Annual Report 2017

3U HOLDING

Summary of Group results

3U Group (IFRS)		Year-on-year comparison January 1 – December 31	
		2017	2016
Sales	(in EUR million)	46.89	43.74
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	6.67	4.70
EBIT (earnings before interest and taxes)	(in EUR million)	2.99	1.05
EBT (earnings before tax)	(in EUR million)	1.90	0.11
Net earnings for the period	(in EUR million)	1.07	0.64
Earnings per share total	(in EUR)	0.03	0.02
Equity ratio	(in %)	49.20	40.89

3U Group (IFRS)		Quarterly comparison October 1 – December 31	
		2017	2016
Sales	(in EUR million)	11.32	11.26
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	1.49	0.99
EBIT (earnings before interest and taxes)	(in EUR million)	0.63	-0.01
EBT (earnings before tax)	(in EUR million)	0.39	-0.26
Net earnings for the period	(in EUR million)	0.29	0.29
Earnings per share total	(in EUR)	0.01	0.01
Equity ratio	(in %)	49.20	40.89

Contents

The Management Board of 3U HOLDING AG (from left):
Christoph Hellrung, Michael Schmidt and Andreas Odenbreit

Letter to our shareholders

Dear Shareholders,

The 2017 financial year was a success for 3U: Your Company has developed very well during this time. Sales rose moderately to EUR 46.9 million, while EBITDA improved by 42 % to EUR 6.7 million and consolidated earnings even increased by 65 % to EUR 1.1 million. We have thus exceeded the forecast communicated at the beginning of 2017; the forecast, which was raised in August, was also reached in the communicated earnings figures. Earnings per share increased to 3 cents. This should also benefit our shareholders. The Management Board and Supervisory Board will propose a dividend of 2 cents per share to the Annual General Meeting on May 3, 2018.

Business development in the three segments proved to be pleasing overall; even if some aspects cloud the overall picture a bit.

In the segment ITC, we once again recorded a decline in sales and the lowest quarterly sales in this segment in the first quarter of the past fiscal year, but following sales increased quarter by quarter and accompanied by an increased margin the segment earnings exceeded the previous year's level.

Our original core business of call-by-call continues to shrink, thereby losing more and more importance for the development of the 3U Group. As forecasted, however, we are increasingly able to compensate the decline in income from this business with income from other business areas. Particularly in the area of cloud-based solutions, sales increased extremely. In recent years, weclapp has become a true gem within the 3U Group and our expectation is that this very positive development will continue unabated.

The segment Renewable Energies also set the course for important changes in the past financial year. At the end of August 2017, we reported that we had sold the wind farm Schlenzer, a wind farm project consisting of two wind turbines, each with a nominal output of 2.75 MW. One month later, we announced the conclusion of an option agreement for the sale of 100 % of the shares in Windpark Lüdersdorf II. However, this option contract will not have its economic consequences until the option is exercised by the acquirer in the current year 2018, since the effective date for the transfer of units is July 1, 2018.

The segment SHAC continues to benefit from the robust construction sector, which should remain at a high level for the foreseeable future. With our online trading activities in this area, we are thus double beneficiaries, on the one hand of the rising demand because of the good industry outlook but also because of the shift in demand towards the Internet. Overall, we remained below our expectations, especially in the segment earnings, in the past financial year. However, we have taken measures here to increase the profit margin again. The cost advantages of increasing order quantities should also have a positive effect here in the future. There is still sufficient growth potential for organic growth in the segment SHAC, but we will also be looking for attractive opportunities for inorganic growth.

Outlook for the current financial year

As early as mid-December 2017, we published our forecast for the current fiscal year. We want to confirm this today. Accordingly, we expect for the Group in 2018

- sales between EUR 46 million and EUR 50 million
- EBITDA between EUR 6.5 million and EUR 8.5 million, as well as
- consolidated earnings between EUR 1.0 million and EUR 2.0 million

This forecast takes into account the continuing uncertainty in the economic and, above all, regulatory conditions in the business areas Telephony and Wind Farm Projects. Nevertheless, we expect further progress in all segments for the current financial year and are very confident that we will improve on all key Group figures compared to the previous year.

After a few difficult years, we returned to the road to success in 2016 and picked up speed in 2017. We clearly have one goal in mind: we want to continue to grow and disproportionately increase our earnings. As we stand today with our three segments, each with business models in megatrends, we have the best prerequisites for doing so.

We have recently received a lot of encouragement from shareholders for the positive development of the 3U Group and the 3U share. This also motivates us to keep working very hard to continuously improve 3U.

We are happy that we can walk this path together with you.

Marburg, March 2018

Your Management Board

Michael Schmidt　　Christoph Hellrung　　Andreas Odenbreit

Report of the Supervisory Board

Dear Shareholders,

Following, I would like to inform you about the work of the Supervisory Board in fiscal year 2017:

Cooperation between Supervisory Board and Management Board

In fiscal year 2017 the Supervisory Board again regularly advised the Management Board on the management of the Company and continuously supervised its conduct of business. We assured ourselves that business complied with all legal and regulatory requirements at all times. The Management Board fulfilled its duty to inform us and briefed us with regular written and verbal reports containing up-to-date and comprehensive information on all issues of relevance to the Company and the Group relating to strategy, planning, business performance, the chances and risk situation and compliance. This also included information on variances between actual performance and previously reported targets as well as on budget variances. The Members of the Supervisory Board always had ample opportunity to critically examine the reports and resolution proposals submitted by the Management Board and contribute suggestions. In particular, we discussed intensively and examined the plausibility of all transactions of importance to the Company on the basis of written and verbal reports by the Management Board. On numerous occasions the Supervisory Board dealt at length with the risk situation of the Company, the liquidity planning and the equity situation. As a result of an analysis of the value potential of the Group's businesses and the opportunities and risks of strategic steps, critical operational issues were presented to the Supervisory Board in a clear and differentiated manner. Where required by law, the Articles of Association or the rules of procedure for the Management Board, the Supervisory Board provided its approval of individual business transactions.

In the periods between meetings, the Supervisory Board Chairman engaged in a close and regular exchange of views and information with the Management Board and was informed about major developments.

There were no indications of conflicts of interest of Management Board and Supervisory Board members, which must be disclosed to the Supervisory Board immediately and reported to the Annual General Meeting.

Meetings and participation

In fiscal year 2017, a total of six Supervisory Board meetings (January 27, 2017, March 16, 2017, May 18, 2017, August 18, 2017, November 16, 2017, and December 14, 2017) were held, in which the Supervisory Board was represented at full strength. The Management Board participated in the Supervisory Board meetings in so far the Chairman hadn't decided otherwise.

The Supervisory Board consists of three members and has not established any committees. All resolutions of the Supervisory Board were passed unanimously. Outside the Supervisory Board meetings, the Supervisory Board was in close contact with the Managing Board and kept an eye on the course of the business and important events.

Focus of consultations in the Supervisory Board

The Supervisory Board gave intensive consideration to the Company's strategic development and orientation in the last business year again. The Supervisory Board exchanged opinions with the Management Board on the necessary measures in the subsidiaries and discussed them critically in a timely matter. In addition, the Supervisory Board was informed by the Management Board continuously on the measures to optimize costs and increase efficiency in the segment Renewable Energies and discussed them with the Management Board.

The continued reporting of the Group's sales, earnings, business development and the financial position of the Company constituted a significant topic of discussions within the Supervisory Board and the Management Board. Significant developments in the various subsidiaries were presented to the Supervisory Board by the Managing Directors. In particular, the Supervisory Board received explanations from the Management Board regarding business developments that deviated from prepared budgets and defined targets.

One focus of the Supervisory Board's discussions on the strategic development of the Group concerned the adjustment measurements for telephony and renewable energies projects to the continuously changing framework conditions.

Discussions in the segment ITC centered on regulatory decisions by the Federal Network Agency, opportunities and risks in the wholesale area and the data center services portfolio, among other things. The developments in cloud computing and the IT licensing business were also discussed in depth.

In the segment Renewable Energies, the Supervisory Board dealt with expansion plans of the business field wind power projects. Various options have been thoroughly examined and discussed in detail between the Supervisory Board and the Management Board. Both, the wind farm projects developed within the 3U ENERGY PE GmbH, as well as the purchase of external wind farms played an important role in this context.

Beyond that, discussions focused on the expansion of the segment SHAC (Sanitary, Heating and Climatisation), and in particular the development of the e-commerce.

Further topics of discussion in Supervisory Board meetings were compliance and corporate governance, specifically the efficiency audit of the Supervisory Board in line with the principles of corporate governance.

The German Corporate Governance Code suggests that the Chairman of the Supervisory Board should be reasonably prepared to hold discussions with investors on topics specific to the Supervisory Board. The Chairman of the Supervisory Board has repeatedly fulfilled this task in the past financial year and will continue to do so in the future within the bounds of his possibilities.

The risk monitoring system of the Company was, in addition to the examination by the Supervisory Board, subject of the statutory audit by the BDO AG Wirtschaftsprüfungsgesellschaft, Essen appointed to audit the financial statements. This audit confirmed that the Management Board of the Company has taken the appropriate measures required according to Article 91 (2) of the German Stock Corporation Act and that the existing monitoring system is capable of identifying, on a timely basis, events and developments which might endanger the continuation of the Company's existence.

Corporate governance

The Members of the Supervisory Board continued to deal with the German Corporate Governance Code in the reporting year. The Management Board and Supervisory Board issued a Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act (AktG) on March 14, 2018. The declaration of conformity can be viewed on the 3U HOLDING AG website (www.3u.net) under the path "Investor Relations/Corporate Governance". The declaration of corporate governance according to Article 289 f resp. 315 d German Commercial Code (HGB) can be viewed there as well.

In addition the Management Board – also on behalf of the Supervisory Board – reports on corporate governance at 3U HOLDING AG in the corporate governance report and the corporate governance declaration.

Audit of the 2017 annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Essen, was chosen as auditor by the Annual General Meeting on May 18, 2017 and was mandated by the Supervisory Board to audit the annual financial statements and consolidated financial statements. The auditor audited the annual financial statements and management report of 3U HOLDING AG prepared by the Management Board in line with the German Commercial Code, and the consolidated financial statements and the combined management report prepared in accordance with IFRS for the 2017 financial year. It awarded all reports an unqualified auditor's opinion. The aforementioned documents and the audit reports of the auditor were submitted to all Members of the Supervisory Board in good time and were discussed in depth at the accounts review meeting on March 15, 2018. At this meeting, the responsible auditors reported on the main results of their audit and were available for further information. In accordance with Section 171 of the German Stock Corporation Act, the Supervisory Board thoroughly examined the annual financial statements of 3U HOLDING AG, the consolidated financial statements as well as the combined management report for 3U HOLDING AG, and raised no objections. The Supervisory Board approved the results of the audits of both sets of financial statements by the auditor and also approved the annual financial statements of 3U HOLDING AG as well as the financial statements as at December 31, 2017; the consolidated financial statements are thus adopted.

The Supervisory Board would like to thank the Members of the Management Board and all employees for their performance and commitment in the past financial year 2017.

Marburg, March 15, 2018

The Supervisory Board

R. Thoenes

Ralf Thoenes

Corporate governance report

The German Corporate Governance Code has been applicable since 2002. It was updated in February 2017 and contains regulations, recommendations and suggestions for good and responsible corporate management. The purpose of the Code is to create greater transparency, thus increasing the confidence of investors, customers, employees and the public in the corporate management of German companies. 3U HOLDING AG welcomes the provisions of the German Corporate Governance Code (GCGC), which serves the interests of the companies as well as its investors.

Sound, systematic corporate governance is particularly important for a group such as 3U HOLDING AG with its numerous subsidiaries. The Supervisory Board and the Management Board are convinced that sound corporate governance, taking company and industry-specific issues into account, is an important building block for the future success of 3U HOLDING AG. Accordingly, responsibility for compliance with the principles of sound corporate governance is vested in senior management.

In the financial year 2017, the Management Board and Supervisory Board once again carefully examined the corporate governance of 3U HOLDING AG and the Group as well as the contents of the German Corporate Governance Code. During the reporting period, as in prior years, 3U HOLDING AG again fulfilled most of the Code's recommendations.

3U HOLDING AG submitted the declaration of conformity required according to the German Stock Corporation Act during the reporting period on March 15, 2017 and most currently on March 14, 2018. It can be viewed permanently on its website (www.3u.net) under the path "Investor Relations/Corporate Governance".

Declaration by the Management Board and the Supervisory Board of 3U HOLDING AG on the recommendations of the Government Commission on the German Corporate Governance Code in accordance with section 161 of the AktG (German Stock Corporation Act).

1. Since last submitting a declaration of conformity on March 15, 2017, 3U HOLDING AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code as set out in the then valid version of the German Corporate Governance Code dated May 5, 2015 with the following exceptions:

- Code article 3.8: The directors' and officers' liability insurance policy does not include a deductible for members of the Supervisory Board. In this respect, 3U HOLDING AG is of the opinion that the level of responsibility and motivation with which the members of Supervisory Board of the Company perform their tasks would not be improved by any such deductible.
- Code article 4.1.5: In making appointments to senior positions, the Management Board is guided by the specific requirements of the function and looks for the best possible person meeting these requirements. If several equally qualified candidates are available, the Management Board takes into account the principles of diversity and an appropriate consideration of women by filling vacancies without making these criteria a priority principle.
- Code article 5.1.2: The appointments to the Management Board made by the Supervisory Board are based on suitability and qualification and are aimed to fill the jobs with the best candidates. The Company believes that special weighting of other criteria to select potential candidates as prescribed by the Code would limit the options for the Management Board.
- Code article 5.4.1: In the cast of the Supervisory Board it applies as well that ability, experience and qualifications are the relevant selection criteria. To oblige to targets in terms of future appointments restricts the flexibility that would entail no other advantages for the Company. This is all the more because the Supervisory Board currently consists of only three members.

2. In future, 3U HOLDING AG will comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated February 7, 2017 with the following exceptions:

- Code article 3.8: The directors' and officers' liability insurance policy does not include a deductible for members of the Supervisory Board. In this respect, 3U HOLDING AG is of the opinion that the level of responsibility and motivation with which the members of Supervisory Board of the Company perform their tasks would not be improved by any such deductible.
- Code article 4.1.5: In making appointments to senior positions, the Management Board is guided by the specific requirements of the function and looks for the best possible person meeting these requirements. If several equally qualified candidates are available, the Management Board takes into account the principles of diversity and an appropriate consideration of women by filling vacancies without making these criteria a priority principle.
- Code article 5.1.2: The appointments to the Management Board made by the Supervisory Board are based on suitability and qualification and are aimed to fill the jobs with the best candidates. The Company believes that special weighting of other criteria to select potential candidates as prescribed by the Code would limit the options for the Management Board.
- Code article 5.4.1: In the cast of the Supervisory Board it applies as well that ability, experience and qualifications are the relevant selection criteria. To oblige to targets in terms of future appointments restricts the flexibility that would entail no other advantages for the Company. This is all the more because the Supervisory Board currently consists of only three members.

Düsseldorf/Marburg, March 14, 2018

For the Supervisory Board	For the Management Board
Ralf Thoenes	Michael Schmidt

Further development of corporate governance

3U HOLDING AG continues to develop its understanding of good and responsible corporate governance. A professional and efficient management and control within the Group are based on governance, risk and compliance systems.

Primarily risks must be prevented there, where they may arise, and if this is not possible, they must be recognized and reduced. To ensure this, as automated as possible internal controls in the business processes are implemented. Since this is not fully implementable in every case, the effectiveness of the control system must be ensured by additional control measures by the management.

Secondly this is done for example by via policies and standard operating procedures. Close integration of the internal control system, risk management system and compliance management system maximizes the efficiency of risk prevention and management of risks.

The risk manager of the Group monitors through independent audits the adequacy and effectiveness of the implemented processes and systems for risk management in the broadest sense. The risk manager reports directly to the CEO and the Supervisory Board. The model is completed by the external monitoring of the auditor, who incorporates the results of the audits by the risk manager in his own assessment.

Appropriate control and risk management

Corporate governance at 3U HOLDING AG involves dealing responsibly with risks. The continuous and systematic management of business opportunities and risks is fundamental to professional governance. It helps ensure that risks are identified, evaluated and managed at an early stage. The Management Board reports regularly to the Supervisory Board about the status of the main risks in the Group. The Supervisory Board focuses on monitoring the effectiveness of the accounting process and the internal control and risk management. 3U HOLDING AG continuously enhances the individual systems and adapts them to changing conditions. Key features of our control and risk management system are described in the opportunity and risk report.

Compliance

Compliance, in the sense of measures to ensure adherence to statutory requirements and internal company policies is a key management duty at 3U HOLDING AG. It contains a clear commitment to compliance with the law and internal policies: violations will not be tolerated (zero tolerance). All reports of misconduct will be investigated.

Objectives of the Supervisory Board and the Management Board with regard to their respective composition and the composition of the management levels below the Management Board

Currently the Supervisory Board consists of three male members. Their appointment was made until the end of the Annual General Meeting deciding on the discharge for the financial year 2017. The Annual General Meeting on May 3, 2018 will decide on the future composition of the Supervisory Board. The Supervisory Board, which is in office until then, stays by its decision of September 30, 2015 that the target to reach for the proportion of women in the Supervisory Board of 3U HOLDING AG is 0 %.

The Management Board currently consists of three male members. The Supervisory Board is of the opinion that the Management Board positions are currently best possible occupied and an enlargement of the Management Board is not appropriate in terms of the Company size and structure. Therefore, the Supervisory Board still stays by its decision of September 30, 2015 that the target to reach for the proportion of women in the Management Board of 3U HOLDING AG is 0 %.

There is currently only one management level below the Management Board level in the 3U HOLDING AG, which currently consists of three male members. The Management Board still stays by its decision of September 30, 2015 that the target to reach for the proportion of women in the management level below the Management Board of 3U HOLDING AG is 0 %.

Avoidance of conflicts of interest

There were consulting or other service agreements between Members of the Supervisory Board and the Company during the reporting year. The contractual relationships in the financial year are disclosed in the remuneration report. Conflicts of interest of Management or Supervisory Board, which are to be disclosed to the Supervisory Board without delay, did not occur.

The transactions with related parties are shown in the notes to the consolidated financial statements in 8.3.

Disclosure of securities transactions and shareholdings of Management and Supervisory Board

According to art. 19 MAR, Members of the Management Board and Supervisory Board and persons close to them are required by law to disclose the purchase and sale of 3U HOLDING AG shares or related financial instruments whenever the value of the transactions amounts to EUR 5,000 or more within a calendar year. In fiscal 2017, the following transactions have been reported to the Company:

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price in EUR	Total volume in EUR
01/18/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	150,000	0.630	94,500.00
01/19/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	20,000	0.660	13,190.64
01/23/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	30,000	0.700	21,007.40
03/24/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	50,000	0.797	39,841.54
09/29/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	60,000	0.798	47,906.66
10/02/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	60,000	0.822	49,344.59
10/04/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	15,000	0.852	12,783.00
10/05/2017	Stefan Thies (Supervisory Board)	Purchase	10,279	0.844	8,678.68
10/05/2017	Stefan Thies (Supervisory Board)	Purchase	1,304	0.843	1,099.27

Shareholders and Annual General Meeting

The shareholders of 3U HOLDING AG exercise their rights at the Company's Annual General Meeting, which is chaired by the Chairman of the Supervisory Board in accordance with the Articles of Association. The Annual General Meeting takes place once a year. Each share confers one vote.

Shareholders can exercise their voting rights at the Annual General Meeting in person or by proxy, for which they can authorize a person of their choice or a Company-nominated proxy acting on their instructions. Shareholders can also cast their votes in writing by postal vote – without authorizing a proxy. On our website we make all documents and information on the Annual General Meeting available to shareholders in good time. In addition, questions can be addressed to members of our Investor Relations department via an info line or e-mail.

Transparency through high-quality information

Our dialogue with the capital market is aimed at informing all target groups fully, equally and quickly, and presenting valuation relevant facts in high quality.

The presentations which are given to analysts and investors are immediately freely available on the website. Our Investor Relations department also makes extensive facts and data available on the website to help analysts and investors better understand and value our businesses and their upside potential.

We provide information on recurring dates, such as the date of the Annual General Meeting or the publication dates of interim reports, in a financial calendar published in the Annual Report, the interim reports and on the Company's website.

Information about the latest developments in the Group is also provided on our website. All press releases and ad hoc announcements of 3U HOLDING AG are published in German and English in the IR-News and Press section.

The Company's Articles of Association can also be viewed on the website, as can the consolidated financial statements, interim reports and information on the implementation of the recommendations and suggestions of the German Corporate Governance Code. All interested parties can subscribe to the IR service on the website which always reports up to date news from the Group.

Corporate Governance Statement

The current Corporate Governance Statement by the Management Board and the Supervisory Board of 3U HOLDING AG according to Article 289 f resp. 315 d German Commercial Code (HGB) is available to the public on the website of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Corporate Governance". In the declaration, the relevant corporate governance practices applied beyond the legal regulations are explained. It further describes the workings of the Management Board and the Supervisory Board and presents the composition and working methods of the Management and Supervisory Board.

Remuneration Report

Comments on the remuneration of the Management and the Supervisory Board can be found in the remuneration report, which is part of the combined management report, as well as part of this statement on corporate governance.

The following Members of the Management and Supervisory Board held shares in the Company as of December 31, 2017:

Name	Function	Number of shares	Percent
Michael Schmidt	Speaker of the Management Board	8,999,995 shares	25.49 %
Andreas Odenbreit	Management Board	20,500 shares	0.06 %
Ralf Thoenes	Chairman of the Supervisory Board	25,000 shares	0.07 %
Stefan Thies	Deputy Chairman of the Supervisory Board	23,583 shares	0.07 %
Jürgen Beck-Bazlen	Supervisory Board	1,515,000 shares	4.29 %

The 3U share

The 3U share at a glance

International Securities Identification Number (ISIN)	DE0005167902
Wertpapierkennnummer (WKN) *[Securities Identification Number]*	516790
Stock exchange symbol	UUU
Transparency level	Prime Standard
Designated sponsor	BankM – Repräsentanz der Fintech Group Bank AG
Initial listing	November 26, 1999
Registered share capital in EUR at December 31, 2017	EUR 35,314,016.00
Registered share capital in shares at December 31, 2017	35,314,016
Share price at year end 2017*	EUR 0.885
Share price high in period from January 1 to December 31, 2017*	EUR 0.930 (April 28, 2017)
Share price low in period from January 1 to December 31, 2017*	EUR 0.621 (January 3, 2017)
Market capitalisation at December 31, 2017	EUR 31,252,904.16
Earnings per share at December 31, 2017	EUR 0.03

*On Xetra

The shares of 3U HOLDING AG are no-par bearer shares listed in the Prime Standard of the Frankfurt Stock Exchange. Besides trading in Frankfurt on Xetra and the floor, the stock is also traded on the OTC markets in Berlin, Dusseldorf, Munich and Stuttgart and Tradegate.

General market development

The bull market on the stock markets continued in 2017, led by a once again strong Wall Street. The international stock exchanges began to rise in January and continued this upward movement until the end of the year without major setbacks. The stock market in Germany – largely shaped by the DAX – recorded a sharp increase until mid-June before consolidating until the end of August. Subsequently, prices rose again in the last four months, so that by the end of the year a price gain of around 15 % was recorded in the books.

The low interest rate policy of all key central banks, pleasing economic data, moderate energy prices and the emerging tax relief for American companies were more heavily weighted by investors than the growing fears of an interest rate hike and the ongoing geopolitical conflicts, especially in the Middle East and North Korea.

Development of the 3U share

The 3U share made a very strong start to the year. By the end of January, an increase of around one third had already been achieved. Later in the year, the price level was held until the share price retreated somewhat in September. Supported by share purchases from the Supervisory Board, sentiment picked up again in the fourth quarter. As a result of the benevolently received positive business figures for the third quarter, the share again reached its highs for the year, which it defended until the end of the year.

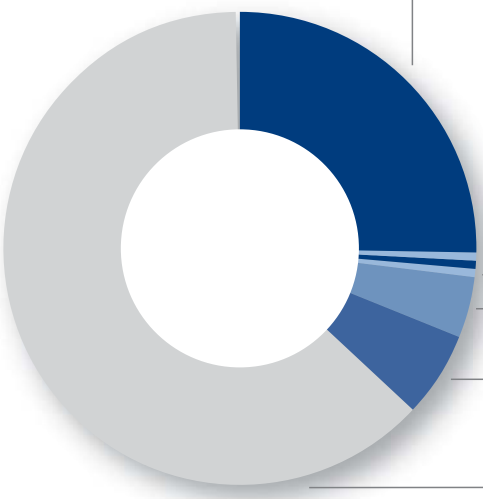
Starting from EUR 0.621 at the beginning of the year, the 3U share rose under significant fluctuation by around EUR 0.26 till the end of the reporting period, which represents an increase of almost 43 %.

The Prime All Share Index developed in line with the other German indices. Starting out from 4,502.82 points at the end of 2016 at, it rose by about 15 % by mid-June to close at 5,187.48 points at the end of the year while experiencing increased volatility.

Share price performance of the 3U shares* from January 1, 2017 to December 31, 2017 vs. Prime All Share Index

*Daily closing price Xetra

Shareholder structure as at December 31, 2017



Michael Schmidt (Speaker of the Management Board)	25.49 %	8,999,995 shares
Andreas Odenbreit (Management Board)	0.06 %	20,500 shares
Ralf Thoenes (Chairman of the Supervisory Board)	0.07 %	25,000 shares
Stefan Thies (Deputy Chairman of the Supervisory Board)	0.07 %	23,583 shares
Jürgen Beck-Bazlen (Supervisory Board)	4.29 %	1,515,000 shares
3U HOLDING AG (own shares)	6.18 %	2,183,640 shares
Remaining free float	63.84 %	22,546,295 shares

Investor Relations

The dialogue with our shareholders is a high priority for us. Throughout the year Investor Relations is available to all capital market participants for substantial information and pursuing a comprehensive capital market supervision, which is based on the principles of timeliness, continuity, credibility and equal treatment.

The fixed dates for the regular reporting set the framework for the capital market communication. The start of the year forms the publication of the consolidated financial statements for the previous fiscal year. The key financial data of the fiscal year and a forecast for the following year shall be made public in advance.

