which from taxes EUR 14,528,034.474 (previous year: EUR 11,324 thousand)			
		82,165,535.67	52,900

	EUR	EUR	December 31, 2016 TEUR
D. Prepaid expenses		177,500.00	178
		176,237,688.27	135.027

Income statement for 2017

	EUR	EUR	2016 kEUR
1. Sales		288,959,966.12	253,522
2. Increase in the number of work in progress		21,056,614.67	6,040
3. Other operating income		13,908,490.63	27,048
		323,925,071.42	286.610
4. Cost of materials			
Expenses for purchased services	50,458,407.61		43,660
5. Personnel expenses			
a) Salaries	144,981,380.42		136,466
b) Social security and pension costs	20,995,608.63		15,858
of which for old age pension EUR 7,355 (previous year: EUR 4 thousand)			
6. Depreciation on intangible assets and property, plant and equipment	466,721.56		478
7. Other operating expenses	57,658,619.40		47,701
		274,560,737.62	
8. Other Interest and Similar Income		241,253.23	134
9. Interest and Similar Expenses		258,653.55	701
10. Taxes on income and earnings		14,223,541.88	14,509
11. Profit after tax		35,123,391.60	27,371
12. Other taxes		29,988.00	44
13. Annual net income		35,093,403.60	27,327
14. Profit carried forward		89,796.55	81
15. Balance sheet profit		35,183,200.15	27,408

Appendix for December 31, 2017

A. General Notes

MHP Management- und IT-Beratung GmbH is based in Ludwigsburg and is entered in the commercial register at the Stuttgart District Court (HR B Reg.Nr. 205571).

The annual financial statements are prepared in accordance with the accounting regulations for corporations of the Commercial Code (HGB) in the version of the Accounting Directive Implementation Act (BilRUG), taking into account the law on limited liability companies (GmbHG) and the relevant provisions of the GmbHG and the articles of association. The regulations for large corporations within the meaning of Section 267 HGB apply.

The profit and loss account has been prepared using the total cost method in accordance with Section 275 (2) of the German Commercial Code.

The fiscal year is the calendar year.

In order to improve the clarity of the presentation, we have summarized individual items in the balance sheet and the income statement and therefore broken down and explained them separately in these notes. For the same reason, the information on membership of other items and notes about them were also made here.

B. Accounting and valuation methods

The following accounting and valuation methods were essentially decisive for the preparation of the annual financial statements. Acquired **intangible** fixed assets are carried at cost and, if they are subject to wear and tear, reduced by scheduled depreciation over their useful life.

The **fixed assets** is stated at acquisition cost and, if depreciable, less depreciation. Tangible fixed assets are depreciated according to their expected useful life.

The **scheduled depreciation of** the respective assets was determined on the basis of the expected useful life.

In the case of **financial assets** , the shares are shown at acquisition cost or the lower fair value.

The **work in progress is** based on the hours worked by the employees for the individual projects up to the balance sheet date. An average hourly rate for the production costs was used to evaluate the working hours, which includes not only personnel costs but also reasonable overhead surcharges. The principle of loss-free valuation was observed.

Receivables and **other assets** are shown at their nominal value. All risky items are taken into account by making appropriate individual value adjustments; the general credit risk is taken into account through flat-rate discounts.

The **other marketable securities were** valued at acquisition cost or, if applicable, in accordance with Section 253 (4) of the German Commercial Code (HGB) at the lower value resulting from the stock exchange or market prices on the reporting date.

Credit balances with credit institutions are valued at their nominal value. Bank balances in foreign currency are shown at the rate on the balance sheet date.

Payments made before the balance sheet date are recognized as **prepaid** expenses insofar as they represent expenses for a certain period after this point in time.

On **foreign currency denominated assets and liabilities** were translated at the average spot exchange rate on the balance sheet date. With a remaining term of more than one year, the realization principle (Section 252 (1) No. 4 half-sentence 2 HGB) and the acquisition cost principle (Section 253 (1) sentence 1 HGB) were observed.

The **subscribed capital** is reported at nominal value.

The currency conversion notes of which include both the unrealized and the realized exchange rate differences.

The **provisions for pensions and similar obligations** are determined using the projected unit credit method using the "2005 G mortality tables". For discounting, the average market interest rate for a remaining term of 15 years of 3.68% (previous year 4.01%) in accordance with the Provision Discounting Ordinance of November 18, 2009 was used. This discount rate was calculated on the basis of an average of the relevant interest rates over the past 10 years. If an actuarial interest rate based on an average of the last 7 years had been applied, this would have resulted in a provision amount of EUR 124,123 (deviation from the reported value of EUR 9,852).

The **tax provisions** and **other provisions** take into account all uncertain liabilities. They are set in the amount of the fulfillment amount necessary according to a reasonable commercial assessment (ie including future costs and price increases). Provisions with a term of more than one year have been discounted.

Liabilities are **stated** at the settlement amount.

Income before the balance sheet date is recognized as **deferred** income, insofar as it represents income for a certain time after this day.

Deferred taxes were not recognized due to an asset surplus. No use was made of the option to apply pursuant to Section 274 (1) sentence 2 of the German Commercial Code (HGB).

The following issues have mainly triggered deferred taxes due to different commercial and tax valuations. The company assumes a total tax burden of around 30%.

Facts in EUR	Commercial law approach	Tax approach	deviation	Active latency (+) Passive latency (-)
Provision for pensions	114,271.00	92,487.00	21,784.00	6,535.20
Provision for vacation entitlements	7,385,100.13	6,273,812.99	1,111,287.14	333,386.14
Provision for miscellaneous	1,095,085.11	1,092,483.74	2,601.37	780.41
Provision for impending losses	2,722,619.99	0.00	2,722,619.99	816,786.00

C. Notes to the balance sheet

Capital assets

The development of the individual items of the fixed assets is shown in the fixed assets schedule, including the depreciation for the financial year.

1. The shares in affiliated companies relate to 100% of the shares in Mieschke Hofmann und Partner (Schweiz) AG, based in Regensdorf, with positive equity as of December 31, 2017 of CHF 380,976.15 (previous year TCHF -10) and an annual surplus as of December 31 .2017 CHF 391,063.73 (previous year TCHF +13).

2. 100% shares in MHP Americas, Inc. based in Atlanta. This company was founded on August 24, 2011 and as of December 31, 2017 had negative equity of USD -1,965,570.70 (previous year TUSD -2,043) and an annual surplus of USD 77,230.53 (previous year TUSD +181).

3. 100% shares in MHP (Shanghai) Management Consultancy Co. Ltd., based in Shanghai. This company was founded on August 28, 2013 and as of December 31, 2017 had equity of RMB 8,501,481.64 (previous year TRMB 7,691) and an annual surplus of TRMB 810,790.96 (previous year TRMB 1,844).

4. 100% shares in MHP Consulting Romania SRL, based in Cluj-Napoca. This company was founded on January 20, 2014 and as of December 31, 2017 had equity of RON 5,796,199.68 (previous year TRON 3,192) and an annual surplus of RON 2,604,084.41 (previous year TRON 1,344).

5. 100% shares in MHP Consulting UK Limited, based in Birmingham. This company was founded on February 1, 2016 and as of December 31, 2017 had negative equity of GBP -493,407.54 (PY TGBP -330) and an annual deficit of GBP -163,898.89 (PY TGBP -330).

Stocks

The work in progress relates to work contracts that extend beyond the balance sheet date.

Receivables and other assets

The receivables and other assets have a remaining term of less than one year without exception.

Receivables from affiliated companies amount to EUR 31,458 thousand (previous year: EUR 28,867 thousand) of which trade receivables are EUR 26,245 thousand (previous year: EUR 25,348 thousand) and EUR 5,213 thousand (previous year: EUR 3,519 thousand) from financial receivables. The trade receivables from affiliated companies are predominantly receivables from consulting services.

Retained earnings

The item retained earnings continues to include the reserve formed in previous years in accordance with the articles of association.

retained profit

The retained earnings include a profit carried forward of EUR 89,765.55 (previous year: EUR 81 thousand). In addition, we refer to the proposal for the appropriation of retained earnings.

accruals

The other provisions were essentially formed for bonuses and success bonuses, vacation entitlements, outstanding invoices, rework and warranties.

liabilities

All liabilities have a remaining term of less than one year.

Liabilities to affiliated companies in the amount of EUR 15,157 thousand (previous year: EUR 4,493 thousand) consist of financial liabilities in the amount of EUR 14,146 thousand (previous year: EUR 4,135 thousand) and trade accounts payable in the amount of EUR 1,011 thousand (previous year: EUR 358 thousand).

There is no special collateral.

Off-balance sheet transactions

Leasing contracts, especially for the vehicle fleet, are accounted for by the lessor without exception. The leasing rates are shown under leasing expenses.