3U HOLDING AG informs the capital market over the past quarter, about six weeks after the quarter ends. The related information is available on the Investor Relations pages of the website of 3U HOLDING AG.

Between reports, 3U provides its shareholders with a newsletter discussing key developments and events within the Group.

We have used diverse opportunities to inform about our business performance, report about the appeal of our share and present our Company in individual meetings in 2017. We keep an intense frequent dialogue with our investors.

Currently, private investors are the most important group of shareholders of 3U HOLDING AG. In the medium term, institutional investors will increasingly be among the shareholders of 3U HOLDING AG. The investor relations pages of 3U HOLDING AG serve as a central and practical center for them. The website is constantly modernized and updated and provides, among other explanations for strategy and business development, all current publications and an annual report archive that goes back to the foundation of 3U HOLDING AG in the year 1999.

Moreover, there is the option of direct contact with the Investor Relations section. At the annual general meeting, all shareholders have the opportunity to get a picture of the 3U HOLDING AG and experience the Management Board live. During the general meeting Investor Relations is available for talks with investors on site.

The liquidity of the 3U share has again increased sharply compared to the previous year. The number of 3U shares traded on a daily average in Frankfurt am Main increased to just under 27,000 in 2017, after only about 12,000 3U shares were traded daily on average in the same period of 2016.

Combined Management Report

Fundamentals

Business model

3U HOLDING AG is at the top of the 3U Group as an operational management and investment holding company. It controls and monitors all major activities within the Group. The definition of the Group strategy as well as the management of the development of the 3U Group is one of its tasks. It is responsible for the accounting and controlling department within the 3U Group and also operates the Group-wide risk and opportunity management as well as the areas of law, investor relations and corporate communications. 3U HOLDING AG also assumes the allocation of financial resources, for example for investments or acquisitions. It is responsible for personnel policy, personnel development and the support of the Group's top management. The Members of the Management Board of 3U HOLDING AG also assume operational responsibility in dual role as managing directors of subsidiaries.

The 3U Group, which originally came from the telecommunications sector, has evolved significantly in the past fiscal years. The core business of the Group are the segments ITC (Information and Telecommunication Technology), Renewable Energies and SHAC (sanitary, heating and air conditioning).

The focus of the business activities of the 3U Group is in Germany as well as in the European neighbouring countries.

The segment ITC comprised the activities Voice Retail, Business Voice and Data Center Services & Operation. Under Voice Retail products like open call-by-call, pre-selection and call-through are being offered. The products voice termination (Wholesale, resale) and value added services are grouped under Voice Business. The products collocation, Infrastructure as a Service (IaaS), telecommunications services and the operation of networks and installations make up Data Center Services & Operation. Additionally the segment encompasses the development, distribution and operation of cloud based CRM and ERP solutions and trading IT licenses.

In the segment Renewable Energies the 3U Group essentially covers project development in the field of wind power and electricity generation with its own facilities using wind and solar energy.

Apart from the assembly of components for the climatisation of buildings, the distribution of products to wholesalers, craftsmen and self-builders belong to the segment SHAC. This distribution is carried out mainly via the Group's online shops.

Corporate management

The structure and organisation of the 3U Group are subject to continuous review and improvement. Ongoing adjustments of the organisation structure thereby guarantee clear responsibilities. The competencies within the monitoring, planning and control system are thus clearly defined. The monitoring and planning system mainly consists of the monthly management information reporting and the risk reporting. In addition there are regular meetings between Management Board and Managing Directors of the subsidiaries as well as a monthly Forecast-/liquidity development.

The control system is based around sales planning, EBITDA and Group earnings goals for the following twelve months respectively. The planning for the two subsequent financial years is done based on the detailed planning of the first year plan. The assumptions for sales planning are analysed on the respective levels of the Company; regulatory plans, the capital market outlook and industry trends are considered at market level. Changes relevant to earnings within a component are communicated directly between the Management Board and heads of division in the form of immediate reporting. The organisational structure and the elements of the control system thus form an integral mechanism between strategic and front-line business levels.

Economic report

General economic and industry-specific conditions

Development of the economic environment

The economic situation in Germany in 2017 was characterized by strong economic growth. According to preliminary calculations by the Federal Statistical Office (DeStatis), the price-adjusted gross domestic product (GDP) in the year 2017 was 2.2 % higher than in the previous year. The German economy has thus grown for the eighth year in a row. GDP also increased significantly in the two previous years: by 1.9 % in 2016 and by 1.7 % in 2015. A longer-term view shows that German economic growth in 2017 was almost one percentage point above the average of the last ten years of +1.3 %.

The average annual economic output in Germany in 2017 was provided by just under 44.3 million employed persons with a place of work in Germany. This is the highest level since the German reunification. According to initial calculations, around 638,000 or 1.5 % more people were employed in 2017 than in the previous year. This is the highest increase since 2007. This increase results from an increase in employment subject to social security contributions. Higher labour participation and the immigration of workers from abroad offset age-related demographic effects.

The number of unemployed as defined by the International Labour Organisation (ILO) decreased in 2017 by 79,000 or 4.5 %. This was the result of initial estimates based on the Labour Force Survey. The share of unemployed in the total number of economically active persons was 3.7 % in 2017 on an annual average. The unemployment rate has more than halved since its peak of 10.3 % in 2005, and was the lowest in 2017 since 1991.

Development of the financial market

According to Statistisches Bundesamt (Federal Statistical Office), consumer prices in Germany rose by 1.8 % on average in 2017 compared to 2016, more than in the last four years. From 2014 to 2016, annual inflation rates were even below one percent each. Energy prices were mainly responsible for the significant increase in the annual inflation rate in 2017: Energy increased by 3.1 % in 2017 compared to 2016, after price declines in the past three years.

The European Central Bank (ECB) cut the main refinancing rate to the current level of 0.00 % on March 16, 2016. The yield on the ten-year German government bond remained at a very low level in 2017. At the beginning of the year, the yield was 0.19 %. It then rose to 0.37 % in mid-February, before falling again to 0.19 % on the 24th. After rising again in March to 0.48 %, the annual low of 0.15 % was reached on April 18. Later in the year, the yield on the ten-year German government bond rose with fluctuations to 0.43 % until the end of the year.

The DAX ended the stock market year 2017 at 12,917.64 points, an increase of 12.5 %. Even better was the MDAX, which gained 18.1 %. At the top of the German indices was the TecDax, which rose by 39.6 % over the course of the year.

Development of the framework conditions in the segment ITC

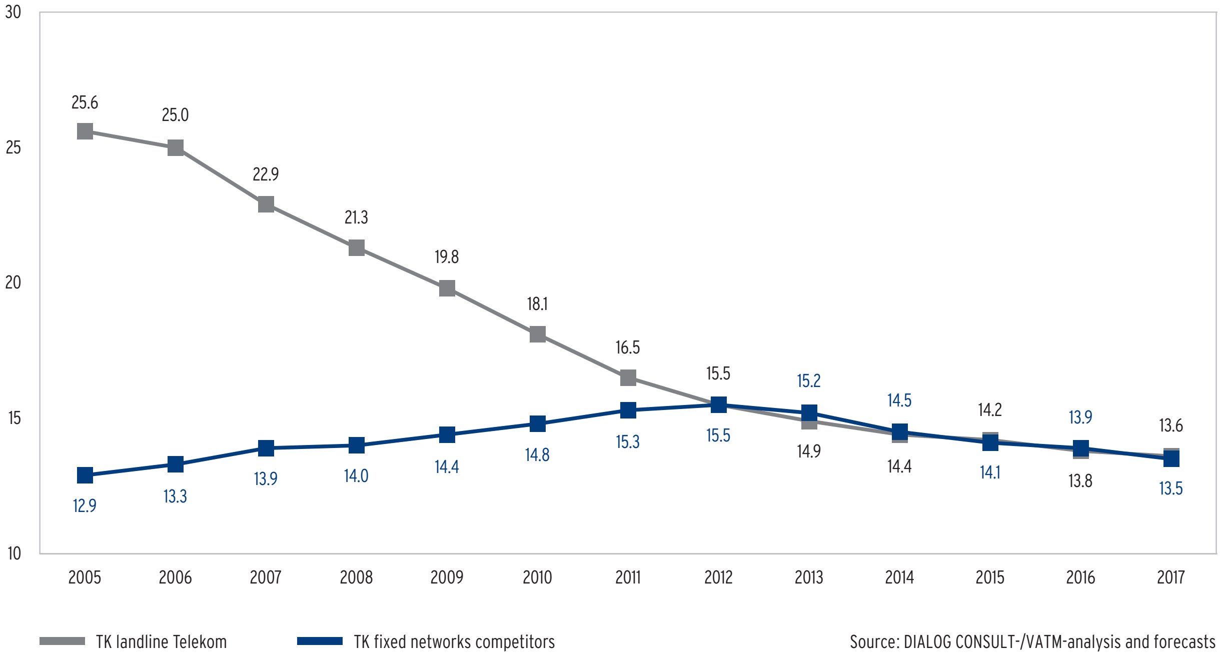
The telecommunications market in Germany

The prices for fixed-line, Internet and mobile telecommunication services for the private households in Germany in 2017 were once again below those of the previous year. According to the Federal Statistical Office (DeStatis), the consumer price index for telecommunications services were on average 0.9 % below the 2016 level for the year.

Fixed-line/Internet telephone services were 1.5 % cheaper in 2017 than in 2016. This decrease is mainly due to competition in the complete packages (telephone and DSL line, flat rate telephone, internet flat rate). Mobile telephoning averaged a year-on-year decrease of 2.3 % in 2017 compared to the previous year.

According to a study by the Association of Telecommunications and Value Added Service Providers (VATM) and Dialog Consult on the Telecommunications Market in 2017, the total sales of telecommunications services fell by 1.5 % compared to the previous year. Of the total sales of around EUR 58.8 billion in telecommunications services in Germany in 2017, fixed networks accounted for EUR 32.6 billion (55.4 %) and mobile networks for EUR 26.2 billion (44.6 %). Sales in the overall market fell so for the tenth time in the last twelve years.

Development of the total market and the submarkets for telecommunications services (external sales in EUR billion)
(Including voice and internet services, data services, interconnection, leased lines, content, terminals and distribution of TV content distributed by network operators and their distributors.)



Source: DIALOG CONSULT-/VATM-analysis and forecasts

While the total sales of competitors in the fixed network fell by 2.9 % to EUR 13.5 billion and Deutsche Telekom's sales fell slightly by 1.4 % to EUR 13.6 billion, cable network operators' sales dropped by EUR 0.2 billion to EUR 5.5 billion. Deutsche Telekom retains its position as the market-dominant provider in the pure landline telecommunications market (excluding cable network operators) with a 50.2 % share of sales. Including the cable network operators, the former monopolist still accounts for 41.7 % of the sales generated in the fixed network.

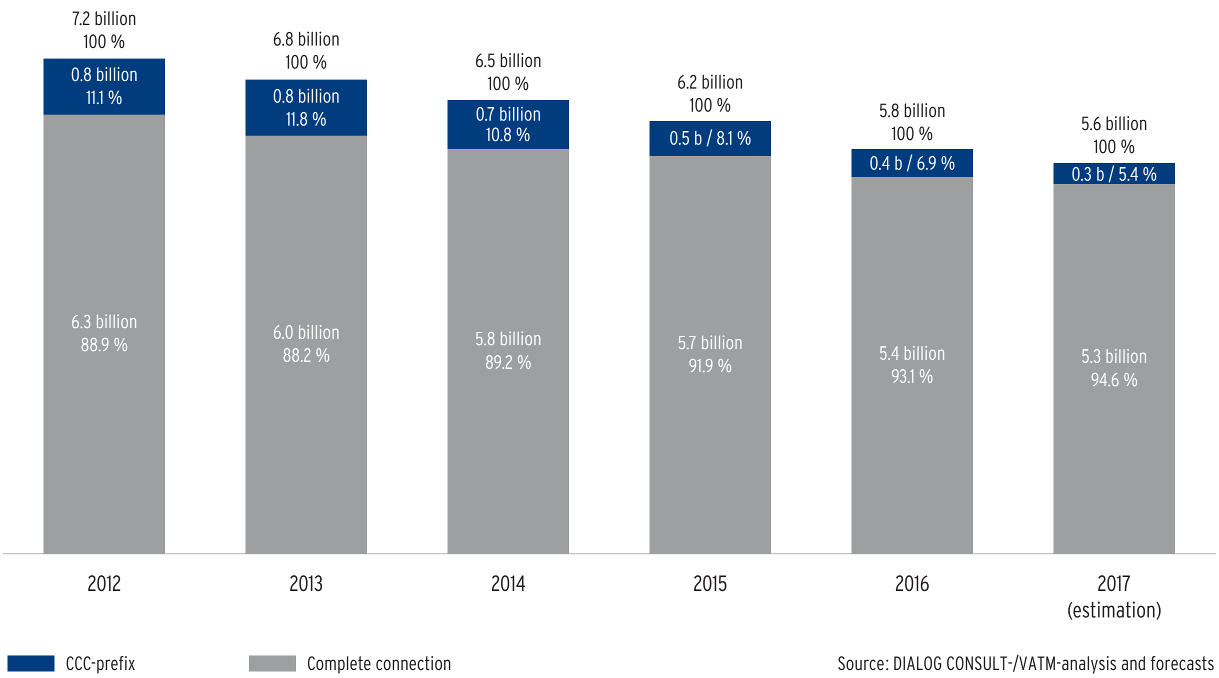
The number of telephony minutes is also declining. The total voice telephony volume has fallen slightly by an average of 1.1 % per year since 2012. Voice telephony is now being replaced by other forms of communication, such as instant messaging, despite the widespread use of voice flat rates. In 2017, the fixed-line voice volume shrank from 360 to 345 million minutes per day (–4.2 %) and the mobile voice volume slightly decreased from 310 to 309 million minutes per day (–0.3 %).

Fixed-line telephony in Germany

Customers of the competitors of Deutsche Telekom used their landlines on average for around 5.6 billion minutes per month in 2017 (2016: 5.8 billion). Voice minutes transmitted by competitors have been steadily declining for several years. Accordingly, the proportion of call-by-call and preselection has continued to decline. In 2017, the users of these services phoned about 0.3 billion minutes per month, which corresponds to a voice minute volume of 5.4 % among the competitors. Although the minute volume of call-by-call continues to decline, the use of the area-saving code increases slightly in relation to the potential users (Telekom connection, no flat rates) with 68.2 minutes per connection per day.

Total market competitors voice services from fixed networks in Germany based on call minutes

(Total market including local, long distance, international and mobile calls, in billion minutes per day)

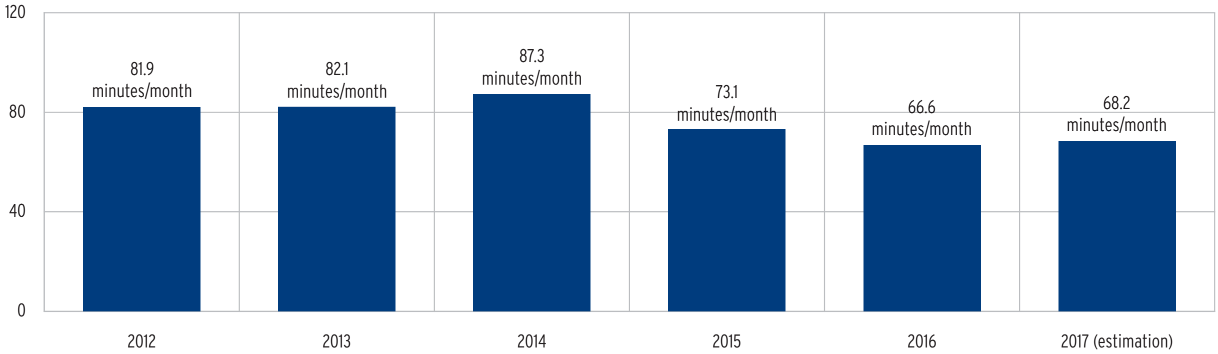


Source: DIALOG CONSULT-/VATM-analysis and forecasts

However, considering only the landlines of Deutsche Telekom without a flat rate, the voice volume generated by call-by-call or preselection has stabilized in recent years.

Voice minutes by network operator selection per telecom landline connection without unlimited calling

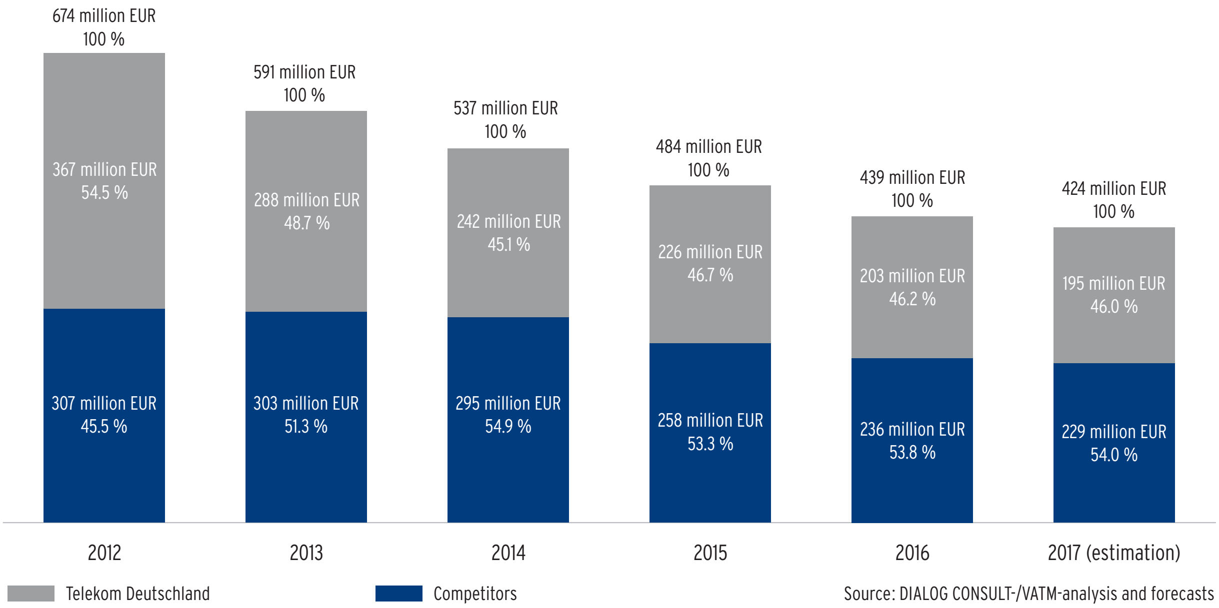
(Total market, including urban, suburban, long distance, international and mobile calls, in minutes per month)



Source: DIALOG CONSULT-/VATM-analysis and forecasts

In terms of sales from information and value-added services, all competitors together achieved EUR 229 million, representing 54.0 % of total sales of EUR 424 million. Sales of service numbers decline therefore once again in 2017 (–3.4 %). On the one hand, this development is due to the increasing availability of information in the (largely free) Internet and, on the other hand, to the increasing volume of chat services on the websites of the service providers for making direct contact.

Sales with service numbers



Source: DIALOG CONSULT-/VATM-analysis and forecasts

These include geographical numbers, IN numbers* (0137, 0180, 0700, 0800 0900, 018 [2-9]) and inquiries numbers (118).
IN and inquiries numbers are always billed by the network provider and can not be used by call-by-call or preselection.
*IN = Intelligent Networks

Competitors generate more than half of their sales (52.6 %) with geographic and 0800 service numbers.

There is still a decline in sales, despite the increase in connection minutes to information and value-added services of the Deutsche Telekom competitors. The alternative providers register 155 million minutes per month here. More and more consumers are using geographical service numbers operated by the competitors. 100 million minutes per month and therefore 64.5 % is attributable to them. The use of the 0180 number lane is slightly lower – minus 2 million minutes. The numbers for competitors' 0800 service numbers are declining from 46 to 44 million minutes per month (–4.4 %). The remaining number lines make up only 3 million or 1.9 % of the call minutes.

Development of the data center market in Germany

The importance of data centers for the economy has increased greatly in the past. In particular, the mobile Internet use is possible only through a powerful data center infrastructure, because many applications and data is no longer stored and located on the end devices, but centrally operated and stored in data centers.

Germany is the third largest data center market in the world and the largest in Europe. Site advantages include legal certainty and data protection, an efficient connection to Internet nodes as well as a reliable energy supply. However, the costs for energy and personnel are comparatively high in Germany, with a noticeable shortage of skilled IT experts. However, the growth of the data center market in Germany is only average in Europe; especially in comparison to Scandinavian countries and the Netherlands, Germany is losing significant market shares.

Capacities in German data centers are growing significantly, as is the case almost everywhere in the world. Due to increasing digitalisation and trends such as cloud computing, industry 4.0 and big data, the demands on central computing and storage performance are constantly increasing. According to calculations by Borderstep, the number of servers in the German data centers increased by 18 % to approx. 1.9 million between 2013 and 2016 on the basis of the sales figures of the market research institute Techconsult. If you add the servers that are operated outside of data centers, in 2016 there were about 2.3 million servers in Germany. The IT area in Germany's data centers in 2017 amounts to 2 million square meters. As in the past, the number of larger data centers grew. However, the previous trend of a decline in the number of smaller data centers seems to have stopped. In the server room category, the number of data centers has even increased significantly by about 10 % since 2013.

Data center category	Number of data center in Germany		
	2007	2013	2017
Rack (3–10 m^2)	33,700	30,500	30,500
Server room (11–100 m^2)	18,100	18,100	19,900
Small data center (101–500 m^2)	1,700	2,150	2,500
Mid size data center (501–5,000 m^2)	210	280	330
Large data center (über 5,000 m^2)	45	70	90

Source: Borderstep 2017

In particular, three trends are responsible for the growth and change in the data center structure. First, the use of cloud data centers is increasing. The second trend is fast-growing colocation data centers. As a third trend, a significant growth in data center capacities of medium-sized companies e. g. in mechanical engineering, is developing. This trend is likely to intensify in the future with increasing enforcement of industry 4.0 technologies.

Cloud Computing in Germany

The question of whether the cloud is used, no longer arises for many companies. For 80 % of German SMEs, cloud computing will be a mainstay of their IT strategy in the future, according to a recent study by Crisp Research.

The future clearly belongs to the hybrid cloud or the multi-cloud. By contrast, the public cloud, still favoured by many today, is clearly losing its importance by 2020. Not even 20 % believe that this form of cloud will play a major role in the B2B sector then. A completely secondary role is played by the private cloud.

Cloud computing is a basic technology for digital transformation. The technology generates enormous efficiency gains and is often the basis of new business models in the digital economy. From the user’s point of view, cloud computing refers to the needs-based use of IT services such as storage space, computing capacity or software via data networks. The data network can be an enterprise or organisation intranet (Private Cloud Computing) or the public Internet (Public Cloud Computing).

A look at the budget figures shows that the pace of corporate cloud transformation will increase. On average, 41 % of the IT budget is used to build, operate and evolve cloud computing technologies. In 37 % of companies, more than 50 % of the IT budget is dedicated to cloud computing.

The bottom line, according to the conclusion of the Crisp Research study, is that in the long term, no company can do without the cloud technology, and even today IT departments and companies are trying to overcome the transition phase as quickly as possible, thanks to relatively high budgets.

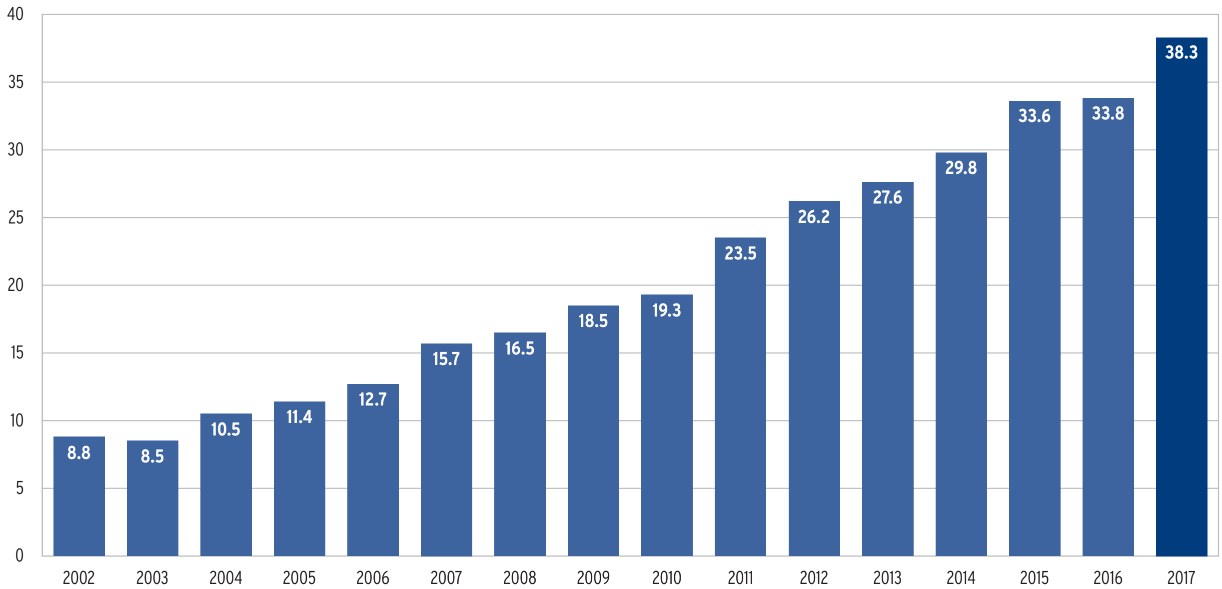
Development of the renewable energies market in Germany

Securing a reliable economical and environment-friendly energy supply is one of the greatest challenges of the 21st century. Germany has taken a pioneering role and set especially ambitious targets for the prevention of greenhouse gases. It is the declared aim to achieve a share of at least 80 % renewable energies for the energy supply by 2050. An intermediate goal was defined by the Renewable Energies Sources Act (Erneuerbare-Energien-Gesetz – EEG), by which the percentage of renewable energies for the energy supply ought to be increased to at least 35 % by 2020 and subsequently continue to be increased on an ongoing basis.

The expansion of renewable energies in Germany continues to progress, but no longer with the growth rates of the past. In addition to the moderate increase in capacity, the significant increase in renewable energies in 2017 compared to the previous year was mainly due to the significantly higher average wind speeds and the resulting increase in wind power generation.