In order to obtain liquid funds to finance the IT investment project, IT hardware (mainly laptop) was sold and received EUR 1,516 thousand (previous year: EUR 1,175 thousand). At the same time, rental contracts with a 30-month term were concluded for the same IT hardware, for which rental payments of EUR 1,596 thousand pa (previous year: EUR 1,474 thousand) are to be made. At the end of the contract period, the financier has neither a right to tender nor a mutually exercisable rental extension option.

D. Contingent liabilities and other financial obligations

Loan collateral

Account balances of EUR 112 thousand (previous year: EUR 111 thousand) were pledged for third-party liabilities. It is a rental deposit.

There is a guarantee of EUR 112 thousand.

There is a bank guarantee for MHP RO in the amount of EUR 69 thousand. This results from a vehicle leasing contract from MHP RO.

The risk of a claim is classified as low due to the earnings situation and liquidity.

Rental and leasing contracts

The company has concluded various rental agreements for office space and other premises in Essen, Ludwigsburg, Munich, Wolfsburg, Walldorf, Frankfurt, Stuttgart-Vaihingen, Heimsheim, Ingolstadt, Nuremberg and Berlin. In the year under review, EUR 3,347 thousand (previous year: EUR 2,265 thousand) and to affiliated companies EUR 160 thousand (previous year: EUR 160 thousand) were expended.

In addition, there are a number of leasing contracts for IT systems, operating and office equipment and cars. This incurred expenses of EUR 12,567 thousand (previous year: EUR 10,983 thousand) in the reporting year. EUR 10,226 thousand (previous year: EUR 8,699 thousand) were paid to third parties and EUR 2,341 thousand (previous year: EUR 2,283 thousand) to affiliated companies.

The future obligations up to the end of the respective rental and leasing contracts amount to a total of EUR 10,624 thousand (previous year: EUR 9,917 thousand). They are distributed as follows:

	TOTAL in EUR thousand	Third parties in EUR thousand	Verb. Company in EUR thousand
2018	5,697	4,460	1,236
2019	2,873	2,873	0
2020	1,457	1,457	0
2021	597	597	0
2022	0	0	0

E. Notes on the income statement

Sales

Fiscal year	December 31, 2017 TEUR	%	December 31, 2016 TEUR	%
inland	272,456	94.3	237,952	93.9
foreign countries	16,504	5.7	15,570	6.1
	288.960	100.0	253,522	100.0

Other company income

The other operating income includes currency gains of EUR 430 thousand (previous year: EUR 617 thousand).

The income unrelated to the accounting period consists of the income from the reversal of provisions in the amount of EUR 2,103 thousand (previous year: EUR 3,011 thousand).

Other operating expenses

The other expenses essentially include travel expenses, expenses for the vehicle fleet, advertising costs, recruitment costs and space costs. It also includes currency losses of EUR 866 thousand (previous year: EUR 1,562 thousand).

Interest income

Interest expense: of which from affiliated companies EUR 170 thousand (previous year: EUR 212 thousand).

Interest income: of which from affiliated companies EUR 241 thousand (previous year EUR 134 thousand).

Interest expenses from the compounding of provisions amount to EUR 2 thousand (previous year: EUR 3 thousand).

Taxes on income and earnings

Income taxes mainly relate to corporation tax including the solidarity surcharge of EUR 7,389 thousand (previous year: EUR 7,408 thousand) and trade tax of EUR 6,835 thousand (previous year: EUR 6,867 thousand). They relate to the result of ordinary business activity as well as to matters from previous years.

Issues of exceptional magnitude or exceptional importance

In the past fiscal year, the annual surplus was burdened by special effects from two consulting projects in the amount of 4.2 MEUR.

According to customers, these are composed as follows:

Devaluation of hours already worked	728 kEUR
Impending losses for future hours	3,514 kEUR.

F. Other information

Management information

The company's business was conducted in the financial year by:

Dr. Ralf Hofmann (Chairman of the Management Board)

Mr. Marc Zimmermann (Managing Director)

Use was made of the exemption regulation in Section 286 (4) HGB.

Employee

The average number of employees (FTE) during the financial year was 1,634 (previous year 1,361).

Corporate relationships

MHP Management- und IT-Beratung GmbH, Ludwigsburg, is not obliged to prepare consolidated financial statements as of December 31, 2017 in accordance with Section 291 (1) HGB. The company is included in the consolidated financial statements of Dr. Ing.hc F. Porsche Aktiengesellschaft, Stuttgart, included. The consolidated financial statements of Dr. Ing.hc F. Porsche Aktiengesellschaft, Stuttgart, is included in the consolidated financial statements of Volkswagen AG, Wolfsburg. In its capacity as the German group management, as of December 31, 2017, it will prepare consolidated financial statements and a group management report for MHP Management- und IT-Beratung GmbH. The consolidated financial statements are published in the Federal Gazette.