Scientists at the Fraunhofer Institute for Solar Energy Systems ISE presented data on electricity generation in Germany in 2017. According to this report, electricity production from solar and wind energy plants totalling 142 terawatt hours (TWh) was for the first time higher than that of brown coal, hard coal or nuclear power. Wind energy became the second strongest source of energy after brown coal. The share of all renewable energy sources in net public electricity generation was about 38 %.

Share of renewable energies in public net electricity generation (in %)

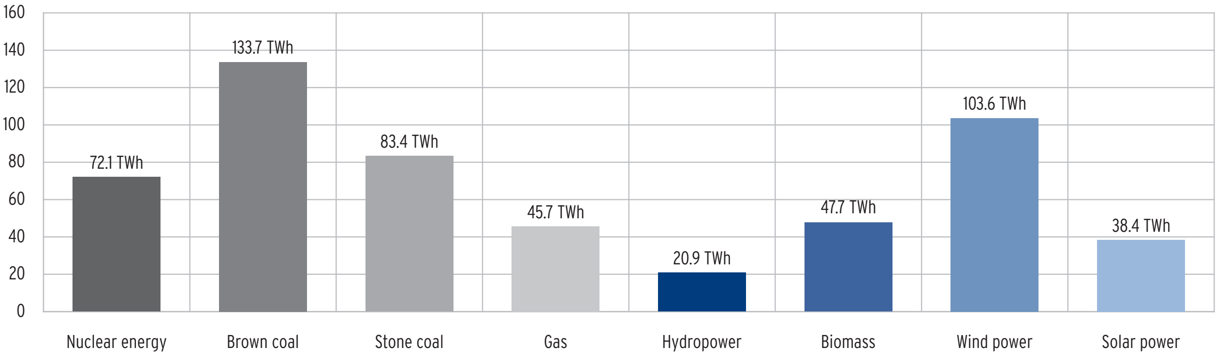


Source: Fraunhofer ISE / www.energy-charts.de/ren_share_de.htm

Photovoltaic systems fed about 38.4 TWh into the public grid in 2017. Production increased by approximately 0.4 TWh or 1 % compared to the previous year, but was still below the 2015 level (38.7 TWh).

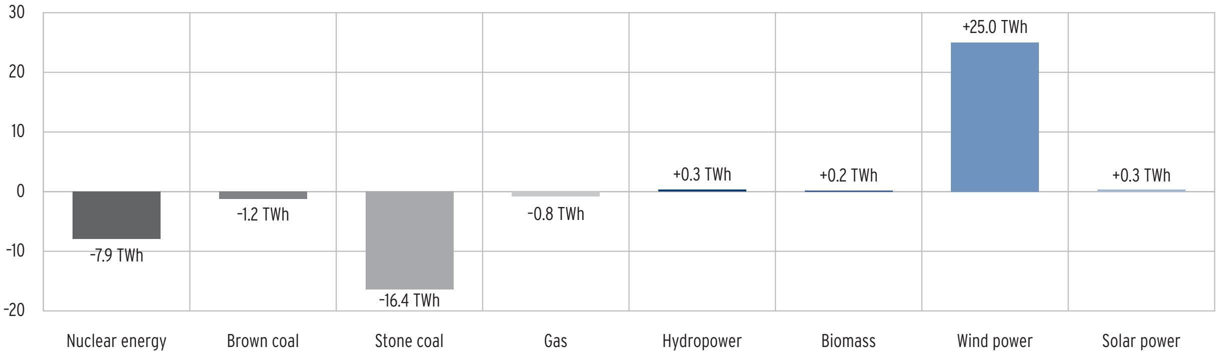
Wind energy produced about 103.6 TWh in 2017, more than 30 % above the previous year's production (78.6 TWh). For the first time, wind energy was the second most important source of energy ahead of hard coal and nuclear energy, but still behind lignite.

Net electricity generation in Germany in 2017 (in TWh)



Source: Fraunhofer ISE; Data: DeStatis and Leipziger Strombörse EEX, energetically corrected values

Change in net electricity generation in Germany in 2017 compared to 2016 (in TWh)



Source: Fraunhofer ISE; Data: DeStatis and Leipziger Strombörse EEX, energetically corrected values

The Renewable Energy Sources Act of July 21, 2014 (currently: EEG 2017) was last amended on July 17, 2017. The objective of the Act is to keep the EEG levy stable and to ensure the availability of electricity as well as the security of supply.

With the EEG 2017 the phase of technology promotion was terminated with politically fixed prices and replaced by competitive tendering. The remuneration of renewable electricity is now regulated by means of invitations to tender. The subsidy is determined by the market and no longer by the state. This ensures the continuous expansion of renewable energies and can reduce production costs if there is enough competition.

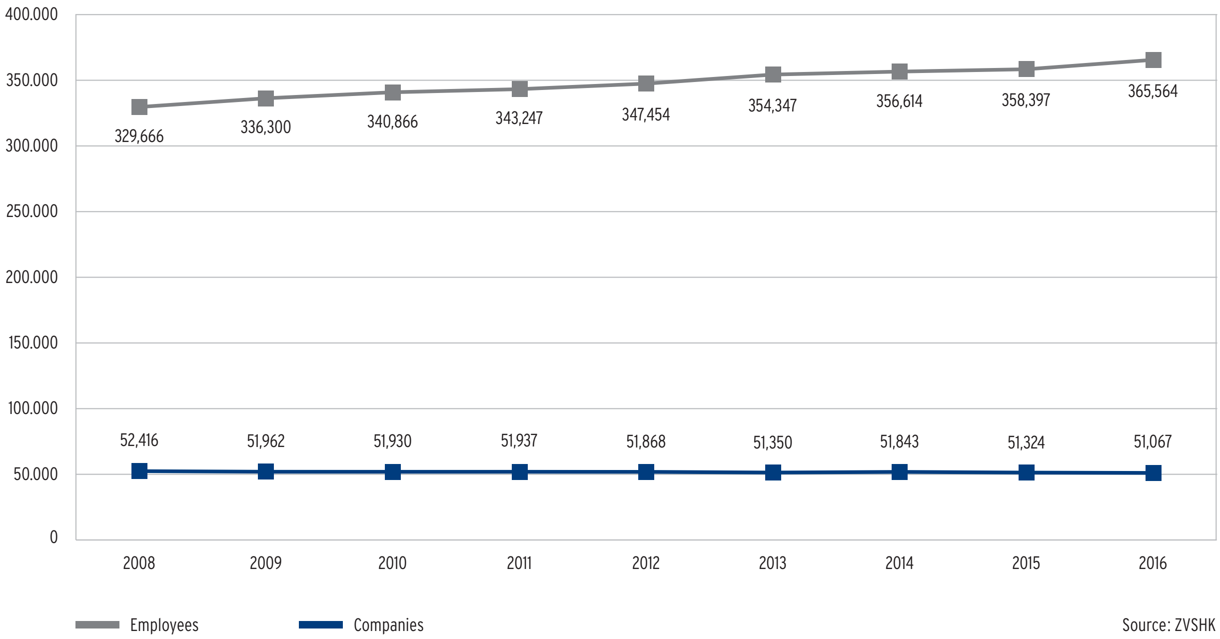
The conditions predetermined by the EEG caused 3U HOLDING AG as well as most other professional investors to almost completely withdraw from the financing of PV systems in Germany. Wind energy projects on the other hand have a better and more calculable opportunity/risk profile.

However, competition in the area of wind energy projects has also been intensified once again through the tender rounds. This leads to decreasing feed-in tariffs but also to the acceleration of the technical advancement and thus to sinking production costs in the power generation.

Development of the SHK market

In 2016, more than 365,000 people were employed in the German HVAC trades in more than 51,000 craft businesses. Due to the good (construction) economy, this number is likely to have increased again in 2017.

Employees and companies in SHAC crafts



Source: ZVSHK

The core themes of the SHK trade are "demography" and "energy conversion". In concrete terms it is about age-appropriate construction and efficient heating.

The Federal Ministry for the Environment, Nature Conservation, Construction and Reactor Safety has calculated that in Germany an additional 2.9 million old-age apartments with an investment volume of around EUR 50 billion will be needed by 2030. The bathroom is one of the key residential areas for an independent living in old age in the own four walls.

The success of the energy conversion depends very much on the heat market and efficiency increases in heating systems. Around two-thirds of the heating systems are technically outdated. If this outdated inventory were to be modernized in energy terms, around 15 % of German final energy consumption could be saved.

The entire house and building technology sector benefits from continued positive economic growth and stable construction activity in Germany. Due to the high average age of the heaters in the inventory, the replacement demand for the heating industry will continue to account for a large part of the demand.

The climate policy of the federal government is also making an important contribution to this: Since 2014, there has been an obligation to replace heaters over 30 years old as part of the Energy Saving Ordinance. In addition, the Kreditanstalt für Wiederaufbau (KfW) and the Bundesamt für Wirtschaft und Ausfuhrkontrolle (Federal Office of Economics and Export Control – BAFA) offer numerous programs to promote the use of renewable energies and to increase energy efficiency in heating.

As a result, the strongest growth impulses continue to come from the renovation, customer service and maintenance business in the segments of bathrooms and heaters.

Leading market researchers are assuming that the online trade in the HCAC sector will continue to grow as the relatively low level of online purchasing affinity will also change significantly as a result of the generational change in the trade.

Report on business development

The key events of fiscal 2017 at a glance

ITC

Continued high margin in the product range Telephony

As expected, the call-by-call market also shrank in the 2017 financial year. It is to be expected that this development will continue. Nevertheless, pleasing developments can be seen in the product range Telephony. Declining sales in the call-by-call business can be partly compensated by income from telephony products for business customers. In addition, the margin achieved was further increased through a continuous optimisation and improvement process.

weclapp continues on its road to success: Award for the ERP system of the year and high customer growth

In 2017 again, weclapp was honoured by the Center for Enterprise Research for the ERP system of the year 2017. This year, weclapp was able to win in the category "cloud-based ERP systems". Along with the award, the demand for the weclapp ERP system has risen steadily in the financial year.

The good performance and high quality of the weclapp service portfolio is convincing more and more customers. After more than 1,500 customers used weclapp in the past year, strong demand continues unabated. It is also particularly pleasing that the weclapp customer base increasingly includes companies with a larger number of employees. As a result, the demand for licenses is growing disproportionately. In addition to the continued positive customer development, earnings from the weclapp ERP system in particular have improved dramatically and are contributing to the positive Group result today.

Renewable Energies

The 2017 financial year is characterized by income from the sale of the wind farm Schlenzer and good wind yields.

Sale of wind farm Schlenzer

The sale of wind farms is very important for the earnings of the 3U Group. The sale of the wind park Schlenzer, which was realised in the past year, was therefore particularly pleasing. This wind farm project, developed by 3U ENERGY PE GmbH, consists of two General Electric wind turbines, each with a nominal output of 2.75 MW, a hub height of 139 m and a rotor diameter of 120 m.

Wind income

Although we were below the forecasted figures for wind energy after the first half of 2017, we were still able to achieve the originally planned bandwidths due to a very good performance in the fourth quarter.

In particular, the Langendorf wind farm acquired in 2014 with a nominal electrical output of 22.5 MW exceeded expectations in the 2017 financial year.

SHAC

Online Trading Selfio continuously reaches new sales records

In the segment SHAC, 3U is benefiting from the continued good general conditions, which are mainly characterized by the buoyant construction industry and the increasing use of the online distribution channel. Sales in online trading can be continuously increased. In addition to the constant expansion of the product and service portfolio, it is above all the large number of satisfied customers who repeatedly shop at Selfio. New ways in the marketing strategy have meant that Selfio is even better perceived in the market.

Earnings*

Group sales

Group sales increased by EUR 3.15 million from EUR 43.74 million in the previous year to EUR 46.89 million. Sales in the segment Renewable Energies in particular, but also in the segment SHAC, increased significantly year-on-year. The sale of the wind farm Schlenzer had a major impact on Group sales. Only sales in the segment ITC declined. 27.9 % (previous year: 39.0 %) of sales were generated in the segment ITC, 20.8 % in the segment Renewable Energies (previous year: 11.3 %) and in the segment SHAC 50.2 % (previous year: 49.7 %).

The change in inventories is also related to wind farm project development in the 2017 financial year. The inventory reduction from the sale of the project is largely offset by the inventory build-up in further wind farm project developments in the inventory change of the segment Renewable Energies.

The cost of materials fell slightly compared to the previous year. In relation to sales in particular, the cost of materials fell significantly in the segments compared to the same period of the previous year. The cost of materials accounted for 53.7 % of sales in the segments, compared to 60.8 % in the same period of the previous year. The sale of the wind farm made a significant contribution to this reduction. Other income increased slightly year-on-year.

EBITDA

EBITDA has again improved compared to the previous year from. While EBITDA amounted to EUR 4.70 million in 2016 it improved to EUR 6.67 million in the 2017 financial year. Lower staff costs and the sale of the wind farm Schlenzer contributed to the increase in EBITDA compared to the previous year, while the higher other operating expenses had the opposite effect. These expenses also include a necessary write-down on a loan receivable from the former solar thermal area.

Group earnings

At EUR 1.07 million, consolidated earnings for the 2017 financial year was EUR 0.43 million higher than the previous year's consolidated earnings (EUR 0.64 million). Without the allowance for loan receivables in the segment Renewable Energies, consolidated earnings would have improved by another EUR 0.5 million compared to the previous year.

There is still a low level of general interest rates. This also means that the interest rate level within the interest-bearing debt of the 3U Group has not changed significantly in the past financial year. As a result, the negative financial result did not change significantly compared to the same period of the previous year, despite higher borrowed capital.

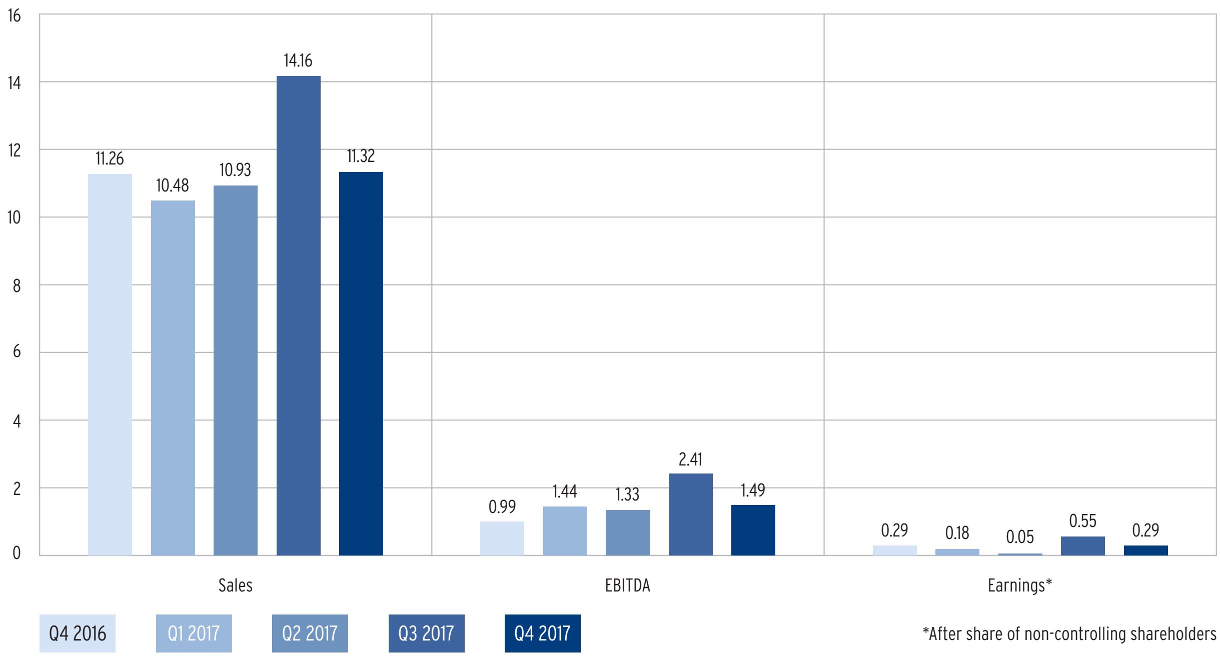
The tax expense for the financial year 2017 amounted to EUR 0.70 million and was thus EUR 1.29 million above the level of the previous year (tax income in the previous year: EUR 0.59 million). The reversal of deferred tax assets in connection with the realisation of interim profits from the sale of the wind farm Schlenzer had a significant impact. In the previous year, the formation of deferred taxes resulted in tax income due to the expected utilisation of existing loss carry forwards.

***Note:**

With the distributions shown in the following sections over the individual quarters, it must be borne in mind that the individual quarterly figures have not been subject to an audit.

Net income attributable to non-controlling interests increased by EUR 0.09 million compared to the same period of the previous year. Non-controlling interests in the segment ITC, in particular, benefited from the positive business development.

Development (sales, EBITDA, earnings) — 3U Group in EUR million



*After share of non-controlling shareholders

In accordance with internal reporting, 3U Group covers the segments Telephony, Services, Renewable Energies and Holding/Consolidation within its segment reporting.

Following, the different segments are reported including the sales between segments. Beyond that it needs to be noted that taxes on profits and income are carried by the parent company, 3U HOLDING AG, as long as subsidiary conditions exist.

Segment ITC (information and telecommunications technology)

Segment sales

Sales in the segment ITC fell again in the 2017 financial year from EUR 16.95 million to EUR 13.10 million. The decline in sales resulted from the area of telephony, while sales in the areas of cloud-based solutions increased significantly.

As in the previous year, the further percentage increase in margins in this segment is largely attributable to the successful development of cloud-based solutions as well as the trading of IT licenses. But telephony also contributes significantly to the margin in this segment.

Voice Retail sales declined from EUR 3.99 million to EUR 3.11 million due to the continued volume and price-driven decline in fixed-network telephony. Voice Business Customer sales decreased from EUR 9.09 million to EUR 5.72 million. In the area of Data Center Services & Operation, sales of EUR 1.63 million (previous year: EUR 1.79 million) were achieved in the 2017 financial year. In the areas of cloud-based solutions, sales once again almost doubled to EUR 1.91 million (previous year: EUR 1.03 million).

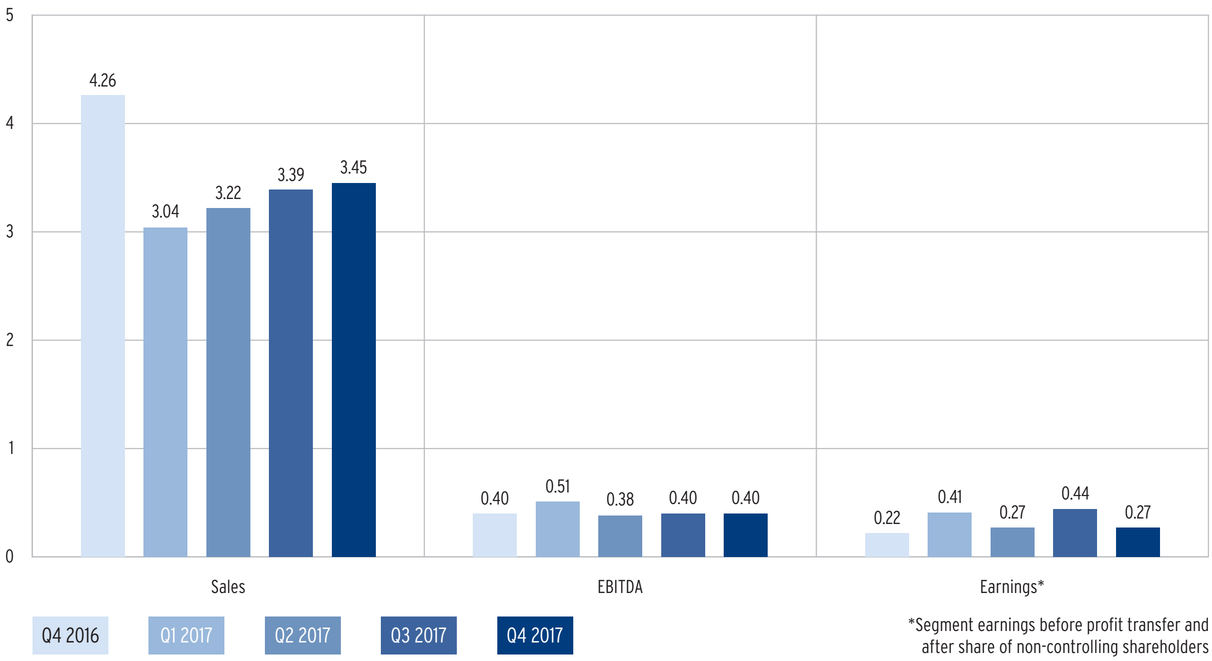
EBITDA

Taking into account the lower other operating expenses and the reduced personnel expenses compared to the previous year, there was a slight decline in EBITDA from EUR 1.73 million in the previous year to EUR 1.69 million. In the 2017 financial year, the cloud-based solutions already contributed EUR 0.36 million (previous year: EUR –0.12 million) to the segment's EBITDA.

Segment earnings

Earnings of the segment ITC in the 2017 financial year increased by EUR 0.17 million from EUR 1.22 million to EUR 1.39 million. The formation of deferred taxes due to the expected utilisation of existing loss carry forwards and the related tax income contributed to this positive earnings performance.

Development (sales, EBITDA, earnings) — Segment ITC in EUR million



*Segment earnings before profit transfer and after share of non-controlling shareholders

Segment Renewable Energies

Segment sales

In the segment Renewable Energies, sales of EUR 4.92 million in the previous year were significantly exceeded. The sale of the wind farm Schlenzer contributed around EUR 3.80 million to the increase in sales to EUR 9.74 million in the 2017 financial year. The feed-in tariffs from electricity generation in the area of wind power also developed positively in the 2017 financial year.

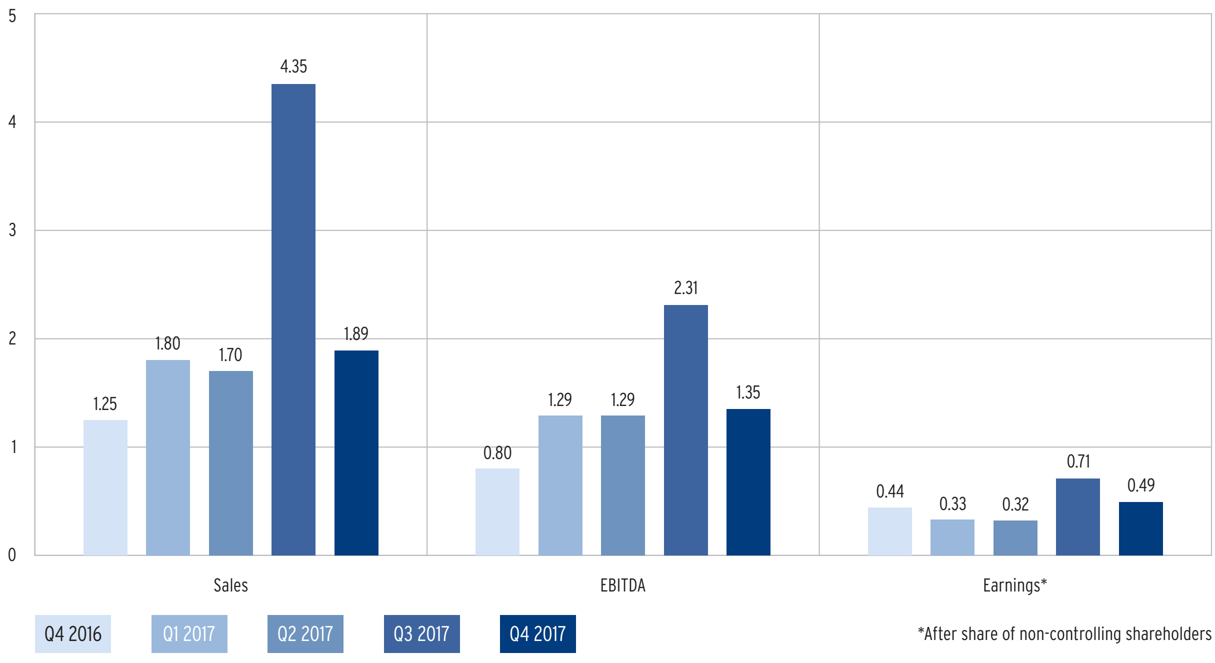
EBITDA

EBITDA increased from EUR 3.71 million in the previous year to EUR 6.24 million in the 2017 financial year. The negative change in inventories is the result of the inventory build-up within the framework of further project development and the reduction in inventories due to the sale of the wind farm Schlenzer. In the financial year 2017, EUR 0.95 million was invested in further project development. Personnel expenses decreased slightly compared to the previous year. The increase in other operating expenses includes the value adjustments on receivables from the former activities in the field of solar thermal energy amounting to EUR 0.51 million.

Segment earnings

Segment earnings increased by EUR 0.68 million from EUR 1.17 million in the previous year to EUR 1.85 million. The reversal of deferred tax assets in connection with the realisation of interim profits through the sale of the wind farm Schlenzer had a negative effect.

Development (sales, EBITDA, earnings) — Segment Renewable Energies in EUR million



*After share of non-controlling shareholders

Segment SHAC (sanitary, heating and air conditioning technology)

Segment sales

In the segment SHAC, sales increased from EUR 21.64 million to EUR 23.55 million. This sales increase of EUR 1.91 million or 8.8 % (previous year: 3.5 %) was thus significantly higher than in the previous year. With slightly lower sales in the area of installation of building air conditioning components, sales in the area of online retailing were significantly expanded. In this area, the 3U Group achieved sales growth of EUR 2.82 million or 21.9 % in the financial year. Overall, the cost of materials ratio in the segment SHAC rose from 69.2 % to 74.4 %.

EBITDA

EBITDA declined from EUR 1.24 million in the previous year to EUR 0.66 million in the 2017 financial year. This decline in EBITDA results from the lower margin sales in the area of assembly and the conscious focus on sales in order to expand market penetration in the area of the online trade. The lower level of other operating expenses only partially compensated for this development with almost unchanged personnel expenses.