Auditor's fee

Use is made of the exemption provision of Section 285 No. 17 HGB.

Proposal for the appropriation of profits

The management proposes to distribute an amount of EUR 35,083,355.16 from the net profit to the shareholders, taking into account an amount of EUR 9,852.00 that is blocked from distribution.

Supplementary report

After the end of the 2017 financial year, no further events of material importance for MHP occurred.

Ludwigsburg, March 9, 2018

Dr. Ralf Hofmann, Chairman of the Management Board

Marc Zimmermann, managing director

development of the capital assets

	Acquisition and production costs			
	01/01/2017 EUR	Additions EUR	Disposals EUR	December 31, 2017 EUR
Licenses	643.709	263,634	0	907.343
software	123.989	0	0	123.989
Prepayments made	0	188,450	0	188,450
Total I.	767,698	452.084	0	1,219,782
Fixtures in third-party properties	1,088,573	150,562	0	1,239,135
Operating and office equipment	3,154,217	1,240,368	0	4,394,584
Office machines and IT equipment	734.128	0	0	734.128
Furniture	74,557	0	0	74,557
vehicles	68,913	0	0	68,913
GWG	163,327	0	0	163,327
Sum II.	5,283,715	1,390,930	0	6,674,645
Shares in affiliated companies	1,062,218	0	0	1,062,218
Sum III.	1,062,217	0	0	1,062,218
Total total	7,113,630	1,843,013	0	8,956,644

	Accumulated depreciation				Book values	
	01/01/2017 EUR	Additions EUR	Disposals EUR	December 31, 2017 EUR	12/31/2016 EUR	December 31, 2017 EUR
Licenses	643.709	30,660	0	674.369	0	232.974
software	123.989	0	0	123.989	0	0
Prepayments made	0	0	0	0	0	188,450
Total I.	767,698	30,660	0	798.358	0	421.424
Fixtures in third-party properties	541.734	113,552	0	655.286	546.838	583,849
Operating and office equipment	1,251,215	284.229	0	1,535,445	1,903,002	2,859,140
Office machines and IT equipment	620.617	27,761	0	648.378	113,511	85,750
Furniture	14,765	5,562	0	20,327	59,792	54,230
vehicles	68,913	0	0	68,913	0	0
GWG	156,800	4,958	0	161,758	6,527	1,569
Sum II.	2,654,045	436,062	0	3,090,107	2,629,669	3,584,537
Shares in affiliated companies	0	0	0	0	1,062,218	1,062,218
Sum III.	0	0	0	0	1,062,218	1,062,218
Total total	3,421,744	466.722	0	3,888,465	3,691,887	5,068,179

Independent auditor's report

To MHP Management- und IT-Beratung GmbH, Ludwigsburg

Examination Opinions

We have the annual financial statements of MHP Management- und IT-Beratung GmbH, Ludwigsburg, - consisting of the balance sheet as of December 31, 2017 and the income statement for the financial year from January 1 to December 31, 2017 as well as the notes, inclusive the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of MHP Management- und IT-Beratung GmbH, Ludwigsburg, for the financial year from January 1 to December 31, 2017.

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

- The attached annual financial statements comply with German commercial law in all essential respects and, in compliance with German generally accepted accounting principles, give a true and fair view of the company's assets and financial position as of December 31, 2017 as well as its earnings position for the financial year from January 1 to as of December 31, 2017 and
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

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 “Auditor's Responsibility for the Audit of the Annual Financial Statements and 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

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

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law in all essential respects, and for ensuring that the annual financial statements give a true and fair view of the assets, financial and earnings position of the in compliance with the German principles of proper accounting Society mediates. 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 considered necessary to enable the preparation of a management report in accordance with the applicable German legal regulations,

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 are not detected is higher in the case of violations than inaccuracies, since violations can involve fraudulent cooperation, 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 Systems of society.
- We assess the appropriateness of the accounting methods used by the legal representatives and the acceptability of the estimated values presented by the legal representatives and the information related to them.
- 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.
- 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 significant unavoidable risk

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.

Stuttgart, March 9, 2018

PricewaterhouseCoopers GmbH
auditing company

Dieter Wißfeld, auditor

ppa. Denis Etzel, auditor

The annual financial statements as of December 31, 2017 were adopted on June 5, 2018.