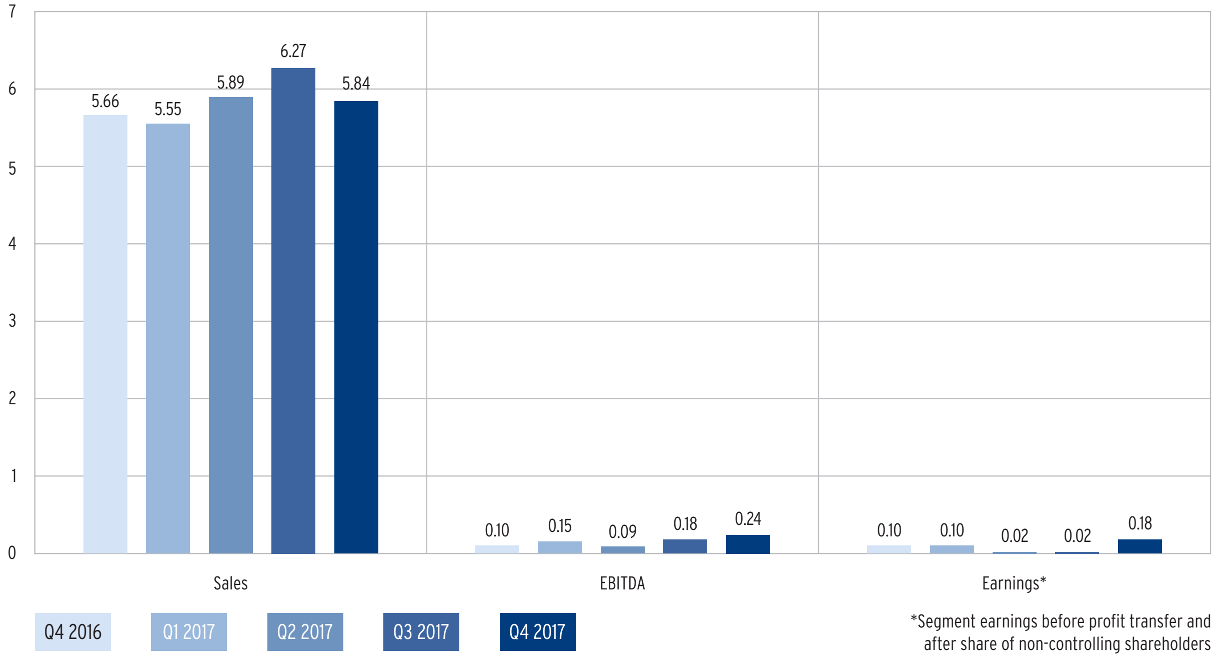
Segment earnings

Compared with the same period of the previous year, segment earnings deteriorated by EUR 0.43 million to EUR 0.32 million. Despite the considerable growth efforts and associated costs, positive earnings was thus achieved in this segment.

The tax expense for the financial year 2017 amounted to EUR 0.11 million and was thus EUR 0.10 million below the level of the previous year.

Earnings attributable to non-controlling interests amounts to EUR 0.07 million (previous year: EUR 0.10 million).

Development (sales, EBITDA, earnings) — Segment SHAC in EUR million



Holding/Consolidation

Holding activities together with the necessary Group consolidations are pooled in Holding/Consolidation.

Sales

Holding/Consolidation reports sales of EUR 0.50 million (previous year: EUR 0.23 million) in the reporting period. These consist of the holding company's sales of EUR 2.30 million (previous year: EUR 2.28 million) and of the sales consolidations of EUR -1.80 million (previous year: EUR -2.05 million) together. These sales consolidations result primarily from the consolidation of inter-segment sales and the consolidation of intragroup services.

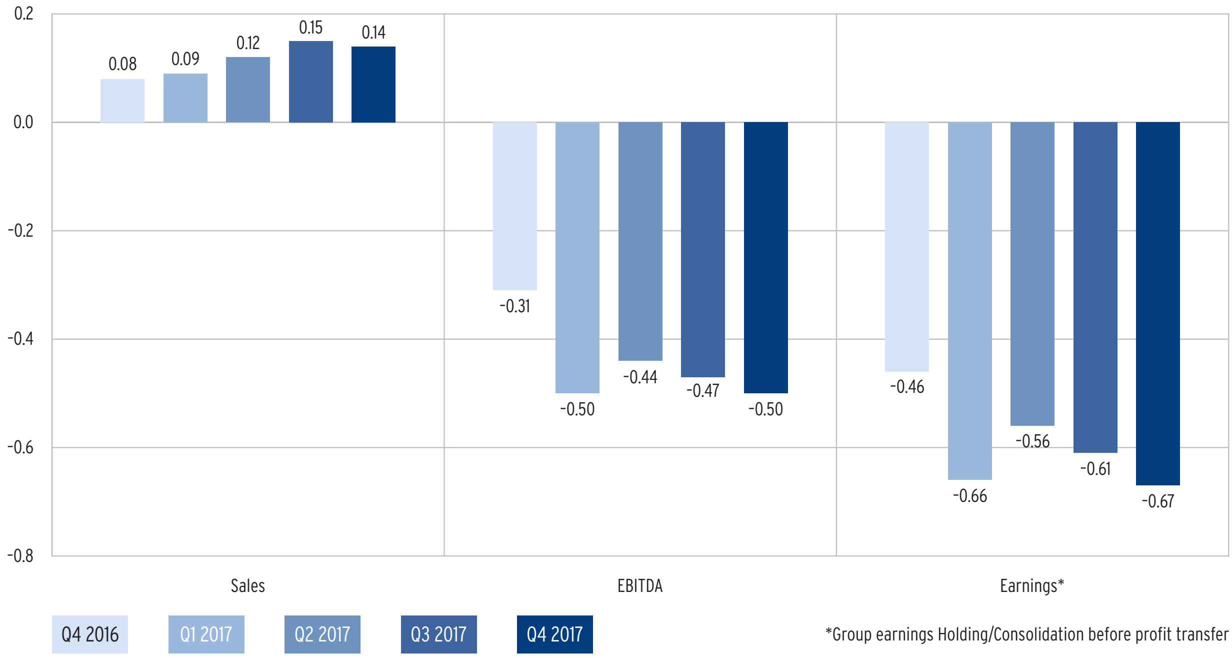
EBITDA

EBITDA amounts to EUR -1.91 million (previous year: EUR -1.99 million) and is mainly due to the personnel costs in the amount of EUR 2.70 million (previous year: EUR 2.64 million) and other operating income/expenses. While personnel costs in the area of the holding company increased slightly, other operating expenses were reduced compared to the previous year. It should be noted that employees from strategic investment management as well as finance, human resources and legal affairs as well as from the group-wide marketing resources are assigned to the parent company. With these resources, the holding company contributes in particular to the strategic development of the subsidiary companies.

Earnings

At EUR -2.50 million, earnings in this area are negative for the Group and thus at the same level as in the previous year (EUR -2.49 million).

Development (sales, EBITDA, earnings) — Holding/Consolidation in EUR million



*Group earnings Holding/Consolidation before profit transfer

Financial position

Capital structure

In the 2017 financial year, the Group made payments for investments in the amount of EUR 0.81 million (previous year: EUR 10.85 million). The disbursements related in particular to investments in the data center, IT and telecommunications infrastructure and in the power generation plants from renewable energies.

Significant inflows of liquidity were generated in connection with the sale of the wind farm Schlenzer and the related realisation of income from wind power project development.

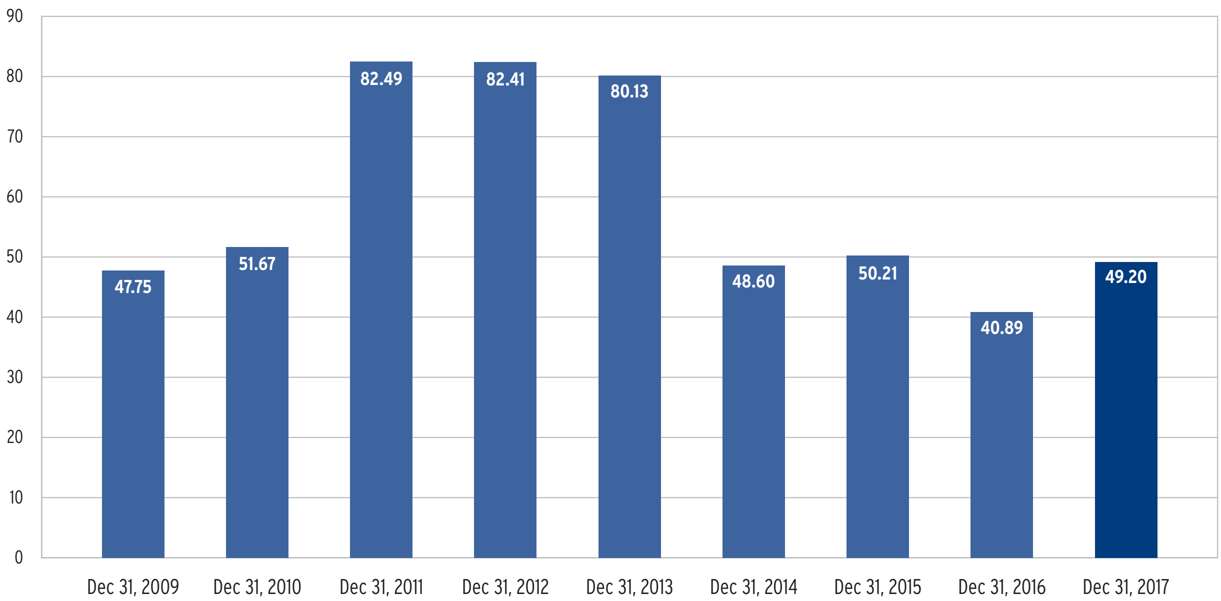
The funds are invested by 3U HOLDING AG exclusively in overnight deposits and short-term time deposits with the Baden-Württembergische Bank, Sparkasse Marburg-Biedenkopf and Deutsche Kreditbank AG.

Compared to December 31, 2016, cash and cash equivalents decreased by EUR 0.40 million as of December 31, 2017 from EUR 11.67 million to EUR 11.27 million. In particular, scheduled repayments of financial loans had the effect that the significant improvement in cash flow from operating activities could not contribute to a build-up of liquidity.

3U HOLDING AG continues to have a solid equity ratio. Due to the significantly lower balance sheet total and due to the increase in the absolute amount of equity, the equity ratio rose to 49.20 % compared to the previous year (40.89 %). The leverage ratio is 50.80 % compared to 59.11 % at the same time last year.

Earnings of the financial year 2017 in the amount of EUR 1.21 million (including earnings attributable to non-controlling interests) contributed to an increase in equity. In contrast, payments to the shareholders of 3U HOLDING AG as part of the dividend payment and to the non-controlling shareholders in the form of profit distributions had a negative impact.

Development equity ratio (in %)



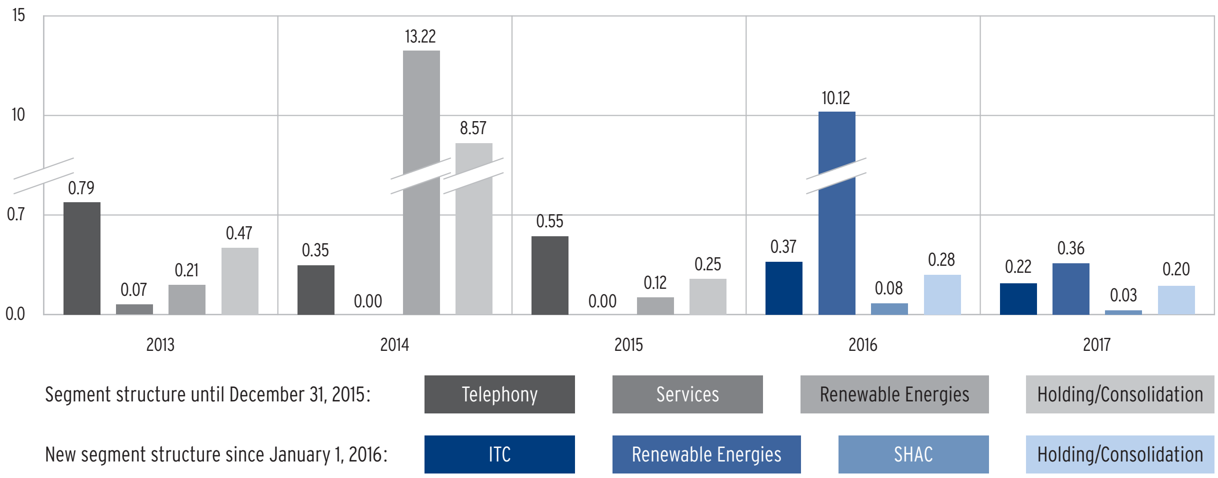
Investments

In the 2017 financial year, the Group made investments in intangible assets and property, plant and equipment as well as investment real estate in the amount of EUR 0.81 million (previous year: EUR 10.85 million).

The segment ITC invested EUR 0.22 million (previous year: EUR 0.37 million). Investments in the segment Renewable Energies amounted to EUR 0.36 million after 10.12 million in the previous year. The investments made in the previous year mainly related to investments in the wind farm Lüdersdorf. Investments in the segment SHAC of EUR 0.03 million were below the level of the previous year. Investments in fixed assets amounting to EUR 0.20 million in the 2017 reporting year (previous year: EUR 0.28 million) were mainly invested in IT hardware.

For the financial year 2018, investments of around EUR 22.26 million are planned for the existing business areas. EUR 0.40 million will be invested in the segment ITC, EUR 20.00 million in the segment Renewable Energies, EUR 0.07 million in the segment SHAC and EUR 1.79 million in the holding company. In the segment Renewable Energies, customary project financing with an equity share of 20 to 30 % is planned for these investments.

Development of investments in EUR million



Liquidity

Operating cash flow amounted to EUR 6.65 million in the past financial year (previous year: EUR –1.71 million). Significant impact on this development had the positive earnings for the period and increased amortisation during the financial year. In contrast to the previous year, these were not compensated by the cash outflow in connection with the significant increase in inventories as part of wind power project development. In the previous year, inventories were particularly affected by investments in the wind farm Schlenzer. The cash flow from investing activities is characterized by investments in property, plant and equipment and cash outflows in connection with the sale of the project company for the Schlenzer wind farm. Cash flow from investing activities of EUR –1.18 million (previous year: EUR –10.58 million) is EUR 9.4 million higher than in the previous year.

The cash flow from financing activities was clearly negative at EUR –5.40 million (previous year: EUR 16.27 million). This essentially results from the payments from the scheduled loan repayment and the payments to the shareholders of 3U HOLDING AG as well as to the non-controlling shareholders.

The 3U Group was in a position to meet its payment obligations at all times in the reporting period and this is also guaranteed for 2018. The liquidity situation as of December 31, 2017 is satisfactory. The interim financing for the data center property in Hanover expiring at the middle of 2018 in the amount of EUR 4.0 million is to be extended or newly concluded.

The following cash flow statement shows the change in cash and cash equivalents and is prepared on the basis of the cash flow statement presented in the consolidated financial statements (without correction of cash and cash equivalents).

Cash flow statement (in TEUR)	2017	2016
Cash flow	**66**	**3,973**
Cash flows from operating activities	6,646	–1,712
Cash flows from investing activities	–1,178	–10,580
Cash flows from financing activities	–5,402	16,265
Consolidation-related changes	**0**	**1**
Thereof as assets held for sale	**–469**	**0**
Changes in cash and cash equivalents	**–403**	**3,974**
Cash and cash equivalents at beginning of period*	**11,672**	**7,698**
Cash and cash equivalents at end of period**	**11,269**	**11,672**

*Incl. fixed deposits as collateral resp. restricted cash in the amount of TEUR 4,344 (January 1, 2016: TEUR 3,232)
**Incl. fixed deposits as collateral resp. restricted cash in the amount of TEUR 3,094 (December 31, 2016: TEUR 4,344)

Assets position

Overview items of statement of financial position	December 31, 2017 TEUR	%	December 31, 2016 TEUR	%
Non-current assets	**48,268**	**59.4**	**61,678**	**64.4**
Fixed assets	46,534	57.3	58,918	61.5
Deferred tax assets	1,459	1.8	1,833	1.9
Other non-current assets	275	0.3	927	1.0
Current assets	**22,813**	**28.1**	**34,084**	**35.6**
Inventories	5,947	7.3	14,797	15.5
Trade receivables	4,288	5.3	4,710	4.9
Other current assets	1,309	1.6	2,905	3.0
Cash and cash equivalents	11,269	13.9	11,672	12.2
Assets held for sale	**10,157**	**12.5**	**0**	**0.0**
Assets	**81,238**	**100.0**	**95,762**	**100.0**
Non-current liabilities	**56,778**	**69.7**	**76,461**	**79.8**
Equity attributable to 3U HOLDING AG shareholders	41,174	50.7	40,530	42.3
Non-controlling interests	-1,208	-1.5	-1,372	-1.4
Provisions and liabilities	16,812	20.5	37,303	38.9
Current liabilities	**15,647**	**19.3**	**19,301**	**20.2**
Trade payables	3,124	3.9	4,560	4.8
Other provisions and liabilities	12,523	15.4	14,741	15.4
Liabilities from disposal groups	**8,813**	**11.0**	**0**	**0.0**
Liabilities	**81,238**	**100.0**	**95,762**	**100.0**

The balance sheet total as at December 31, 2017 amounts to EUR 81.24 million (previous year: EUR 95.76 million) and is therefore EUR 14.52 million lower than in the previous year. The reasons for the changes compared to December 31, 2016, are mainly due to lower inventories as a result of the sale of the wind farm Schlenzer. In addition, there are scheduled depreciations on fixed assets with only small investment activities.

Fixed assets of EUR 46.53 million (previous year: EUR 58.92 million) mainly include intangible assets (EUR 1.62 million or EUR 2.31 million in the previous year) property, plant and equipment (EUR 37.29 million or EUR 48.73 million in the previous year) and the investment property in the amount of EUR 7.46 million (previous year: EUR 7.72 million). In 2017, as in the previous year, these relate to the parts of the properties for sale in Adelebsen and Hanover. The decline in fixed assets results mainly from the reclassification of the assets of the wind farm Lüdersdorf under the assets held for sale.

As at December 31, 2017, current assets of EUR 22.81 million (previous year: EUR 34.08 million) were EUR 11.27 million lower than in the previous year. The share of cash and cash equivalents in current assets amounted to 49.40 % in the 2017 financial year (previous year: 34.24 %). The decline in inventories is mainly due to the sale of the wind farm Schlenzer. Contrary to this, the further development of wind farm projects has had an impact on inventories. Other material changes in current assets related to other current assets. In the previous year, these were characterized by high VAT refund claims in connection with the construction of the wind farm Schlenzer.

In the 2017 financial year, the wind farm Lüdersdorf with its assets is reported as a disposal group under assets held for sale. Likewise, the related debts are reported separately. As at December 31, 2017, the total assets available for sale amounted to EUR 10.16 million (previous year: EUR 0.00 million).

On the liabilities side, in addition to the increase in equity, there were significant changes in non-current and current financial liabilities. This change resulted from the sale of the wind farm Schlenzer and the associated disposal of liabilities as well as the reclassification of liabilities of the wind farm Lüdersdorf to liabilities from disposal groups.

Part of the current financial liabilities are the loans in connection with the financing of the property in Hanover. In financial year 2017, two bridging loans for the property in Hanover were concluded for EUR 4.00 million. The first interim financing had a term until August 31, 2017. The second interim financing is limited until June 29, 2018. The acquisition of the property was originally financed with a loan in the amount of EUR 6.00 million (as at December 31, 2016: EUR 5.18 million). This loan was repaid on schedule in the 2017 financial year.

The total of liabilities from disposal groups amounted to EUR 8.81 million as of December 31, 2017 (previous year: EUR 0.00 million). These relate exclusively to the wind farm Lüdersdorf.

General statement concerning the economic situation

As in the previous year, the Management Board as a whole assesses the economic situation and, in particular, the current development of the Company at the time of preparation of the combined management report as satisfactory. From the point of view of the Management Board, there is still potential to continue the positive development and to further improve the situation of the Group.

In the reporting period, the operating result (EBITDA) and, in particular, the consolidated earnings improved significantly compared to the previous financial year. Sales also increased compared to the previous year.

In fiscal year 2017, the overall Group targets set for this period were achieved.

The segment ITC developed well overall in the 2017 financial year and was able to achieve the most of the planned targets. Only sales were around EUR 2.2 million lower than planned. Compared to the planning, EBITDA and earnings before profit transfer were almost reached. The on this scale unplanned decline in sales in the area of Telephony could not be fully offset by the scheduled growth in the area of cloud solutions.

The segment Renewable Energies was able to significantly surpass the target figures in the 2017 financial year. Sales increased by around EUR 2.2 million, EBITDA by around EUR 0.9 million and earnings by around EUR 0.8 million more than planned. Above all, the sale of the wind park Schlenzer led to this outperformance of the planned figures. Only the unplanned value adjustments in connection with the former solar thermal area had a negative impact.

The segment SHAC was unable to fully reach its target figures in the 2017 financial year. Sales were around EUR 1.1 million lower than planned, while online trading achieved the planned sales. The sales variance also resulted in the EBITDA target being missed by EUR 0.9 million. This deviation from the plan was also reflected in the earnings of the segment.

Financial and non-financial performance indicators

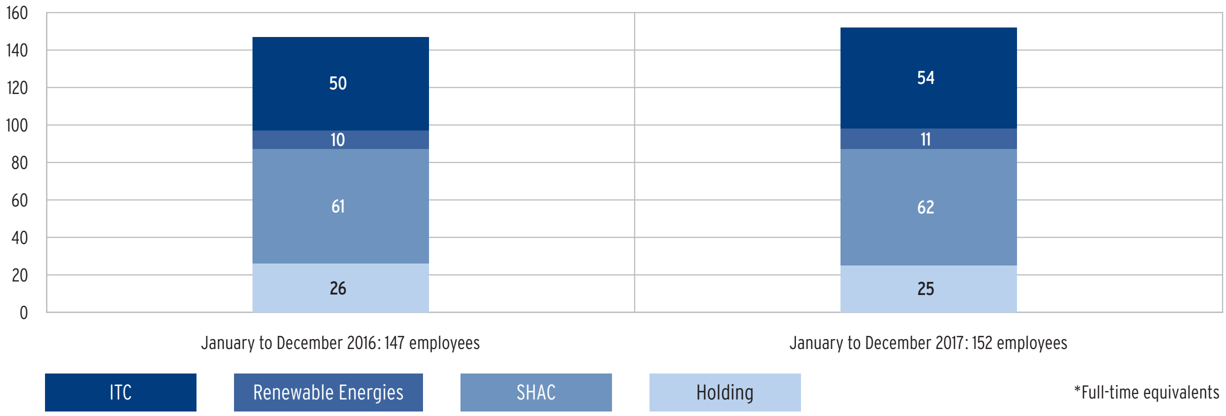
We use our group-wide financial performance indicators to set goals, to measure success and determine the variable compensation of executives. The most important financial performance indicators for us are sales, earnings before interest, taxes, depreciation and amortisation (EBITDA) and profit after tax.

Non-financial performance indicators are not covered by regular reporting. Coordination and control are carried out between the Management Board and Managing Directors in direct consultations.

Highly qualified and motivated employees are the prerequisites for ensuring the success of a company in the long term. Responsible personnel development and continuous improvement play a decisive role. Therefore, sustainable development and targeted promotion of the potential of all employees is the core task of personnel management of the Company. Through targeted personnel development the Company wants to increase its attractiveness as an employer and thereby further increase the employees' identification with the 3U Group and their commitment to its objectives.

Staff*

On the financial statement date the 3U Group employed 152 people (previous year: 149). The yearly average was 152 (previous year: 147) as well. The average number of employees in the individual divisions is made up as follows:



*Full-time equivalents

Of the 182 employees (including the Management Board, part-time employees and temporary staff), who worked in the Group as of the balance sheet date (as of December 31, 2016: 171), 51 persons were female; this corresponds to a share of 28 % (2016: 28 %). The age structure within the Group is distributed across all age groups: 27 % (2016: 25 %) of employees are under 30 years old, 28 % (2016: 30 %) are between 30 and 40 years old, 29 % (2016: 30 %) between 40 and 50 years old and 16 % (2016: 15 %) of employees are over 50 years old. The average age in the Group is 39 years (2016: 39 years).

Our employees contribute decisively with their ideas to greater efficiency and competitiveness. Therefore, a cooperative communication climate in the Group is encouraged, as all employees are motivated to make suggestions for the optimisation of products and processes, to synergies and other improvements within the Group. The remuneration system is broken down into fixed and variable elements depending on the job, so that superior performance can be rewarded accordingly.

Promoting employee health

We understand health as defined by the World Health Organisation (WHO) as psychic, physical and social wellbeing. To preserve and promote the health of our employees, we have implemented selective measures in the Group. Thus the Group supports the health care of its employees. Employees also have the opportunity to attend internal and external training and educational events. Their bond with 3U is reinforced by a series of measures in which social aspects are at center-stage.

Safety in the workplace is enhanced by appropriate training. As in previous years, no employees were significantly harmed by an accident at work in 2017.

The days of sick leave per employee in the 3U Group in 2017 at 13.5 days were significantly higher than in the previous year (9.5 days) and also above the German average, which according to the Federal Statistical Office (2016) is 10.8 days. Some long-term illnesses in the segment SHAC, which accounts for more than 60 % of sickness days, are mainly responsible for this.

Corporate Responsibility

Impact of our business on the environment

The perception of corporate social responsibility is an integral part of our corporate strategy. We consider systematically the various interests of our stakeholders and the impact of our business on the environment. We are looking for a balance between economic objectives and social responsibility. With our increased commitment to renewable energies and the expansion of the segment SHAC through efficient solutions for saving energy, we are actively investing in the environment and thus show social commitment. In the other divisions we increasingly rely on the use of renewable energies as well. We try to consider environmental aspects when buying products and services.

3U HOLDING AG

3U HOLDING AG is at the top of the 3U Group as an operational management and investment holding company. It controls and monitors all major activities within the Group. The definition of the Group strategy as well as the management of the development of the 3U Group is one of its tasks. It is responsible for the accounting and controlling department within the 3U Group and also operates the Group-wide risk and opportunity management as well as the areas of law, investor relations and corporate communications. 3U HOLDING AG also assumes the allocation of financial resources, for example for investments or acquisitions. It is responsible for personnel policy, personnel development and the support of the Group's top management. The Members of the Management Board of 3U HOLDING AG also assume operational responsibility in dual role as managing directors of subsidiaries.

3U HOLDING AG complies with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (AktG) when preparing the annual financial statements with regard to accounting, valuation and disclosure. It prepares the annual financial statements under the assumption of company continuation. The profit and loss account is drawn up according to the total cost method.

The following explanations refer to the financial statements of 3U HOLDING AG. In certain cases, a transaction in the consolidated financial statements might be shown differently in accordance with IFRS.3U HOLDING AG.

Analysis of the annual financial statements

Earnings position

Total sales of 3U HOLDING AG in 2017 amounted to EUR 2.69 million (previous year: EUR 2.67 million). Sales mainly include management services for subsidiaries and participations of 3U HOLDING AG as well as income from rent and leasing.

Operating expenses are particularly related to the company's management and participation functions. Accordingly, earnings of ordinary business activities is essentially characterized by general administrative expenses, other operating income and the financial result.

Other operating income mainly includes insurance compensation and compensation payments and income for benefits in kind of employees totalling EUR 0.16 million (previous year: mainly income from the reduction of value adjustments on receivables in the amount of EUR 5.98 million). For the Management Board and the employees of 3U HOLDING AG, personnel expenses of EUR 2.70 million were recorded after EUR 2.64 million in the previous year. The other operating expenses mainly include IC services, value adjustments on receivables, maintenance and room costs, auditing and auditing costs, motor vehicle costs, tax and other consultancy costs and Supervisory Board compensation.

The financial result of EUR 1.75 million (previous year: EUR 1.62 million) results from income from participations in the amount of EUR 0.61 million (previous year: EUR 1.21 million), income from profit transfer agreements of EUR 1.22 million (previous year: EUR 1.78 million) and a positive interest result of EUR 0.26 million (previous year: EUR 0.35 million). Earnings from subsidiaries in the ICT, Renewable Energies and SHAC divisions are the main reasons for the investment earnings. Contrary to the previous year, 3U HOLDING AG incurred expenses from the assumption of losses in the amount of EUR 0.34 million. In fiscal year 2017, no impairment losses were recognized on the carrying amount of subsidiaries (previous year: EUR 1.73 million).

Mainly due to the necessary write-downs on receivables amounting to EUR 0.65 million (previous year: EUR 0.47 million) and the lower earnings from investments and profit transfer from subsidiaries, the annual earnings were EUR –1.64 Million worse than planned. Compared to the previous year, the annual earnings of 3U HOLDING AG has decreased significantly. The income from the reduction of impairment on receivables achieved in the previous year played a significant role here.

Financial position

At the balance sheet date, 3U HOLDING AG granted its subsidiaries short-term loans with a total volume of EUR 26.63 million (previous year: EUR 29.58 million) to build up and expand their business activities. Of these loans, EUR 6.57 million (previous year: EUR 6.00 million) were written down as at December 31, 2017. In fiscal year 2017, the value adjustment on the receivables from 3U Euro Energy Systems GmbH was again increased.

Available cash and cash equivalents amounted to EUR 4.27 million as of December 31, 2017 (previous year: EUR 2.29 million). Overall, there was an increase in cash and cash equivalents of EUR 1.98 million. As in the previous year, the cash deposit was pledged at EUR 1.50 million as collateral for own credit lines. These were utilized as of December 31, 2017 as part of a credit facility in the amount of TEUR 940 (previous year: TEUR 598).

The repayments of short-term loans by the subsidiaries 3U ENERGY AG, weclapp GmbH, RISIMA Consulting GmbH and ClimaLevel Energiesysteme GmbH towards 3U HOLDING AG have contributed to the improvement of the financial position of 3U HOLDING AG.

The loan from the acquisition of the property in Hannover, which expired on May 1, 2017, was newly concluded in the 2017 financial year for an amount of EUR 4.0 million with a term until June 29, 2018.

Asset position

The balance sheet total of 3U HOLDING AG amounted to EUR 61.38 million as of December 31, 2017 (previous year: EUR 64.56 million) and thus decreased slightly by 4.9 %.

Financial assets did not change with EUR 12.44 million (previous year: EUR 12.44 million) compared to the previous year. The share of total assets rose slightly to 20.3 % (previous year: 19.3 %).

Current assets including prepaid expenses of EUR 26.76 million (previous year: EUR 29.29 million) were 43.6 % (previous year: 45.4 %) of the balance sheet total. A key component of this item is the Group's short-term loans with a book value of EUR 20.06 million (previous year: EUR 23.62 million). In particular, the repayment of loans by 3U ENERGY AG contributed to this change. Available cash and cash equivalents increased by EUR 1.98 million to EUR 4.27 million (previous year: EUR 2.29 million).

Equity amounted to EUR 46.85 million (previous year: EUR 48.82 million). The equity ratio thus amounts to 76.3 % in 2017 (previous year: 75.6 %).

Within liabilities, bank liabilities decreased to EUR 6.44 million (previous year: EUR 7.79 million) due to redemption payments.

Total statement

The net assets and financial position continue to be satisfactory. However, the Management Board is not satisfied with the development of earnings. In particular, the investment income and the results from the profit and loss transfer from subsidiaries remained below expectations. 3U HOLDING AG was always able to meet its financial obligations and this is also guaranteed for 2018. The asset position continues to be satisfactory, in particular due to the continued very good equity ratio.

Events after the reporting period

There were no events of special significance after the end of the financial year.

Risk, opportunities and forecasting report

Risk management report

Risk management system of 3U HOLDING AG

Entrepreneurial dealings are always associated with risks. Consciously entering into risks in search of business success is unavoidable and makes sense. The 3U Group considers all risks systematically and in doing so pursues the goal, on the one hand, of detecting and controlling risks in a controlled and conscious manner and, on the other hand, grasping opportunities that present themselves. The 3U Group's risk policy defines the desired relationship between risks and opportunities and is thus closely linked with the strategic business goals. The risk and opportunities management system of 3U HOLDING AG goes by the name of "3U-RICH". In the context of risk management foremost risks are considered in the regular reporting by the risk manager. Opportunities are especially identified and documented in the risk inventories of the individual companies. A more detailed analysis and evaluation is carried out by the Management Board and the management of the respective companies in the scope of the strategic business planning.

Risk management serves to secure the business goals, the Company's success and a reduction in risk costs. To achieve optimum control of the business and to meet the legal and regulatory requirements, the Management Board has at its disposal a risk and opportunities management system appropriate to the size of the Company. As well as the parent company, this group-wide risk management covers all subsidiaries as well. So our systematic dealing with potential risks and the risk-conscious handling of those risks are a central expression of how we secure and structure our future in this dynamic market environment.

The risk management system is adapted to changing conditions and accordingly is subject to continuous development to ensure that in addition to internal changes and external factors such as legislative changes are taken into account.

In order to ensure optimal coverage, the principal risks of all subsidiaries are uniformly reported in the risk management system of 3U HOLDING AG. Additionally, present specific risks in the individual companies are assessed by them.

The risk management system meets the legal requirements for a risk management system.

The 3U Group has integrated the topics of compliance, accounting process and ICS into the risk management system within the framework of a continuous improvement process. Thereby, 3U acts in accordance with the internationally accepted standard COSO ERM, as far as corporate management considers the advised methods to be appropriate. Management Board and Supervisory Board of the 3U Group thereby illustrate the importance of Corporate Governance, which stands for responsible management and control of the company directed towards the long-term success of the company.

Risk management strategy

Derived from the business targets, the Management Board defines a risk strategy outlining the fundamental basis for risk management. Strategic measures for goal attainment are developed based on that. The goal is not to avoid all potential risks, but to create room to act that lets us consciously enter into risks based on comprehensive awareness of those risks and their relationships, always taking into account the risk-bearing capacity of the Group.

Accountability and reporting concept

The risk management system which has been introduced by the Management Board of 3U Group for the whole Group has proven to be efficient. Each employee of the Group is compelled to behave risk-consciously within their assigned tasks and responsibilities. The respective operative superiors are immediately responsible for early recognition and supervision of risks. Regular training courses can help to ensure that all employees are aware of the requirements and the scheme.

The process and working procedures of risk management within the Group in terms of effectiveness and efficiency of the system are further improved with the support of the professional risk management software r2c from Schleupen AG. The software supports both the risk owners and the risk manager in assessing and managing risks in all Group companies.

The overall accountability for the functioning and effectiveness of the risk management system lies with the Management Board of the 3U Group. The risk manager informs the Management Board regularly of the current risk situation and its potential future development as part of the standardised reporting. In addition to the Management Board, the Supervisory Board of the 3U Group also receives this standardised monthly reporting from the risk manager. The managing directors of the individual subsidiaries are obliged to inform themselves about the risk situation of their respective companies by accessing the risk management software continuously. Through the use of the risk management software, there is a high level of detail in the reporting. The Management Board decides after consultation with the risk manager and possibly the risk owners on the submission from risk management and initiates the necessary measures. In addition, the Management Board regularly informs the Supervisory Board of the risks and the measures initiated.

As part of a consultation process, a report is prepared twice a year for the Supervisory Board concerning the efficiency of the processes in the risk management system and compliance with the rules and regulations and discussed in the presence of the risk manager. Topics include accounting processes, ICS and compliance so that the Supervisory Board is able to fulfil its surveillance duties systematically according to Article 107 Abs. 3, S. 2 AktG.

Methodology of the risk management system

Within the risk management system, the risks and opportunities faced by the 3U Group are recorded in a risk inventory partly down to the department level of the individual subsidiary as complete and financially sensible as possible, in order to detect developments that may jeopardize the development and existence of the business or enhance it. The thus derived risk and opportunities portfolio are assessed according to the potential scale of damage/earnings expectations and occurrence probabilities. Controlling and dealing with these risks and opportunities is done in two ways.

For identified risks in the framework of this risk inventory indicators are defined with metrics and associated thresholds that are appropriate to enable monitoring and assessment of these risks. The continuous monitoring and evaluation is done by decentralized employees responsible for risk monitoring and the central risk manager based on operational and financial metrics and is part of the reporting.

Opportunities are managed within the framework of the respective company strategy and are currently not part of the ongoing reporting.

Efforts to systematically document the opportunities identified in the risk inventory were continued in the reporting year. Although chances are inextricably linked with risks, their characteristics differ from the characteristics of risks; making a more nuanced approach necessary (Opportunities will only pay off, e. g. if they are perceived and used deliberately and usually require a longer period to develop and implement). Therefore, the opportunities identified are not reviewed like the risks using the software, but on a regular basis and measures are adjusted if necessary.

Determining the comprehension of risks

Risk is the possibility of a negative deviation of actual results from the expected result (corporate goal). There is the risk that adverse events occur (loss of assets or income reduction) or the risk that desired events do not occur (missed opportunities).

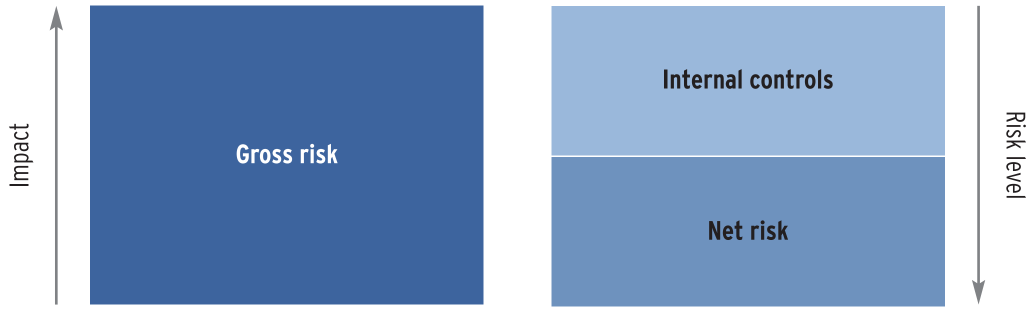
Distinction between gross and net risk

The assessment of risks identified in the risk inventory is carried out using the methodology of the so-called gross and net risks. In determining the gross risks, compensating controls of risk mitigation and risk control are initially not considered. Compensatory controls measures are defined as measures that avoid, reduce or transfer risk. In addition, it is possible to accept risks to an acceptable level, provided a further reduction is not economical.

A pure consideration of gross risks is necessary because in a pure net consideration there is the danger that currently well controlled, but basically existence-imperilling risks, are not monitored continuously and in a timely manner. This could lead to changes in the processes and possibly resulting in risks not being detected in time.

Basis for the operational risk management are the remaining net exposures. They result when the existing compensating controls in the risk assessment are taken into account.

Gross risks become net risks (residual risks) through internal controls



The risk assessments are carried out for both the gross and net exposures in the categories of damage and probability of occurrence with the help of indicators.

For the probability the following characteristics are assigned:

(1) Not likely – less than 25 %
(2) Low – at least 25 % and less than 50 %
(3) Middle – at least 50 % and less than 75 %
(4) High – at least 75 % and less than 95 %
(5) Almost certain – at least 95 % to 100 %

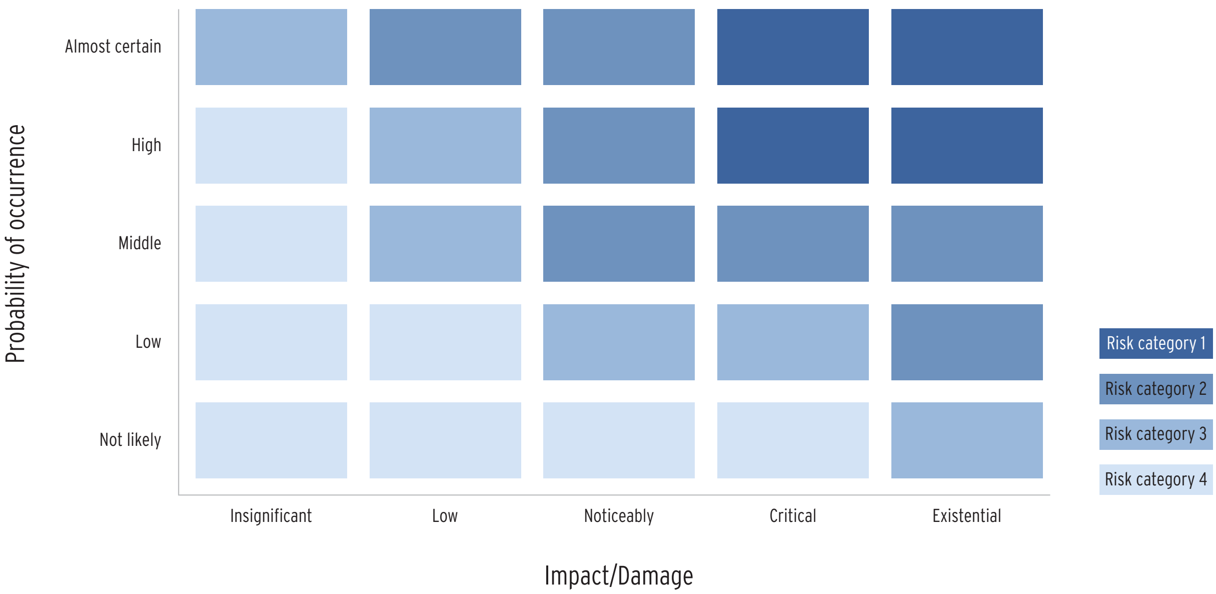
The damage amounts are determined individually for each company at company level. Individual risks are aggregated at the corporate level and categorized according to a valuation model.

The damage amounts of the Group's risks are set in ratio to the subscribed capital of 3U HOLDING AG. The key figures are assigned to different levels of damage amounts (impact/damages):

(1) Insignificant – the subscribed capital is consumed by less than 5 %, resp. EUR 1.76 million
(2) Low – the subscribed capital is consumed by at least 5 % and less than 10 %, resp. EUR 1.76 million and EUR 3.52 million
(3) Noticeably – the subscribed capital is consumed by at least 10 % but less 25 %, resp. EUR 3.52 million and EUR 8.8 million
(4) Critical – the subscribed capital is consumed by at least 25 % and less than 50 %, resp. EUR 8.8 million and EUR 17.6 million
(5) Existential – the subscribed capital is existence-imperilling or completely consumed by at least 50 % resp. EUR 17.6 million

From multiplying the figures for damage and probability of occurrence, a division into four classes of risk can be derived.

Classes of risk



Risk category 1 is the highest category and the risks therein may be existence-imperilling risks. All risks identified in the risk inventories are controlled. The measures applied differ in scope. Exceptions, however, are possible in individual cases. This has to be approved by the Management Board. This includes the removal of a risk from supervision if the monthly reports over a period of at least six months assign it to the risk class 4.

Following the risk inventories the calculated key figures are transferred into the software. As part of the regular reporting, the figures and the classes are shown on the basis of quantitative evaluation as an amount of loss in EUR and a probability of occurrence in percentage. Multiplying these two variables produces an expected value in EUR. This value in turn is transferable in the presentation of the risk classes.

In order to increase the clarity and better explain the impact, selected significant gross risks of the Group are shown in the following scheme with their net consideration on the segment level.

Risks	Probability of occurrence	Amount of damage	Risk category	Changes compared to the previous year
Operative Risks				
Segment ITC	Low	Low	4	→
Segment Renewable Energies	Not likely	Insignificant	4	→
Segment SHAC	Low	Insignificant	4	→
Strategic Risks				
Segment ITC	Middle	Low	3	→
Segment Renewable Energies	Low	Noticeably	3	→
Segment SHAC	Not likely	Noticeably	4	↘
Regulatory Risks				
Segment ITC	Middle	Low	3	→
Segment Renewable Energies	Middle	Low	3	→
Segment SHAC	Middle	Insignificant	4	↘
Financial Risks				
Segment ITC	Middle	Low	3	→
Segment Renewable Energies	Low	Noticeably	3	→
Segment SHAC	Middle	Insignificant	4	→

→ Unchanged ↘ Decreased ↗ Increased

Risks

The current and future key risks in the Group

From the entirety of the risks identified for the Group, those main risks in the individual business segments are mentioned below, which may materially affect from today's perspective the financial position and performance of the individual companies, and in aggregation could significantly affect the 3U Group if they occur.

The risks in the segments ITC and Renewable Energies were once again in fiscal year 2017 those risks with the highest risk potential in terms of damage and probability of occurrence. This is because the expected values in terms of the extent of damage in case of occurrence of a risk in these two segments was well above the expected values of the amount of damages in case of occurrence of a risk in the segment SHAC or other risks indirectly or directly affecting the 3U Group. The risks from past risk inventories in the companies which have already been consolidated the year before have again been predominantly confirmed in the risk inventories. Only the peculiarity of the extent of damage and the probability of occurrence varies. The variation takes into account the changed market and operating conditions. However, new risks and risk scenarios were identified and evaluated.

When the Group invests in new companies, they are subjected to a risk inventory to identify and evaluate company-specific risks and then to integrate them into the Group system and reporting.

General economic risks and opportunities in the segments

Individual risks that need to be identified, evaluated and monitored beyond the limits of their segments are recognised throughout the Group. Besides operative risks there are also strategic risks. The operative risks focus in all business segments on contractual obligations, possible loss or damage to technical systems, staff absenteeism and the maintenance of business processes. The strategic risks relate amongst others to the regulation and changes to the legal framework.

Each business activity of a company is based on contracts, amongst others with business partners. Almost all parts of the Group's organisational structure are affected. Contractual risks exist such as regulatory compliance of contract forms, compliance with contract terms and contract enforcement with business partners.

The Group manages this risk through a contract management by the Group's internal legal department. In addition, the selection of business partners is evaluated and tested according to specific criteria. The services provided in the segment ITC are primarily based on software applications and on information and telecommunications technology. The implementation of those technologies is also of great importance in the segments Renewable Energies and SHAC. Therefore the IT-availability and the IT-infrastructure are essential for the maintenance of business operations and the execution of critical processes. Appropriate system redundancies, prompt replacement investments and regular maintenance keep this risk on a market customary level. Among other things, the 3U Group confronts those IT risks by consistently adjusting the information security management system in accordance with ISO 27001.

In all business units of the 3U Group highly qualified personnel is needed. A lack or loss of the required know-how, skills and experience in the key positions of these companies could jeopardize the achievement of the company's objectives. Therefore, staff management of all parts of the Group is controlled centrally by 3U HOLDING. According to the planning, appropriate staff is identified and recruited or already existing staff is qualified via a succession plan. Employee leadership and employee development represent the foundations of a positive corporate culture. Beyond that we apply a performance-based compensation system and internal and external training & development programs to ensure high levels of loyalty and bonding of our qualified employees towards the Company. These measures also apply if through the investment and acquisition of companies through 3U HOLDING employees have to be integrated into the Group for the first time.

In order for the goals to be reached, they have to be in tune with the connected business processes and productivity of the Group. This also applies to companies that have been integrated by purchase or participation in the 3U Group structures. The application of modern methods in quality and process management also supports the continuous improvement in this segment. Additionally the vertical and horizontal communication within the Company needs to be efficient and in tune with given responsibilities and determined measures.

The foundation which ensures this is based on the clearly defined work and procedure instructions as well as function descriptions and guidelines which within the framework of quality management are regularly reviewed and updated as necessary.

An effective and efficient operational sequence in all business processes also decreases the risk of a low level customer satisfaction.

Compliance management

Compliance Management is part of the group-wide risk management system. In order to be able to fulfil the ever more demanding requirements and expectations, Compliance Management has been optimised continuously to further decrease the risks that arise. Key components of the Compliance Management form a value management system, a "whistle-blower" process as well as other structural and organisational arrangements. There are regular training and awareness raising activities with regard to rules and regulations to be followed

Risks from regulation and changes of legal parameters

Risks from regulation and changes of legal parameters in the areas of telecommunications/IT and especially renewable energies will continue to exist for the current segments and future investments of the 3U Group. In particular, the discussions concerning the subsidies for renewable energies have caused uncertainty in the market. In the reporting year, 3U was able to make an important step in renewable energies projects with the development of wind farm projects, but an appropriate and sustainable planning of major projects in the segment Renewable Energies are complicated by ongoing changes in the legal basis, such as the introduction of the tender model from 2017. The Group closely monitors the developments in order to be able to react promptly.

Risks from the segment ITC

Due to the sharp decline in the share of the call-by-call product range, risks in the segment ITC are shifting towards the other product groups. The segment ITC counters the long-known risks in the call-by-call market, such as flat rates, the substitution of landlines by mobile communications and possible regulatory intervention by authorities, with an active tariff management system and with the optimisation of connection routes. In addition, it focuses on profitable products in the business customer segment (wholesale and value-added services) and uses possibilities of network optimisation as well as other new products (such as data centers). Here the risks lie less in regulatory risks, but more in general customer and supplier relationships (B2B). In this context, a possible disruption of the network services offered represents a great risk, which has been counteracted by the expansion and redundancy of the network infrastructure and the associated processes. A rising risk due to the increasing digitisation is the security of the net, which places increased demands on the monitoring equipment (active monitoring and blocking systems).

The cloud activities operate in a dynamic market environment with innovative solutions. The risk here is that the requirements and developments are not recognized and implemented in time. Therefore, the market is very closely monitored and if it is economically feasible and appropriate, the solutions are adjusted accordingly. So the business model was further developed in 2017. The number of users of the cloud products is growing steadily. There is a risk of a lack of customer satisfaction especially due to differing expectations. This risk is encountered by using a regular quality inspection and by close contact with the customers. To counter the risks of a non-market compliant product development, talks with strategic partners and financial investors are intensified to promote the growth and expansion into new markets.

Risks from the segment Renewable Energies

In addition to the general risks in the Group there exist legal/regulatory risks and risks in dealing with suppliers and customers in this segment. In 2017, discussions about federal funding of renewable energies resulted in a certain level of insecurity among consumers and utilities and accordingly led to less planning reliability. Uncertainties in the tender model in the field of wind turbine project development, which will apply from 2017, accelerate the current market consolidation. With the development of wind farm projects the 3U Group is trying to consequently seize the opportunities offered in this market. Well-planned renewable energy projects require large investments; they also offer a relatively stable market value. The realisation of such large projects also includes legal and regulatory risks, such as building code requirements. 3U HOLDING AG meets these risks through the use of qualified internal and external resources. The societal and industry-specific developments are closely monitored by the Group to respond promptly.

With its business model, the 3U Group had already been affected by the falling remuneration under the EEG. The Renewable Energy Sources Act 2017 (EEG 2017) replaced the legal entitlement to an EEG subsidy through an auction procedure. The bidding procedure carried out by the Federal Network Agency also determines the actual headroom for the respective installation. The procedure applies to all installations approved after January 1, 2017. The 3U Group meets these special challenges in this part of renewable energies with due care, if the risks cannot be reduced through appropriate contractual arrangements.

Risks from the segment SHAC

Risks in dealing with suppliers and customers, such as loss of suppliers and bad debt or changes in the purchasing and selling prices are controlled by the supplier and demand management to avoid defaults. To collect outstanding debts from companies, organisations and individuals with no failures if possible and the entire areas of credit management, terms management and credit management are the tasks of debt management in the broadest sense. In a narrow sense, the debt management refers to collecting open payments from goods, services and loans that are already in default. Debt management sifts, arranges, registers and organizes the outstanding payments and ensures that if a delay of payment arises the invoice recipient is reminded in a timely, comprehensive and effectively manner of his contractual obligations from the sale of goods or services. On behalf of the invoicing party debt management takes over the processing of payments between companies and customers. With a professional debt management the ongoing liquidity of companies is ensured. By regularly conducting comprehensive regular supplier assessments and reviews the risk potential in this area is reduced as well.

Financial risks

As a company present on the market, the 3U Group is exposed to diverse risks. So one core goal of the Management is to control and minimise financial risks in terms of achieving reliable planning.

Significant risks relate to capital adequacy and financing when earnings are below plan, since a low level of capital adequacy can lead to a limited ability of the company to act, especially in the case of acquisitions and in the case of the conclusion of follow up or new financing.

A further important financial risk is the risk of sales being concentrated on one or only a few main customers. This risk correlates with the default risk, i. e. the risk that a contract partner in a financial transaction is not in a position to meet its obligations, thus exposing the 3U Group to financial losses. If 3U does foreign transactions, corresponding currency risks are subjected to a more intensive examination and analysis and – if economically viable – hedging transactions are carried out. In addition, the share price, purchasing and liquidity, as well as changes in the market and interest rates, are some of the main areas where financial risks can occur.

Possible materialisation of these potential risks is counteracted by a receivables and liquidity management process implemented across the Group, which ensures that sufficient liquidity is available at any time for the front-line business. In the financial year under review, measurable success in the management of default and interest rate risks was achieved, including the support of external service providers and business partners with corresponding expertise.

Derivative financial instruments are used in the 3U Group only to hedge the underlying transaction. Before derivative financial instruments are used, careful risk analysis and evaluation is performed to minimize the risk potential by adequate measures.

3U HOLDING AG has an almost ambivalent attitude to the low level of interest rates. On the one hand it is negatively affected, as it has invested its cash exclusively in demand deposits and fixed-interest short-term investments and thereby generates currently only low interest income. At the same time, 3U took advantage of the low interest rates to secure itself long-term debt at attractive interest rates. Since the low interest rates should stay for the time being in Germany, 3U is planning an increased use of debt for future investments in the expansion of its existing businesses.

Overall assessment of the risk situation

The main risks presented can potentially cause significant harm, today and in the future, to the 3U Group's financial, assets and earnings position. Our main challenges include particularly the regulatory environment and intense competition. The changes in the risk development of all segments have required action by the Management Board. Our risk management system in connection with other planning systems and reports permit the early identification of potential risks and subsequently support the risk supervision. However, risks may occur in the future due to erroneous assumptions that depart from the Company's expectations and could substantially impair the development of the 3U Group.

Opportunities report

In the 3U Group opportunities and risks are systematically identified and evaluated. Potential opportunities are discussed and documented in the context of risk inventories of the individual companies, thereby being able to recognize and distinguish potential risks. Further analysis and assessment of opportunities and possible measures are up to the Management Board and the management of the respective companies under their corporate strategy.

Since opportunities are also always accompanied by risks, it makes sense to always consider risks and opportunities together whenever possible, and to use a comprehensive understanding of the risks and risk contexts to use potential profit opportunities deliberately and controlled. Following are the major opportunities that have been identified within the individual segments.

Segment ITC

Sales and gross margins generally decline in the call-by-call business and overall in Voice Retail. Although the 3U Group is also affected by this development, it still achieves significant margins in this area due to its strategy. The decline in margins in the call-by-call business can be greatly slowed in particular by a high level of process automation, active tariff management and use of the purchasing synergies in the business field Voice Business.

Although it must be assumed that sales in the traditional Voice Retail area will continue to fall in the long term, new products involving Data Center Services & Operation provide for profitable opportunities in the segment ITC. The data centers in Hanover and Berlin provide significant and stable long-term earnings potential.

In the Voice Business area a continuous optimisation of the technology platform leads to cost reductions while increasing flexibility. This provides the opportunity to increase the contribution margins and sales in this area

The 3U Group further expanded its activities in the area of cloud computing in fiscal year 2017 and advanced the marketing of the business apps of the weclapp Suite. The positive business development continued. In the medium term, we expect a constantly growing number of users of the weclapp suite. An expansion into new markets through the support of strategic partners and financial investors is still pursued.

Segment Renewable Energies

The solar park Adelebsen produced electricity all year round as defined in the EEG compensation rates. Since August 2014, the solar farm utilizes the chance of the statutory program of direct marketing and has signed a contract with E.ON Energie Deutschland GmbH.

An important strategic milestone on the way to the expansion of the business field renewable energies projects was the purchase of wind farm projects and the acquisition of an existing wind farm with 15 wind turbines in the financial year 2014. The wind farm project development includes an extensive portfolio of wind farm projects. Currently, the wind farm project developments are in different stages. In addition to the sale of finished wind farms 3U will likely generate additional income through the selective sale of projects in earlier phases of the project. 3U HOLDING AG also reserves the option – in addition to the various sales opportunities of wind farm projects – to operate completed wind turbines themselves as part of its commitment in the field of renewable energies and thus generate additional cash flows. Thus additional profit potential could arise here, both from the operation resp. sale of finished wind power plants as well as from the selective sale of project developments.

Opportunities arise from the tender procedure of the EEG 2017 from the fact that smaller project developers cannot bear the additional pre-financing costs due to the necessary security services and sell lucrative projects at a favourable price.

With the construction of the two wind parks Lüdersdorf and Schlenzer, 3U HOLDING AG has set up the first four self-developed wind power plants. Overall, these plants have an electrical output of 12.1 MW. In addition to the self-service of the plants within the 3U Group and the realisation of feed-in tariffs according to the EEG, both wind farm projects offer the possibility of collecting high one-off income through the planned sale of a wind farm or a possible sale of both wind farm projects.

Segment SHAC

The position achieved in recent years in online trading was expanded and additional market share was gained. Aiding was the expansion of the product portfolio to include for example, an enlarged range of pumps, pellet stoves, decentralized ventilation units and pipe installation systems as well as the dry screed floor heating system. The improved customer friendliness (e. g. longer service times and extended payment options) as well as the excellent customer reviews on Trusted Shops open up the opportunity for above-average growth and so another very positive development in the coming years can be assumed.

We also operate in the field of HVAC as a provider of procurement and logistics services for building equipment and as a production and trading company for wholesalers. The current product portfolio includes products for floor heating/heating, controlled ventilation, plumbing, solar, energy- and heat generation and heat storage as well as heat supply. The production of clad goods, a basic component in the range of under floor heating, was begun in 2014 as well. With the dry screed system ClimaTE 25 we sell a renovation system developed within the Group that underscores the considerable expertise of 3U in the surface temperature control.

Due to the central control of purchasing, we can generate a higher purchasing volume than would be possible by the individual companies. As a result, better purchasing terms can be realised, which can be passed on to customers and thus gives the chance to win above-average market share.

In addition the 3U Group develops and distributes panel heating or cooling systems. These are characterized by high quality workmanship and comfort, as well as a good price-performance ratio. This creates positive marketing opportunities with appropriate earnings potential.

Forecasting report

Economic outlook

According to the International Monetary Fund (IMF), growth prospects are improving not only for the USA, but also for Germany and the entire global economy, above all due to the tax reform in the USA. In the outlook updated in January 2018, the fund increased its economic outlook for the global economy.

Accordingly, it will increase by 3.9 % this year and next. That would be 0.2 percentage points more than previously predicted. Expectations for the US were raised by 0.4 percentage points to 2.7 % in 2018 and by 0.6 percentage points in 2019 to 2.5 %. For Germany, the IMF also raised its previous forecasts sharply, namely by half a percentage point to 2.3 % in 2018 and 2.0 % in 2019.

According to Germany's leading economic research institutes, employment will increase by 1.1 % in 2018 and 0.9 % in 2019, after rising by 1.5 % in 2017. Registered unemployment, however, will continue to decline to a lesser extent than employment increases. The reasons for this are the increasing labour force participation, especially of women and older people, and the continuing immigration. In addition, after the completion of asylum procedures and qualification measures, the refugees who have come to Germany in recent years are increasingly available to the labour market. The unemployment rate is therefore expected to fall from 5.7 % in 2017 to 5.5 % in the current year and 5.2 % in 2019.

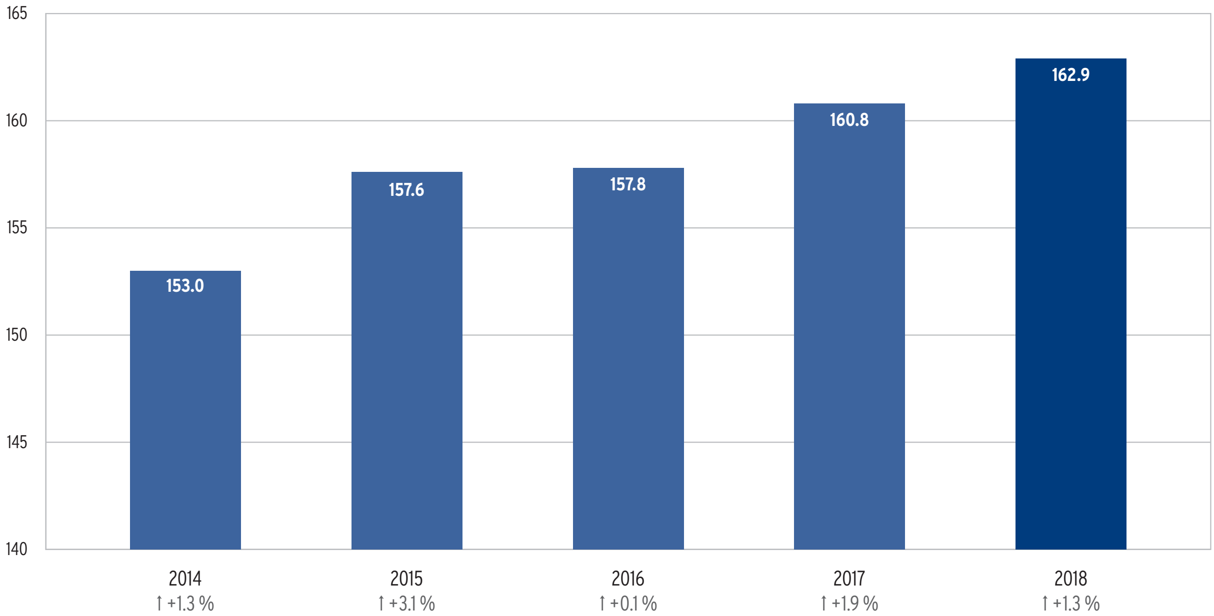
After an increase in the workforce by 650,000 in 2017, this figure is expected to increase by another 480,000 in 2018 and 390,000 in 2019.

In its annual economic report published in January 2018, the Federal Government slightly raised the inflation forecast for 2018. It now assumes 1.7 %, having expected 1.6 % in the fall of 2017. The energy prices also shape the future price development. On the other hand, the appreciation of the Euro lowers many imported goods. A slight price pressure could come from within Germany if higher labour costs lead to higher product prices.

Outlook ICT

According to calculations by Bitkom Research GmbH, sales in the information technology and telecommunications sectors exceeded the EUR 160 billion mark for the first time in 2017 (+1.9 %). According to the most recent forecast, IT sales increased by 3.4 % to EUR 85.8 billion. The largest growth was recorded in the Software segment with an increase of 6.3 % to almost EUR 23.0 billion.

Sales of ITC products and services in Germany (in EUR bn)



Source: Bitkom, EITO, IDC, GfK

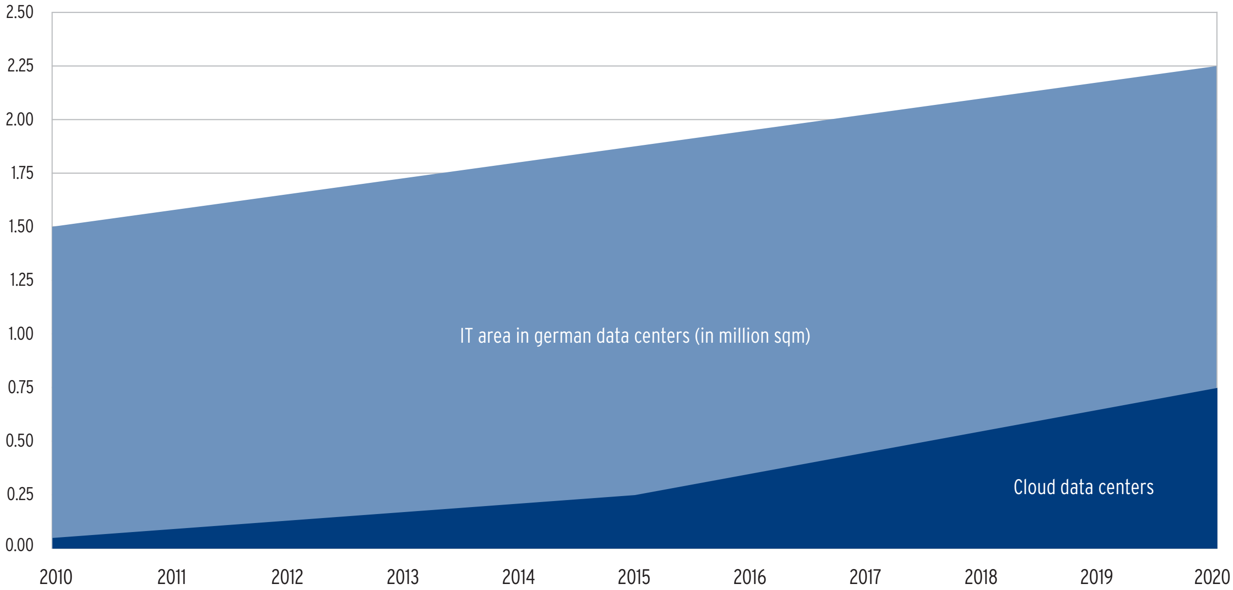
Bitkom expects further growth for the ITC market as a whole in 2018, but only by a moderate 1.3 % to EUR 162.9 billion.

While steadily increasing volumes of data will continue to drive growth in the industry, the outlook for the overall telecommunications services market in Germany remains subdued. The telecommunications industry is a crowding out market characterized by innovation and technical progress, but above all due to the pronounced competitive situation characterized by further price erosion.

Government interventions – launched nationally as well as by the EU – have a significant impact on the call-by-call market, which is still important for 3U. Therefore, a medium-term market forecast is difficult. As in previous years, the telecommunications market will largely stagnate according to forecasts of the industry association VATM; an increase of 0.5–1.0 % might be possible. Against this background, the Management Board expects this business area to continue its downward trend in the financial year 2018 in line with the rest of the market.

Generally increasing investment in data centers can be expected for the future. The capacities in the German computer centers are growing significantly. This puts Germany in the international trend. Due to increasing digitalisation and trends such as cloud computing, industry 4.0 and big data, the demands on central computing and storage performance are steadily increasing. As economies of scale play an important role in this market, supplier consolidation is foreseeable. The 3U Group addresses this market with its service portfolio DCS (Data Center Services). As a relatively small provider, we are following the development in this market very intensively and will adapt to market conditions accordingly.

Development of data center space (IT area) in Germany between 2010 and 2020 (forecast) with share of cloud data centers (in million m²)



Source: Borderstep 2017

The 3U Group will continue to pursue the strategy of identifying profitable niches in the area of Telephony and, if possible, of filling them. The market environment remains highly competitive. To what extent new offers, e. g. scheduling and value-added services can compensate for declining sales and associated lower income from the call-by-call and call-through business, is difficult to predict.

A promising market is addressed with the topic of cloud computing. In cloud computing, IT services are provided in the right quantities and flexible in real-time as a service via the Internet and billed according to use. In cloud computing various technical improvements and innovations converge and create the potential for a base innovation in the business field. Cost reduction, cost structure changes, cost variability, flexibility and entirely new business models are other important arguments. Cloud computing will change the entire information economy, its technologies and its business and therefore the relationship between suppliers and consumers for the long term. With a rapid adoption of cloud computing in business, the demand for technical infrastructure expertise decreases. For software vendors the traditional licensing business will shift in the direction of "Software as a Service" (SaaS).

For users cloud computing has many advantages. Thus, for example, investments become variable costs. It is expected that almost all companies will use cloud computing in a few years – at least complementary.

Market experts attest good growth prospects for Cloud Computing, Software as a Service, Data Center Services and IT services. In these business areas, the Management Board of 3U HOLDING AG expects further rising sales in 2017, while sales in the classic telephony business will continue to decline.

Overall, the Management Board expects sales in the segment ITC to remain at the previous year's level and EBITDA and earnings also almost unchanged. From 2019, the newer business units should once again ensure a significant increase in sales and earnings in the segment ITC.

Outlook Renewable Energies

The expansion of renewable energies in Germany is being continuously advanced. There is a broad political consensus that the share of renewable energies in electricity generation in Germany should rise to at least 40–45 % by 2025; for 2030, 65 % is targeted. With the segment Renewable Energies, the Group is taking part in the advancing change in energy production towards sustainability and the trend towards resource-conserving energy use.

The Group plans to implement further EE projects. The framework conditions in this business segment are largely determined by the Renewable Energy Sources Act (EEG), which was last amended in July 2017. There was a fundamental changeover of the support mechanisms from fixed feed-in tariffs per kilowatt hour (kWh) of installed capacity to a tendering system in which the surcharge is determined in the context of price competition. At the same time, it is also intended to better control the expansion with planned annual growth rates measured in megawatts (MW).

In the context of the new tendering procedure for electricity from wind energy installations, citizens' energy companies are experiencing certain facilitations which should enable local cooperatives and municipalities to shape the energy transition.

A total of 2,800 MW will be issued for wind farms on land. The annual expansion in the photovoltaic sector is said to be 2,500 MW per year, with a maximum of 600 MW being provided by large solar systems.

The relative importance of wind energy within renewable energies will thus continue to increase. The number of wind turbines in Germany increased significantly in the past year. In 2017, 1,792 new onshore wind turbines with a total capacity of 5,333 MW were newly built; it was the largest extension in a year so far. Compared to 2016, this was an increase of 15 %. At the end of 2017, 28,675 onshore wind turbines were connected to the grid.

3U focuses to expand its wind power activities — this concerns both planning & project development and investments in wind farms and their operation — in an area that still has a good risk/reward profile. The further development in this area depends on various factors which are hard to predict today. We follow the activities of all relevant market participants very closely and will position ourselves accordingly.

While the project business is relatively volatile, very stable and predictable sales and earnings are achieved by the renewable energy generation. Overall, the Management Board expects substantial growth in earnings in this segment for 2018 despite a decline in sales. Disposals or acquisitions in this segment have a significant impact on the financials of this segment and make it difficult to forecast accurately.

Outlook SHAC

The activities around the topic of heating, cooling and ventilation of buildings further evolve encouraging. A number of developments have a positive impact here. Firstly, the construction activity will remain at a high level for the foreseeable future due to the low interest rates, resulting in a corresponding demand for SHAC products and their installation. In addition policy makers require increasing energy efficiency in buildings. This leads to a substantial demand for replacement investments especially in the business area heating and air conditioning. Finally, we benefit in this segment of the demand shift towards online trading. Currently only a small fraction of the products from the SHAC sector is demanded online in Germany. However, this share grows very strongly. With our online trading activities we are well positioned to profit from this trend.

While among other things, a larger product range and the associated need for adjustment in order processing, including warehousing, logistics and shipping processes led to lower margins in 2017, the segment is again expected to achieve significantly higher margins in the current year. For this reason, the Management Board expects another strong increase in sales of these activities in 2018 and a disproportionately increase in EBITDA and earnings.

Outlook 3U HOLDING AG

Earnings of 3U HOLDING AG as an operational management and investment holding company is significantly influenced by administrative expenses and financial earnings. The administrative costs of 3U HOLDING AG are expected to be slightly above the level of the previous year in the 2018 financial year. In addition to interest expenses, the financial result is heavily dependent on the income from distributions and profit transfer agreements or expenses from loss transfers. In particular, the valuations of investments and impairments on loans to subsidiaries can have a significant impact on earnings for 2018. Overall, the financial earnings are expected to show a slight increase compared to a financial earnings for 2017 adjusted for depreciation and amortisation. Overall, a slight decline in earnings is expected in the 2018 financial year compared to the previous year.

Strategic direction

Lasting operative profitability in the segments is the top priority for the Group. In recent years, we have improved continuously and made great progress in 2017 as well.

In the segment ICT, we plan to defend the sales and earnings levels for 2017 in 2018. The expected declines in the Telephony division will increasingly be offset by the newer business areas and will even overcompensate them in the future.

We plan significant organic growth in the segment SHAC. Should opportunities arise, we will seize opportunities of inorganic growth. With our innovative product range and the steadily growing online trading activities, supported by our own logistics activities, we are very well positioned here.

Our strategy in the segment Renewable Energies also provides for inorganic growth. The current market conditions will certainly lead to further consolidation in the market. Whether or what opportunities arise for the 3U, cannot be predicted reliably. However, we are following the development very closely.

The 3U Group remains true to its investment strategy of expanding successful parts of the business in the long term, and to sell them on attractive terms and conditions in response to corresponding demand.

Outlook 3U Group

As a result of the expansion of the successful business areas, which has been pursued in recent years, the 3U Group now has three profitable segments. While current and future sales of the segment SHAC account for around 50 % of Group sales, the corresponding share of earnings due to lower margins is lower than in the two segments Renewable Energies and ITC. The continuous earning power of the segment ITC and the growing importance of the segments Renewable Energies and SHAC give the Management Board of 3U HOLDING AG the confidence to achieve the following goals.

For the financial year 2018, investments of around EUR 22.26 million are planned for the existing business areas. Of this, EUR 0.40 million will be invested in the segment ITC, EUR 20.00 million in the segment Renewable Energies, EUR 0.07 million in the segment SHAC and EUR 1.79 million in the holding company.

For the financial year 2018, the Management Board expects a moderate increase in sales and a significant increase in earnings compared to 2017, and reiterates its forecast published in December 2017. Accordingly, sales in 2018 are expected to be between EUR 46 million and EUR 50 million, EBITDA between EUR 6.5 million and EUR 8.5 million and consolidated earnings between EUR 1.0 million and EUR 2.0 million.

This forecast is characterized by different expectations for the individual segments. The segment ICT is expected to maintain its sales and earnings levels in 2017. The very pleasing development of the Cloud Computing business unit is increasingly compensating the declining Telephony business unit and should lead to renewed growth in the segment ITC in the following years. The segment Renewable Energies is characterized by the wind farm activities. Following the sale of a wind farm in the past 2017 financial year, wind farm sales are expected to continue this year. In addition, the generation capacities are to be expanded by acquiring existing projects. In the segment SHAC, 3U HOLDING expects a continuation of its sales growth, while at the same time increasing the margin. Above all, the expansion of online trade is contributing to this development.

The partial or entire sale of subsidiaries belongs to the corporate purpose of 3U HOLDING AG and can lead to positive special effects. In addition, 3U HOLDING AG plans to grow inorganically through acquisitions. However, there are limitations to plan resulting effects.

The goal of all activities is to enhance sustainably the value of the 3U Group for the shareholders as well as for the employees. The success of those efforts will be reflected in a positive price trend for the 3U share. With regard to the estimates and expectations presented, we point out that the actual future events can differ significantly from our expectations concerning the probable development.

Accounting-related internal control and risk management system

The accounting process for all associated companies of the Group is realised centrally in the financial department of the holding. Thus, all companies are subject to uniform process and risk monitoring regarding the accounting process.

The implemented internal control system regarding the reporting process serves the purpose to ensure with suitable principles, methods and measures the compliance with regulations, standards and legislation to guarantee the regularity, reliability and integrity in accounting and financial reporting while taking potential risks into account. Work and procedure instructions, function descriptions and guidelines which are regularly reviewed and updated as necessary, are the foundations that ensure this. This includes an accounting policy, allocation assignments and the support by external consultants. During the year the accounting process has been further analysed, optimised and the documentation further developed. The internal controlling system consists of internal controlling and monitoring functions, which are either integrated in the process sequences or executed independently of them. For example administrative and authorisation functions kept separate and allocated to different employees and clear responsibilities within the framework of regular reviews ("dual control") are integrated. Reviews independent of processes and controls are conducted by the Supervisory Board within the framework of its monitoring duties or by the risk management sector on the basis of defined key figures. The applied control mechanisms run partially automated in the assigned accounting software systems, so as not to interfere with the economy of operational sequences. The assigned IT systems are protected from unauthorised accesses by an authorisation concept. Furthermore the auditor examines the assigned IT-systems and their applications in the context of the audit of the annual and consolidated financial statements.

New legal provisions as well as alterations of existing regulations regarding the accounting process and risks emerging thereof are under immediate examination regarding their repercussions for the 3U Group to adopt appropriate measures if necessary.

The implemented internal controls result from the identification of a risk at this point of the accounting process. These risks can have different origins, among other things based on legal requirements. The interaction of risk and compliance management and internal control system is particularly evident in the accounting process and therefore continues to be optimised within the ongoing improvement process.

The functions in all sectors of the accounting process are assigned and documented. The implemented and continuously developing risk management system with the components compliance and internal control system however, is not able to guarantee complete security and compliance of Group accounting due to human failure, for example controlling errors or criminal actions by insiders.

Other information

Takeover-related information

Disclosures in accordance with § 289 a or § 315 a HGB

Appointment and dismissal of the Management Board and amendments to the Articles of Association

The Management Board is appointed and dismissed in accordance with Articles 84 and 85 of the German Stock Corporation Act. All amendments to the Articles of Association conform to Articles 179 and 133 of the German Stock Corporation Act. However, according to Article 13 (2) of the Articles of Association in conjunction with Article 179 (2) sentence 2 of the German Stock Corporation Act, resolutions of the Annual General Meeting are passed with a simple majority of the votes cast unless another majority is prescribed by law. In addition, if the German Stock Corporation Act prescribes a majority of the share capital represented when the vote is taken, a simple majority of the capital represented is sufficient if legally permissible.

Share capital and authority of the Management Board to issue or buy back shares

The share capital consists of 35,314,016 no-par bearer shares. All shares grant the same rights. Each share carries one vote and is decisive for the share of the profits. The rights and obligations from the shares are derived from statutory provisions.

For further information, please refer to the notes under 6.8.

Shares in the capital of the Company are owned as at December 31, 2017 as follows:

Name	Function	Number of shares	Percent
Michael Schmidt	Speaker of the Management Board	8,999,995 shares	25.49 %
Andreas Odenbreit	Management Board	20,500 shares	0.06 %
Ralf Thoenes	Chairman of the Supervisory Board	25,000 shares	0.07 %
Stefan Thies	Deputy Chairman of the Supervisory Board	23,583 shares	0.07 %
Jürgen Beck-Bazlen	Supervisory Board	1,515,000 shares	4.29 %
Bestand eigene Aktien		2,183,640 shares	6.18 %

According to Article 3 (4) of the Articles of Association, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by a total of no more than EUR 7,062,803.00 by August 26, 2019 by issuing new shares in exchange for cash contributions and/or contributions in kind. With the approval of the Supervisory Board the Management Board can fully or partially exclude the subscription right of shareholders in the following cases only: 1. In connection with capital increases through contribution in kind, to grant shares for the purpose of acquiring companies, parts of companies or interests in companies or to acquire other assets (including third party claims against the Company or companies affiliated with the Company), and for the purpose of issuing shares to employees of the Company and with the Company affiliated companies in accordance with statutory requirements; 2. to the extent necessary to allow holders of issued warrants and convertible bonds by the Company or its subsidiaries, subscription rights for new shares to the extent that they are entitled to upon exercising their option or conversion rights or after fulfilment of their conversion or option obligations; 3. for fractional amounts; 4. when increasing the share capital in return for cash contributions, if the issue amount of the new shares does not fall far short of the market price for shares that are already listed at the time the issue amount is finally determined as defined in §§ 203 para. 1 and 2, 186 para. 3 sentence 4 AktG and the shares for cash contributions, excluding subscription rights, do not in total exceed

10 % of the share capital at the time the option is exercised. To the limit of 10 % of the share capital are credited, the shares issued during the term of the authorized capital excluding subscription rights of shareholders in accordance with §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 AktG, as well as shares, which are connected to a conversion right or option right or a conversion obligation or option obligation due to option and/or convertible bonds issued since this authorisation in exclusion of subscription rights according to §§ 221, para. 4, 186 para. 3 sentence 4 AktG have been issued. With the approval of the Supervisory Board the Management Board is authorised to stipulate the further details of the capital increase.

According to Article 3 (5) of the Articles of Association the share capital of the Company is to be contingently increased by up to EUR 3,531,401.00, divided into 3,531,401 shares (Contingent Capital 2016/I). The contingent capital increase is only to be carried out insofar as holders of option rights that the Company issued on the basis of the authorisation of the Annual General Meeting on May 25, 2016 make use of their option rights. The new bearer shares carry dividend rights from the beginning of the financial year for which no Annual General Meeting resolution has been passed regarding the appropriation of profit when the option rights are exercised. With the approval of the Supervisory Board the Management Board is authorised to stipulate the further details of the contingent capital increase and its implementation.

For Members of the Management Board no agreements exist for the event of a takeover bid of 3U HOLDING AG.

Share transactions

According to Art. 19 of the Market Abuse Regulation (EU) NR. 596/2014 those people with management tasks at 3U HOLDING AG must report their own transactions with 3U HOLDING AG shares or any related financial instruments, particularly derivatives, to 3U HOLDING AG and the German Financial Supervisory Authority (BaFin). This obligation also applies to people who have a close relationship with one of the above-named people, where the total transactions of a person with management tasks and the person that has a close relationship with this person reaches or exceeds a total amount of EUR 5,000.00 by the end of a calendar year. 3U HOLDING AG were reported the following transactions in the last financial year:

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price in EUR	Total volume in EUR
01/18/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	150,000	0.630	94,500.00
01/19/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	20,000	0.660	13,190.64
01/23/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	30,000	0.700	21,007.40
03/24/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	50,000	0.797	39,841.54
09/29/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	60,000	0.798	47,906.66
10/02/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	60,000	0.822	49,344.59
10/04/2017	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	15,000	0.852	12,783.00
10/05/2017	Stefan Thies (Supervisory Board)	Purchase	10,279	0.844	8,678.68
10/05/2017	Stefan Thies (Supervisory Board)	Purchase	1,304	0.843	1,099.27

All share transactions were published on the website of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Directors' Dealings".

Annual Corporate Governance Statement according to Article 289f resp. 315d HGB

The Management Board and the Supervisory Board of 3U HOLDING AG have delivered the Annual Corporate Governance Statement according to Article 289 f resp. 315 d HGB and has made it permanently available to the public on the website of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Corporate Governance".

Remuneration Report

The remuneration report summarises the principles determining the remuneration of the Management Board and Supervisory Board at 3U HOLDING AG and explains the amount and structure of the remuneration. The remuneration report is created on the basis of the recommendations of the German Corporate Governance Code, also containing the disclosures required in line with the German Commercial Code, supplemented by the Disclosure of Management Board Remuneration Act (VorstOG).

Remuneration of the Management Board

The structure and amount of remuneration of Board Members are determined by the Supervisory Board and reviewed regularly. In doing so the Supervisory Board respects the law stipulating the appropriateness of executive remuneration (VorstAG) which became effective August 5, 2009.

All Members of the Management Board of 3U HOLDING AG receive a fixed basic salary (fixed component), which is paid in monthly instalments. In addition, all members of the Management Board receive variable performance-based remuneration (performance related components). The performance-based remuneration is composed of a quantitative sub-goal and a qualitative sub-goal. In the case of the partial quantitative target, the Supervisory Board evaluates the audited value of the Group's EBIT resp. EBITDA performance in relation to the budget value in the reporting year; extraordinary developments can be taken into account. Within the scope of achieving the qualitative target the Supervisory Board assesses the processing of priority tasks of the Management Board as well as the achievement of personal goals of the Management Board as set by the Supervisory Board. The Supervisory Board always determines objectives at the beginning of each financial year under consideration of the Group's situation.

In addition, stock options can be granted to members of the Management Board under stock option plans. The granting of stock options aims to reward the contribution of the Management Board (and the other employees of the 3U Group) to increased enterprise value and to encourage the long-term success of the Company.

Part of the performance-related remuneration for a financial year is paid subject to the condition that the Management Board sustainably conducts the business of the Company in the two financial years following the relevant financial year. Sustainability takes into account, in particular, the stability of the development of the Group and its investments. The Supervisory Board assesses sustainability in the two years following the financial year and will reclaim the partial amounts of the performance-related remuneration paid under reserve if the sustainability of the business management is not guaranteed.

In accordance with Article 87 par. 2 par. 1 AktG, the Supervisory Board is entitled to lower the remunerations of the Management Board appropriately if the situation of the Group worsens after the fixation of the remunerations and the continued granting of these remunerations would be inequitable for the Group. This also applies for the granting of any share options for remuneration purposes.

If the appointment to member of the Management Board is revoked for an important reason according to Article 84 par. 3 AktG, there exists no entitlement for a performance-related remuneration for this financial year as well as for any further financial years until expiration of the employment contract as member of the Management Board.

No pension commitments were given to the Members of the Management Board. The remuneration of the Members of the Management Board with individual details, broken down into fixed and performance-related components are shown below.

Value of the granted allowances for the year 2017

Allowances (in TEUR)	Michael Schmidt Speaker of the Management Board			
	2017	2017 (min.)	2017 (max.)	2016
Fixed remuneration	300	300	300	300
Fringe allowances	9	9	9	17
Subtotal	**309**	**309**	**309**	**317**
One-year variable remuneration	100	0	300	50
Multi-year variable remuneration	0	0	0	0
Total	**409**	**309**	**609**	**367**
Pension allowances	0	0	0	0
Total	**409**	**309**	**609**	**367**

Allowances (in TEUR)	Andreas Odenbreit Management Board			
	2017	2017 (min.)	2017 (max.)	2016
Fixed remuneration	150	150	150	140
Fringe allowances	20	20	20	20
Subtotal	**170**	**170**	**170**	**160**
One-year variable remuneration	50	0	50	18
Multi-year variable remuneration	0	0	0	0
Total	**220**	**170**	**220**	**178**
Pension allowances	0	0	0	0
Total	**220**	**170**	**220**	**178**

Allowances (in TEUR)	Christoph Hellrung Management Board			
	2017	2017 (min.)	2017 (max.)	2016
Fixed remuneration	150	150	150	140
Fringe allowances	25	25	25	24
Subtotal	**175**	**175**	**175**	**164**
One-year variable remuneration	50	0	50	18
Multi-year variable remuneration	0	0	0	0
Total	**225**	**175**	**225**	**182**
Pension allowances	0	0	0	0
Total	**225**	**175**	**225**	**182**

Accruals for the year 2017

Accruals (in TEUR)	Michael Schmidt Speaker of the Management Board		Andreas Odenbreit Management Board		Christoph Hellrung Management Board		Management Board total	
	2017	2016	2017	2016	2017	2016	2017	2016
Fixed remuneration	300	300	150	140	150	140	600	580
Fringe allowances	17	17	20	20	25	24	62	61
Subtotal	**317**	**317**	**170**	**160**	**175**	**164**	**662**	**641**
One-year variable remuneration	75	75	0	0	0	0	75	75
Multi-year variable remuneration	0	0	0	0	0	0	0	0
Total	**392**	**392**	**170**	**160**	**175**	**164**	**737**	**716**
Pension allowances	0	0	0	0	0	0	0	0
Total	**392**	**392**	**170**	**160**	**175**	**164**	**737**	**716**

In addition, for the previous year, Mr. Andreas Odenbreit received TEUR 18 and Mr. Christoph Hellrung received TEUR 18 in the year under review and in the previous year as one-year variable compensation. In the year under review, Mr. Michael Schmidt repaid TEUR 25 for the previous year and received TEUR 75 in the previous year for 2015 as a one-year variable compensation.

All remuneration for Management Board activities was paid by 3U HOLDING AG. The subsidiaries have not paid any remuneration.

Stock option plan 2011

By the end of the term of the stock option plan 2011 on February 6, 2016, no options were exercised. The stock options are so completely forfeited.

Remuneration of the Supervisory Board

Remuneration of the Supervisory Board is stipulated in Article 9 of the Company's Articles of Association. According to this, the Members of the Supervisory Board receive fixed basic remuneration of EUR 5,000.00 per year. The Chairman of the Supervisory Board and the Deputy Chairman receive twice and one and a half time the aforementioned remuneration respectively.

Furthermore, each Supervisory Board Member receives a bonus of EUR 1,000.00 per EUR 0.01 of the dividend in excess of EUR 0.05 per share distributed to shareholders for the past financial year as well as annual remuneration related to long-term company success of EUR 1,000.00 per EUR 100,000.00 earnings before taxes in the consolidated financial statements of the Company ("EBT") in excess of the average earnings before taxes in the consolidated financial statements ("EBT") for each of the three preceding financial years. However, total remuneration shall not exceed EUR 50,000.00 for the Chairman, EUR 37,500.00 for the Deputy Chairman and EUR 25,000.00 for the other Supervisory Board Members. In addition, all Supervisory Board Members receive a meeting fee of EUR 2,500.00 for each supervisory board or committee meeting that they attend. The Company reimburses the Supervisory Board Members for value added tax payable on their remuneration and expenses.

Supervisory Board compensation for 2017 amounted to TEUR 158 (previous year: TEUR 166). For 2017, a performance-related remuneration in the amount of TEUR 90 (previous year: TEUR 90) was set aside.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2017	2016	2017	2016	2017	2016	2017	2016
Ralf Thoenes (Chairman)	10	10	15	18	40	40	65	68
Stefan Thies (Deputy Chairman)	8	8	15	18	30	30	53	56
Jürgen Beck-Bazlen	5	5	15	18	20	20	40	43
Total*	**23**	**23**	**45**	**53***	**90**	**90**	**158**	**166***

*Due to rounding differences in the totals line

In addition, the members of the Supervisory Board receive a reimbursement of their travel expenses and other expenses. In the 2017 financial year, Mr. Thoenes received an amount of TEUR 2.4 (previous year: TEUR 2.5), Mr. Thies an amount of TEUR 0.8 (previous year: TEUR 1.1) and Mr. Beck-Bazlen an amount of TEUR 0.8 (previous year: TEUR 2.0) as reimbursements for their expenses. Mr. Thoenes also received attendance fees and reimbursement of expenses for his work on the Supervisory Board of 3U ENERGY AG in the amount of TEUR 6 (previous year: TEUR 9).

In the past financial year, the law firm Altenburger Rechtsanwälte – of which Ralf Thoenes, the Chairman of the Supervisory Board, is a partner – received a total of TEUR 4.9 (previous year TEUR 11.1) plus VAT for its consultancy services and reimbursements for expenses for the 3U Group. These were provided in full by 3U ENERGY AG (previous year: TEUR 10.6 from 3U ENERGY AG and TEUR 0.5 from ClimaLevel Energiesysteme GmbH).

Detailed information on stock option plan

Currently there is no active stock option program in the 3U Group.

No option rights were exercised by the end of the term of the stock option plan 2011 on February 6, 2016. The 4,602,500 stock options issued under the stock option plan are therefore completely forfeited.

Responsibility Statement

We warrant that to the best of our knowledge that, in accordance with the accounting principles to be applied, the consolidated financial statements convey a true and accurate picture of the Group's net assets, financial position and results of operations and that the Group's business development including its results and its position including the major risks and opportunities inherent in its probable development are described truthfully and accurately in the combined management report.

Marburg, March 15, 2018

The Management Board

Michael Schmidt

Christoph Hellrung

Andreas Odenbreit

Consolidated Financial Statements for the financial year 2017

Consolidated statement of financial position

Assets 3U Group (in TEUR)	Notes to the consolidated financial statements	Dec 31, 2017	Dec 31, 2016
Non-current assets		**48,268**	**61,678**
Intangible assets	[2.3.7] [2.3.8] [2.3.14] [6.1.1]	1,623	2,308
Property, plant and equipment	[2.3.9] [2.3.22] [6.1.2]	37,292	48,728
Investment property	[2.3.10] [6.1.3]	7,462	7,723
Other financial assets	[6.1.4]	144	144
Investments accounted for using the equity method	[6.1.4]	13	15
Deferred tax assets	[2.3.17] [6.2]	1,459	1,833
Other non-current assets	[6.1.4]	275	927
Current assets		**22,813**	**34,084**
Inventories	[2.3.15] [6.3]	5,947	14,797
Trade receivables	[2.3.12] [6.4] [6.12]	4,288	4,710
Receivables from income tax refunds	[6.5]	380	323
Other current assets	[6.5]	929	2,582
Cash and cash equivalents	[2.3.12] [6.6] [6.12]	11,269	11,672
Assets held for sale	[6.7]	**10,157**	**0**
Total assets		**81,238**	**95,762**

Shareholders' equity and liabilities 3U Group (in TEUR)	Notes to the consolidated financial statements	Dec 31, 2017	Dec 31, 2016
Shareholders' equity	[6.8]	**39,966**	**39,158**
Issued capital (conditional capital TEUR 3,531 / Dezember 31, 2016: TEUR 3,531)	[6.8.1]	35,314	35,314
Own shares	[2.3.19] [6.8.1]	-2,184	-2,184
Capital reserve		10,345	10,345
Retained earnings		-844	-719
Total other comprehensive income		0	-35
Profit/loss carried forward		-2,522	-2,835
Net earnings		1,065	644
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		**41,174**	**40,530**
Non-controlling interests	[6.8.4]	**-1,208**	**-1,372**
Non-current provisions and liabilities		**16,812**	**37,303**
Non-current provisions	[2.3.16] [6.11]	716	826
Non-current financial liabilities due to banks	[6.9]	14,947	35,417
Deferred tax liabilities	[2.3.17] [6.2]	938	840
Other non-current liabilities	[6.9]	211	220
Current provisions and liabilities		**15,647**	**19,301**
Current provisions	[2.3.16] [6.11]	320	326
Current income tax liabilities	[6.10]	623	715
Current financial liabilities	[6.9]	7,069	9,419
Trade payables	[2.3.12] [6.12]	3,124	4,560
Other current liabilities	[2.3.12] [2.3.18] [6.10] [6.12]	4,511	4,281
Liabilities from disposal groups	[6.7]	**8,813**	**0**
Total shareholders' equity and liabilities		**81,238**	**95,762**

Consolidated statement of income

3U Group (in TEUR)	Notes to the consolidated financial statements	Financial year Jan 1–Dec 31, 2017	2016
Sales	[2.3.1] [5.1]	46,886	43,740
Other income	[5.2]	1,701	1,398
Changes of half-finished and finished services	[5.3]	-487	-794
Other capitalised services	[5.4]	0	2,504
Costs of materials	[5.5]	-24,878	-26,405
Gross profit or loss		**23,222**	**20,443**
Staff costs	[5.6]	-9,479	-9,599
Other operating expenses	[5.7]	-7,069	-6,141
EBITDA		**6,674**	**4,703**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-3,685	-3,650
EBIT		**2,989**	**1,053**
Income shares in companies that are accounted for using the equity method	[5.9]	1	3
Other financial result	[2.3.4] [2.3.5] [5.9]	-1,088	-951
EBT		**1,902**	**105**
Income tax expenses	[2.3.6] [5.10]	-697	586
Earnings before non-controlling interests		**1,205**	**691**
Net earnings for the period		**1,205**	**691**
Of which attributable to non-controlling interests		140	47
Thereof Group earnings		**1,065**	**644**
Earnings per share (in EUR)	[2.2.5] [5.11]	**0.03**	**0.02**

Consolidated statement of comprehensive income

3U Group (in TEUR)	Jan 1–Dec 31, 2017	2016
Net earnings for the period	**1,205**	**691**
Attributable to 3U HOLDING AG shareholders	1,065	644
Of which attributable to non-controlling interests	140	47
Directly in equity comprised changes which could be reclassified retrospectively to the income statement		
Exchange rate differences	0	0
Thereof deferred taxes	0	0
Hedging instruments	37	64
Thereof deferred taxes	-2	-26
	35	**38**
Directly in equity comprised changes which could not be reclassified retrospectively to the income statement	**0**	**0**
Other comprehensive income	**35**	**38**
Total comprehensive income of the period	**1,240**	**729**
Attributable to 3U HOLDING AG shareholders	1,100	682
Of which attributable to non-controlling interests	140	47

Consolidated statement of changes in equity

3U Group (in TEUR) Notes to the consolidated financial statements [section 6.8.1 and 6.8.4]	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehensive income	
					Exchange rate differences	Hedging instruments
As of January 1, 2016	**35,314**	**-2,184**	**10,345**	**-719**	**0**	**-73**
Rebooking Earnings 2015	0	0	0	0	0	0
Total earnings 2016	0	0	0	0	0	38
Proceeds/payments to non-controlling interests	0	0	0	0	0	0
As of December 31, 2016	**35,314**	**-2,184**	**10,345**	**-719**	**0**	**-35**

3U Group (in TEUR) Notes to the consolidated financial statements [section 6.8.1 and 6.8.4]	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehensive income	
					Exchange rate differences	Hedging instruments
As of January 1, 2017	**35,314**	**-2,184**	**10,345**	**-719**	**0**	**-35**
Rebooking Earnings 2016	0	0	0	0	0	0
Dividend payment for the 2016 financial year	0	0	0	0	0	0
Total earnings 2017	0	0	0	0	0	35
Proceeds/payments to non-controlling interests	0	0	0	0	0	0
Change due to increase in share	0	0	0	-125	0	0
As of December 31, 2017	**35,314**	**-2,184**	**10,345**	**-844**	**0**	**0**

	Profit/loss carried forward	Net earnings attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
	-2,056	**-821**	**39,806**	**-1,237**	**38,569**
	-779	821	**42**	-42	**0**
	0	644	**682**	47	**729**
	0	0	**0**	-140	**-140**
	-2,835	**644**	**40,530**	**-1,372**	**39,158**

	Profit/loss carried forward	Net earnings attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
	-2,835	**644**	**40,530**	**-1,372**	**39,158**
	644	-644	**0**	0	**0**
	-331	0	**-331**	0	**-331**
	0	1,065	**1,100**	140	**1,240**
	0	0	**0**	-101	**-101**
	0	0	**-125**	125	**0**
	-2,522	**1,065**	**41,174**	**-1,208**	**39,966**

Consolidated statement of cash flows

3U Group (in TEUR)	Notes to the consolidated financial statements [section 2.2.3 and 7]	Jan 1–Dec 31, 2017	2016
Periodenergebnis		**1,205**	**691**
+/- Depreciation/write-ups of fixed assets		3,685	3,650
+/- Increase/decrease of provisions		124	85
-/+ Profit/loss on disposal of non-current assets		4	-31
-/+ Increase/decrease in inventories and trade receivables		478	-5,797
+/- Increase/decrease in trade payables		1,761	1,043
+/- Changes other receivables		-920	-863
+/- Changes to other payables		350	39
+/- Change in tax assets/liabilities including deferred taxes		324	-584
+/- Other non-cash changes		-365	55
Cash flows from operating activities		**6,646**	**-1,712**
+ Inflows from disposals of property, plant and equipment		8	61
- Outflows for investments in property, plant and equipment		-648	-9,560
- Outflows for investments in intangible assets		-164	-998
- Outflows for investments property		0	-83
- Cash outflow from the purchase of consolidated companies and other business units		-45	0
+ Cash inflow from the sale of subsidiaries		1	0
- Cash outflow from the sale of subsidiaries		-330	0
Cash flows from investing activities		**-1,178**	**-10,580**
Sum carried forward*		**5,468**	**-12,292**

*Refer to followowing page

3U Group (in TEUR) Notes to the consolidated financial statements [section 2.2.3 and 7]	Jan 1–Dec 31, 2017	2016
Sum carried forward*	**5,468**	**–12,292**
– Cash outflow to companies' owner and minority partners (dividends, equity capital payback, purchase of own shares, other disbursements)	-432	-140
+ Proceeds from issue of financial liabilities	8,355	19,944
– Payments from the repayment of bonds and (financial) loans	-13,325	-3,539
Cash flows from financing activities	**–5,402**	**16,265**
Total cash flows	**66**	**3,973**
+/- Change in disposition restrictions in cash and cash equivalents	1,250	-1,112
+/- Aggregate cash flows arising from obtaining or losing control of subsidiaries	0	1
+/- Thereof as assets held for sale	-469	0
Cash and cash equivalents at beginning of period	**7,328**	**4,466**
Cash and cash equivalents at end of period	**8,175**	**7,328**
Total change in cash and cash equivalents	**847**	**2,862**

* Refer to previous page

Notes

1 General information about the Group

3U HOLDING AG (subsequently also referred to as 3U or Company), headquartered in Marburg, is the holding company of the 3U Group and a listed stock corporation. It is registered in the commercial register of the District Court Marburg under HRB 4680.

The business activities of 3U and its subsidiaries include the management of own assets, the acquisition, the administration and the sale of interests in domestic and foreign companies as well as the provision of telecommunication services and IT services in the segment ITC. The activities in the area of renewable energies and in the field of sanitary, heating and climate technology are presented in the segments Renewable Energies and SHAC.

The address of the registered office of the Company is: Frauenbergstraße 31–33, 35039 Marburg, Germany.

2 Accounting and valuation policies

2.1 Basis of preparation

These consolidated annual financial statements relate to 3U HOLDING AG and its subsidiary companies. Consolidated financial statements of 3U HOLDING AG for the 2017 financial year were compiled in accordance with the accounting standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS). The IFRS valid on December 31, 2017 were observed and the interpretations of the International Financial Reporting Committee (IFRIC) were also applied. The consolidated financial statements contain all the information required by the IFRS as endorsed by the European Union (EU) and based upon the additional requirements pursuant to section 315e (1) German Commercial Code (HGB). Inasmuch as certain standards have been applied prematurely, that will be pointed out separately.

Presentation in the statement of financial position distinguishes between current and non-current assets and liabilities, which are generally broken down further by their respective maturities in the notes to the consolidated financial statements. In addition to the income statement, the statement of financial position and the cash flow statement, changes in shareholders' equity were also shown. The income statement has been prepared using the aggregate cost method.

The consolidated financial statements of 3U HOLDING AG give a true and fair view of the net assets, financial position and earnings. Consolidated financial statements and the combined management report of 3U HOLDING AG were compiled in accordance with Article 315e of the HGB (German Commercial Code) and will be published in the German Federal Gazette.

Consolidated financial statements were compiled in Euro. The figures are stated in the consolidated financial statements in thousands of Euro (TEUR) and were rounded to whole TEUR. For reasons related to the calculations, rounding differences amounting to +/– one unit (TEUR, % etc.) may occur.

Group companies prepare their accounts and documents in accordance with the International Financial Reporting Standards (IFRS) and prepare separate financial statements in accordance with local regulations.

The financial year of 3U HOLDING AG and all subsidiaries included in the consolidated financial statements is the calendar year. The consolidated financial statements are prepared under the assumption of going concern.

Newly applied standards
3U considered all standards and interpretations issued by the IASB, which were in force as of December 31, 2017 and have been incorporated into EU law.

The following standards were applied for the first time:
- Annual Improvements to IFRSs (AIP): Cycle 2014–2016 (January 1, 2017) *
- Amendments to IAS 12: "Recognition of deferred tax assets for unrealised losses" (January 1, 2017)*
- Amendments to IAS 7: "Indicative Initiative" (January 1, 2017)*

According to the assessment of the Management Board the first-time application of these standards did not result in changes of the net assets, financial and earnings position of the Group.

*Applicable for financial years beginning on or after the specified date

The following accounting pronouncements published by the IASB have been incorporated into EU law but are not yet mandatory and have not been applied by 3U ahead of schedule:

- IFRS 15: "Revenue from Contracts with Customers" (January 1, 2018)*
- IFRS 9: "Financial Instruments" (January 1, 2018)*
- IFRS 16: "Leases" (January 1, 2019)*
- Clarification to IFRS 15: "Revenue from Contracts with Customers" (January 1, 2018)*
- Amendments to IFRS 4: "Application of IFRS 9 Financial Instruments together with IFRS 4 Insurance Contracts" (January 1, 2018)*

The individual effects of the changes will be reviewed by the parent company 3U HOLDING AG for the Group. Significant changes are currently not seen.

IFRS 15 "Revenue from Contracts with Customers" restates the recognition of revenues. Under IFRS 15, the recognition of revenue is intended to reflect the transfer of the promised goods or services to the customer in the amount that corresponds to the consideration that the entity expects to receive for those goods or services. Revenues are realised when the customer receives power over the goods. In the 3U Group, the first-time application of these standards will not result in any noteworthy changes with regard to the amount of sales and the timing of sales recognition. In the 3U Group, existing production orders basically meet the requirements for a period-related realisation of sales. Changes will only be made by additional quantitative and qualitative information.

IFRS 9 "Financial Instruments" introduced a uniform approach to the classification and measurement of financial assets. The application of IFRS 9 is not expected to have a material impact on the 3U Group. Financial instruments that cannot be measured at amortized cost are not to be expected in the 3U Group. Significant effects of the new impairment model of IFRS 9 on the impairment of financial instruments are not expected.

In particular, the first-time application of IFRS 16 "Leases" may result in changes that could have a significant impact on the net assets, financial position and earnings. All possible leases have been examined in order to be able to make an appropriate classification and valuation. In addition to the vehicle leasing contracts, these are in particular a wide variety of contracts with regard to the leasing of land in the area of wind farms.

The first-time application of this standard will have a significant impact on the balance sheet and on the income statement. The capitalisation of 3U HOLDING AG as at December 31, 2017 would increase by around EUR 3.8 million, in particular as a result of the capitalisation of the rights of use as well as the passivation of the associated lease liabilities. There would also be a reduction in other operating expenses as well as an increase in depreciation and interest expenses in a comparable amount. Based on the consolidated figures as of December 31, 2017, this would result in an EBITDA improvement of around EUR 0.6 million.

Recent accounting pronouncements and pronouncements that have not yet been finalized have not had any material impact on the consolidated financial statements of 3U following the Company's findings.

The IASB has published a number of other announcements, but these have not yet been transposed into EU law.

*Applicable for financial years beginning on or after the specified date

- IFRS 14: "Regulatory Deferrals" (The European Commission has decided to omit the adoption procedure of this interim standard and to await the final outcome instead.)
- Amendments to IFRS 10 and IAS 28: "Disposal or Contribution of Assets between an Investor and an Associate or Joint Venture" (postponed indefinitely)*
- Amendments to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (January 1, 2018)*
- Annual improvements to IFRS (AIP) – Cycle 2014–2016 (January 1, 2018/January 1, 2017)*
- IFRIC Interpretation 22: "Transactions in Foreign Currency and Prepaid Considerations" (January 1, 2018)*
- Amendments to IAS 40: "Transfer of Investment Property" (January 1, 2018)*
- IFRS 17: "Insurance Contracts" (January 1, 2021)*
- IFRIC 23: "Uncertainty regarding income tax treatment" (January 1, 2019)*
- Amendments to IFRS 9: "Prepayments with negative compensation" (January 1, 2019)*
- Amendments to IAS 28: "Long-Term Investments in Associates and Joint Ventures" (January, 1, 2019)*
- Annual Improvements to IFRSs (AIP) – Cycle 2015–2017 (January 1, 2019)*

The individual effects of the changes are examined by the parent company 3U HOLDING AG for the Group. In particular, we do not expect any noticeable effects from the standard IFRS 17 and IFRIC 22 and 23.

2.2 Basis of group accounting

2.2.1 Scope and policies of consolidation

In 2017, the scope of consolidation for 3U HOLDING AG consists of 23 (previous year: 23) German and foreign subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights and in which 3U HOLDING AG controls the affiliated company. Control exists when 3U HOLDING AG has the power to govern the financial and operating policies of these companies. Domination by 3U HOLDING AG occurs in accordance with IFRS 10, if the following conditions are met:

- 3U HOLDING AG exerts power over the subsidiary;
- 3U HOLDING AG is exposed to fluctuating yields from its participation;
- 3U HOLDING AG affects the amount of yields by virtue of its power.

14 (previous year: 12) subsidiaries, whose impact on the net assets, financial position and results of operations individually and as a group is of minor importance are not consolidated. These are either not yet active or not anymore active companies. They are valued at cost and are shown under non-current assets.

A business combination occurs when 3U HOLDING AG obtains control of another company. According to the rules of IFRS the business combination (capital consolidation) is based on the acquisition method (revaluation method). The cost of an acquired subsidiary is measured at the fair value of the consideration transferred, i.e. the sum of surrendered assets acquired and liabilities assumed. Incidental acquisition costs are recognized as an expense. Acquisition costs are allocated to the acquired assets, liabilities and contingent liabilities. The assets and liabilities are measured in full at their fair values. Any surplus acquisition costs above the share in the fair values of the identified assets and assumed liabilities acquired by the parent company are recognised as goodwill.

*Applicable for financial years beginning on or after the specified date

Initial recognition takes place with effect from the day on which 3U HOLDING AG indirectly or directly enters into a controlling relationship with the subsidiary. Amounts allocated to noncontrolling interests are reported separately under equity.

Income and expenses of a subsidiary are consolidated from the acquisition date in the Consolidated Financial Statements. Income and expenses of a subsidiary are included in the Consolidated Financial Statements until control is terminated by the parent company. Where necessary, the accounting policies of subsidiaries are adjusted to the uniform Group accounting policies of 3U HOLDING AG.

Subsidiaries are deconsolidated from the date on which they are no longer controlled or the influence of the subsidiary on the asset, financial and earnings position is of minor importance.

Internal sales, expenses and income within the Group and receivables and liabilities between the consolidated companies are eliminated. Income tax effects as well as deferred taxes are taken into account within the consolidation procedures affecting income.

Interim results from Group internal deliveries and services are eliminated.

Transactions on the further purchase or sale of equity shares with other shareholders which do not touch the dominant influence of 3U HOLDING AG, lead to no change in goodwill. The difference between the fair value of the transmitted or received amounts and the relevant book value attributable to non-controlling interests is recognised in Group equity and should be adjusted against equity.

In the event of the sale of a subsidiary and any other events which result in deconsolidation, the assets and liabilities included until this event and existing goodwill are offset against the proceeds from the disposal.

IFRS 11 distinguishes between two types of joint arrangements:
- joint operation
- joint venture (JV)

A joint venture (JV) is a joint arrangement in which the parties exercise joint control and also hold rights to the net assets of the investee company.

A joint operation is when two or more companies come to an agreement in which they have direct interests in the assets and obligations for the liabilities.

The accounting for the investment in joint ventures (JV) is done using the equity method under IAS 28.

An associated company is a company over which the Group has a considerable influence through the option of participating in the decision-making processes with regard to its financial and business policy and which is not a subsidiary or a joint venture of the Group.

The earnings of associated companies are included by using the equity method according to IAS 28.

Shares in joint ventures and associated companies are posted on the balance sheet at historical cost, adapted in line with any changes in the Group share in the net assets of the joint venture or associated company following the acquisition and reduced in line with the decline in value of the individual shares. If the amount of losses of a joint venture or an associated company corresponds or surpasses the value of the full book value of equity held in the associated company, 3U will not record further shares of loss unless 3U has incurred respective obligations.

2.2.2 Foreign currency translation

The assets and liabilities of foreign companies included are converted into Euro in accordance with the functional currency concept. The functional currency of the subsidiaries is the local currency of the country in which the relevant company is headquartered. Consequently, assets and liabilities posted in foreign currency on the statements of financial position of foreign subsidiaries are converted into Euro at the relevant rate on the reporting date. Income and expenses are converted at the average rate for the year. The difference between the historical rate and the rate on the reporting date resulting from the measurement is shown as a change in equity in accordance with IAS 21.

In the financial statements, transactions in foreign currencies are valued at the exchange rate at the time of the initial booking of the transaction. Up to the reporting date exchange gains and losses resulting from the valuation of financial instruments and cash and cash equivalents are included in income.

The exchange rates for foreign currencies are as follows:

	Exchange rate on the reporting date (EUR 1 in foreign currency units)		Average rate for the year (EUR 1 in foreign currency units)	
	2017	2016	2017	2016
Currency CHF	1.1702	1.0739	1.1117	1.0902
Currency USD	1.1993	1.0541	1.1297	1.1069

In the 2017 financial year, net foreign exchange expenses resulted in expenses of TEUR 3 (previous year: net gain of TEUR 0). The recognition within the profit and loss statement is included in other operating income or expenses.

2.2.3 Cash flow statement

The cash flow statement shows how the cash of the 3U Group changed during the reporting year as a result of inflows and outflows. In accordance with IAS 7 cash flows from operating activities (indirect method), investing activities and financing activities are differentiated.

In the first-time inclusion of subsidiaries, only actual cash flows are reported in the cash flow statement. The cash amount from the purchase or sale of companies is reported as cash flow from investing activities. Aggregated cash flows from the purchase and sale of subsidiaries or other business units are reported separately and classified as investing activities.

2.2.4 Use of estimations and assumptions

The preparation of the annual financial statements and consolidated financial statements in accordance with the International Financial Reporting Standards requires estimations and assumptions that affect the amounts in the assets and liabilities, the notes to the financial statements and the income statement. Assumptions and estimations are mainly applied in stipulating the useful lifes and terminal values of fixed assets, in measuring receivables, in calculating discounted cash flows as part of impairment tests and in creating provisions. There are also uncertainties regarding the recognition of deferred taxes. Management's estimations are based on experience and other assumptions, which are considered appropriate under the circumstances given. Estimations and assumptions are reviewed on an ongoing basis. Necessary adjustments are made in accordance with IAS. 8

The actual amounts may deviate from these estimations and assumptions.

The operations of 3U Group result in various legal disputes. These are regularly examined to measure the provisions for any probable claims including estimated legal costs. With regard to the uncertainty of the outcome of these proceedings, there is the possibility of a negative impact on future operating results.

On each balance sheet date, 3U establishes whether there are any indications that non-financial assets are impaired. Goodwill is reviewed at least once a year or if there are any indications of impairment. To estimate the useful life, management must estimate the likely future cash flow from the asset or cash-generating unit and select an appropriate discount rate to calculate the present value of this cash flow.

2.2.5 Earnings per share

Earnings per share correspond to the profit belonging to the shareholders of 3U, respectively the profit (after taxes) divided by the weighted average quantity of outstanding stock during a financial year. 3U calculates the result per share (fully diluted) under the assumption that all possibly dilutive securities and remuneration plans which are based on securities are transformed or exercised. There is currently no dilution as in the previous year.

2.3 Basis of accounting and valuation

2.3.1 Basic principles of sales realisation

Sales include all sales resulting from the ordinary business activities of the 3U Group. Sales are reported net of VAT and after deduction of discounts granted. They are recorded in accordance with the service provision. In doing so, a distinction is made between time and performance obligations.

Sales in the segment ITC result from the activity as a fixed line network provider with its own transmission network and its own switching technology, as well as services related to its own data centers. This segment also includes sales from the distribution and operation of cloud-based CRM and ERP solutions as well as from the IT licensing business.

In the segment Renewable Energies, external sales were generated with the planning and development of projects in the area of renewable energies as well as with the production of electricity with own plants.

In the segment SHAC, sales are generated from the marketing of products from the sanitary, heating and climatisation technology as well as from the assembly of components for building air conditioning.

Sales are calculated and reported without value-added tax and after deduction of discounts granted on performance of the service or acceptance by the customer.

Sales within Holding/Consolidation are also achieved from the rental of real estate.

Sales from time-point-related obligations are recognized when the service has been completed and it is probable that the economic benefits will flow from the business to the company.

Sales from construction contracts and service contracts (work services) are realised as a period-related performance obligation in accordance with the performance progress. The performance progress or degree of completion is generally determined by the ratio of the contract costs incurred up to the reporting date to the total contract costs estimated on the reporting date (cost-to-cost method). The orders are reported as assets under "Contractual assets" or, in the case of impending losses, as liabilities under "Contractual liabilities". If prepayments exceed the cumulative benefit, the liability is recognized as a liability under liabilities. Other contracts based on fixed prices are also recognized on a straight-line basis over the term of the contract. Income that is not related to the operating business is reported under other operating income.

Income that is not related to the operating business is reported under other operating income.

2.3.2 Total cost

Total cost comprises all arising costs in the year under review.

2.3.3 Research and development costs

Research costs, when incurred, are recognised as an expense in the profit and loss statement. The technological viability of the product is achieved only shortly before market maturity. Processes between the research and development stages are iteratively closely linked up to the stage of technological viability. Expenses for research and development which occur after the achievement of technological viability are insignificant. In fiscal year 2016 research and development costs of EUR 0.4 million (previous year: EUR 0.5 million) were incurred by the Group.

2.3.4 Interest earned

Interest earned is recognised using the effective interest rate method at the time it is incurred. The effective interest rate is the interest rate with which the expected future inflows are discounted over the duration of financial assets to the net carrying amount of these assets.

2.3.5 Interest expenses

Pursuant to the provisions of IAS 23, interest expenses for qualifying assets are capitalized as part of the cost of production, if their production takes a longer period. Interest expense of EUR 0.0 million was capitalized in the 2017 financial year. In the previous year, interest expenses of EUR 0.1 million were capitalized (interest rate: 1.25 % to 2.45 %).

Interest expenses are recognised using the effective interest rate method at the time they are incurred. The effective interest rate is the interest rate with which the expected future outflows are discounted over the duration of financial liabilities to the net carrying amount of these liabilities.

2.3.6 Income taxes

Income taxes are recognised and calculated in accordance with IAS 12 applying the balance-sheet orientated liability method. Tax expenses and refunds which are dependent on income and earnings are recorded as income taxes.

Current taxes for due taxes from income or profit are recognised as of the time they occurred. Deferred taxes consist of expected tax payments or refunds from temporary assessment differences between the Group and tax balance sheets as well as the utilisation of tax loss carry-forwards and from consolidation entries. Capitalised goodwill does not result in deferred taxes. Deferred tax assets and liabilities are assessed with future valid tax rates, whereby tax rate changes in principle are only taken into consideration when the change in tax law becomes effective. If the feasibility of deferred tax assets is not sufficiently probable, recognition does not occur.

2.3.7 Goodwill

Goodwill resulting from capital consolidation is not amortised in accordance with IFRS 3. Goodwill recognised on the statement of financial position is assessed once a year for its economic benefit and for declines in value and more frequently if there are indications of declines in value (impairment test) and in the event of a decline in value is written down to its recoverable amount.

Please refer to the comments under 2.3.14.

2.3.8 Other intangible assets

Intangible assets are capitalised in accordance with IAS 38 (Intangible Assets) if it is likely that a future economic benefit relating to the use of the asset and costs of the asset can be reliably determined. Intangible assets are measured at cost less scheduled depreciation and impairments. Regular depreciation is recognized under the item depreciation.

Depreciating intangible assets are in principle written down over a useful life of three to five years.

Rights to use the land on which plants were built to produce renewable energies are amortized over the contractual period of use.

Telecommunication licenses shown under intangible assets are written down linear over 10 years. Software licenses for transmission and IT equipment are depreciated over three to ten years.

Again, please refer to the comments under 2.3.14.

2.3.9 Property, plant and equipment

Property, plant and equipment are reported pursuant to IAS 16 at depreciated cost. If property, plant or equipment are sold or retired, their acquisition cost and cumulated depreciation are eliminated from the statement of financial position and the profit or loss resulting from their sale is posted in the income statement.

The original cost of property, plant and equipment includes the purchase price plus additional acquisition costs and subsequent acquisition costs as well as the present value of restoration obligations. Financing costs pursuant to IAS 23 are included in the cost of assets.

Depreciation is calculated linearly over the following estimated useful lifes taking into account the residual value and reported under the item depreciation:

Buildings	25–40 years	Switching technology	5 years
Power plants	10–25 years	Transfer technology	5–8 years
Operating equipment	4 years	Leasehold improvements	Duration of the lease agreement
Office equipment	3–13 years		

On land and leasehold rights no depreciation is ceased.

The used service lifes and depreciation methods used are examined in each period to ensure that the depreciation methods and the depreciation period correspond to the anticipated economic benefit of property, plant and equipment. If the acquisition costs of certain tangible assets are crucial, in relation to the overall acquisition and production costs, 3U assesses those components separately and writes them off.

The costs of restoration obligations are individually assessed per location when the obligation arises on conclusion of the contract and were capitalized when a corresponding provision was created; they are checked to see whether they are up-to-date every year and adjusted if necessary.

Please refer to the comments under 2.3.14.

2.3.10 Investment property

Properties that are held to earn rentals or for capital appreciation and are not used in production or used for administrative purposes, are reported separately under investment property. The assessment of those held as investment property are measured at amortized cost.

Depreciation is calculated on a linear basis over the following estimated useful lifes:

Buildings 25–40 years

On land and leasehold rights no depreciation is ceased.

Please refer to the comments under 2.3.14.

2.3.11 Cost of debt

Please refer to the comments under 2.3.5.

2.3.12 Financial instruments

Financial assets

For the purposes of IAS 39, financial assets are classified as loans and receivables and as available-for-sale financial assets. On initial recognition, available-for-sale financial assets are measured at fair value. The Company stipulates the classification of its financial assets when they are initially recognised and reviews this allocation at the end of each financial year. Following initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized net of deferred taxes via the overall result in equity. At the time the financial asset is derecognised or at which impairment in the financial asset is identified, the cumulative gain or loss posted in equity is recognised as profit or loss in the income statement. In fiscal years 2015 and 2016 there were no financial assets for sale available.

Notwithstanding this, participations are not valued at fair value as this is not reliably measurable. Accounting is carried out at amortized cost.

In the case of standard sales and purchases of financial assets, they are reported on the trading date, i. e. the date on which the Company entered into the commitment to buy the asset. Standard purchases or sales are sales or purchases of financial assets, which prescribe delivery of the assets within a period, set by market rules or conventions.

Financial assets, which were classified as loans or receivables, are measured at amortised cost less impairments whereby the Company uses the effective interest rate method. Impairments of trade receivables and other receivables are recognised on separate value adjustment accounts.

Current financial assets included on the statement of financial position comprise other current receivables. Assets are recognised at par value and, where they are associated with apparent risks, are adjusted individually.

Lump-sum individual value adjustments are made based on uniform age structuring for the Group.

Receivables in foreign currencies are translated at the exchange rate on the closing date. Value adjustments based on exchange rates are recognised in profit or loss.

Cash and cash equivalents

This item includes all cash and cash equivalents that have a residual term of fewer than three months at the time of acquisition or investment. Cash and cash equivalents are priced at fair value. These include time deposits, which are lodged as security. They are not part of the cash funds and are deducted in the cash flow statement.

Impairments to financial instruments

If there are objective and substantial indications of impairment in relation to financial assets classified as loans and receivables and financial investments held to maturity, an impairment test is made as to whether the carrying value of the expected future cash flows exceeds the present value of a comparable financial asset discounted at the current market yield. Should this be the case, the asset will be written down by the difference. Indications of impairment include a material deterioration in credit worthiness, a particular breach of contract, the substantial probability of insolvency or another form of financial restructuring on the part of the debtor or the disappearance of an active market. Insofar as risks have already occurred, a specific provision is carried out. If the reasons for write downs previously undertaken no longer apply, the assets will be written up accordingly — but not beyond the cost of acquisition.

Discharge

The Group will only derecognise a financial asset if the contractual rights to cash flows from a financial asset expire or it assigns the financial asset and all risks and opportunities associated with title to the financial asset to a third party.

Financial liabilities

Financial liabilities relate to original liabilities. Original liabilities are stated in the consolidated statement of financial position if 3U has a contractual obligation to assign cash and cash equivalents or other financial assets to another party. An original liability is initially recognised at the fair value of the consideration received or at the value of the cash and cash equivalents less transaction costs incurred. Liabilities are subsequently measured at amortised cost using the effective interest rate method. Liabilities under finance leases are stated at the present value of the rental or lease instalments at the time the lease is concluded. In subsequent periods, the principle repaid in the rental and lease instalments lead to a reduction of the liability.

Financial liabilities are derecognised if the contractual obligations are settled, cancelled or expire.

2.3.13 Leases

A lease is classified under IAS 17 as a finance lease if it transfers substantially all of ownership risks and rewards to the lessee. The classification of leases is therefore dependent on the substance of the arrangement and not of a form of the contract.

In the context of financing lease contracts held assets are recognized at first as Group assets at their fair value at the inception of the lease or, if lower, the present value of the minimum lease payments. Depreciation is calculated over the lease term or the shorter life of the leased asset. The corresponding liability to the lessor is shown in the balance sheet as an obligation under finance leases.

Lease payments are apportioned between finance charges and reduction of the lease obligation so a constant interest rate of the remaining liability is achieved. Interest expenses are recognized directly in the income statement.

Lease payments under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless another systematic basis corresponds more closely to the temporal consumption of benefits for the lessee.

2.3.14 Impairment of non-financial assets

3U checks goodwill for possible impairment in accordance with the Group's accounting regulations at least once a year. Determination of the recoverable amount of a line of business to which goodwill was allocated is associated with estimations by Management. The Company determines these figures using valuation methods based on discounted cash flows. These discounted cash flows are based on three-year forecasts which build on financial plans approved by the management. The cash flow forecasts take account of past experience and are based on management's best estimations of future developments. Cash flows beyond the planning period are extrapolated without growth rates. Income and expenses resulting from expansion investments were not considered in this case.

In the review for impairment the goodwill acquired in the scope of a business combination is assigned to each cash-generating unit, which is expected to benefit from the synergies of the combination. Impairment of goodwill may not be reversed. If the impairment of the cash-generating unit exceeds the carrying amount of goodwill allocated, the additional amount has to be accounted for by a proportional reduction of the carrying amounts of assets allocated to the cash-generating unit.

Goodwills were determined in the context of business combinations within the segments Renewable Energies and SHAC. Goodwills resulting in previous years are allocated to the cash-generating units "online shop", "project development" and "production of wind energy".

The property, plant and equipment and other intangible assets of the Company are subject to an impairment test at least on each balance sheet date to ascertain whether there are any indications of impairment. In the event of such indications, the recoverable amount for the asset is determined in order to calculate the amount of any appropriate impairment charge. If the assets do not generate any cash flows independently of other assets, the recoverable amount for the individual asset value is calculated based on the cash generating unit to which the asset belongs.

If the recoverable amount of an asset (or of a cash-generating unit) is below its carrying amount, the carrying amount is reduced to the recoverable amount. The impairment amount must be recognised in income immediately. If write-ups are required in accordance with IAS 36, they are recognised in income.

The newly established recoverable amount is written up. However, it is not to be written up beyond the amount that would have been its carrying amount if it had not declined in value previously.

Non-current assets or groups of assets that are sold in a single transaction (disposal group) that are classified as held for sale, including any associated debt, are generally carried at the lower of carrying amount and fair value less costs to sell. Assets held for sale are no longer subject to scheduled depreciation.

2.3.15 Inventories

Inventories are estimated at acquisition and/or manufacturing costs or at lower net sale values. Acquisition costs are generally calculated according to the principle of individual evaluation or according to the average method. Manufacturing costs consist of directly attributable expenses and production related material and factory overheads as well as depreciation. Inventory risks resulting from limited usability or significant storage period are taken into consideration by corresponding allowances.

2.3.16 Provisions

Provisions are recognised if there is a liability to a third party arising from a past event which is likely to be utilised and if the future expected outflow can be reliably estimated. The amount of provisions for litigation is determined on the basis of the outcome of the dispute as assessed by the Management Board to the best of its knowledge and in line with the facts known at the balance sheet date. Non-current provisions with a remaining term of more than one year are reported at their provisional discounted settlement amount as of the balance sheet date.

2.3.17 Deferred tax assets

Deferred tax assets and liabilities are calculated in accordance with IAS 12 ("Income Taxes") for all temporary differences between the tax values of assets, equity and liabilities and the values in the consolidated statement of financial position. Deferred tax assets are recognised to the extent that it is likely that there will be taxable earnings available against which the deductible temporary difference can be applied. The basis for this is the forecast of the taxable earnings, which are derived from the three-year planning approved by Management. The assessment and measurement of deferred tax assets is examined on each balance sheet date, taking the current estimations into account in accordance with IAS 12.37 and IAS 12.56.

Deferred tax assets on benefits from unused tax loss carry forwards are capitalised to the extent that it can be assumed with sufficient probability that the respective company can generate sufficient taxable income in the future.

Deferred taxes are calculated on the basis of tax rates which are valid at the time of realisation or will apply in future. Deferred taxes are recognised as tax income or expense in the income statement unless they relate to items recognised directly in equity; then deferred taxes are recorded in equity without impact on profit or loss.

Deferred tax assets and liabilities are netted off, if they relate to income taxes collected from the same tax office and the Group intends to settle its current tax assets and liabilities on a net basis.

2.3.18 Other non-financial liabilities

Other non-financial liabilities encompass tax liabilities, liabilities to employees and other miscellaneous liabilities. At first-time recognition they are reported at the repayment amount, discounted if applicable. Foreign currency liabilities are measured at the exchange rate on the reporting date.

2.3.19 Acquisition of own shares

Own shares are recognised as a deduction from equity. In buying back own shares, the entire acquisition costs of those own shares are deducted as one amount from equity (one-line-adjustment).

2.3.20 Employee participation programme

The Group grants the Management Board and employees share-based remuneration through equity instruments. Remuneration with equity instruments is measured at fair value at the commitment date. The fair value of the share-based payments using equity instruments at the commitment date is recognised as an expense on a straight-line basis throughout the blocking or vesting period and recognised in capital reserves. This is based on the internal Group estimations of the number of shares which provide entitlement to additional remuneration.

On every balance sheet date, the Group reviews its estimations regarding the number of equity instruments that become non-forfeitable. The effects of any changes of estimations, where such exist, are recognised as profit or loss over the remaining time until the non-forfeiture.

Under the 2011 Stock Option Plan, no option rights were exercised. The stock options thus expired in 2016 in full.

At the balance sheet date there is no other employee stock options plan.

2.3.21 Comparative figures

Comparative figures are adapted where necessary, to ensure that they are comparable with the current year due to changes in reporting.

2.3.22 Fair value measurement

The fair value is defined as the price that would be taken in an orderly transaction between market participants at the measurement date for the sale of an asset or paid to transfer a liability.

The measurement of fair value relates each a specific asset or a specific liability. In determining the fair value, consequently, the characteristics of the asset or the related debt are taken into account, which a market participant would take into account in pricing the asset or liability at the measurement date. Such features include, among others, the following:
(a) state and location of the asset and
(b) sales and use restriction on the asset.

With the aim of increasing the uniformity and comparability in the measurement of fair value and the related information, a design hierarchy is defined (so-called "fair value hierarchy"). This hierarchy divides the inputs used in the valuation techniques used to measure fair value into three levels. As part of the design hierarchy identical assets or liabilities in active markets quoted (not adjusted) prices (input factors at level 1) are given the highest priority, while unobservable inputs receive the lowest priority (input factors at level 3).

Input factors at level 2 are other than quoted market prices mentioned in Level 1 that are either directly observable or indirectly observable for the asset or liability.

3 Scope of consolidation

Subsidiaries included in the full consolidation:

Company	Registered office	Country	Share held by 3U HOLDING AG*
010017 Telecom GmbH	Marburg	Germany	100 %
3U ENERGY AG**	Marburg	Germany	99.998 %
3U ENERGY PE GmbH	Kloster Lehnin	Germany	99.998 %
3U Euro Energy Systems GmbH**	Marburg	Germany	99.996 %
3U TELECOM GmbH	Marburg	Germany	100 %
3U TELECOM GmbH	Vienna	Austria	100 %
ClimaLevel Energiesysteme GmbH	Cologne	Germany	75 %
Discount Telecom S&V GmbH	Marburg	Germany	100 %
Exacor GmbH	Marburg	Germany	100 %
fon4U Telecom GmbH	Marburg	Germany	100 %
Immowerker GmbH**	Marburg	Germany	100 %
LineCall Telecom GmbH	Marburg	Germany	100 %
Märkische Windkraft 110 GmbH & Co. KG**	Kloster Lehnin	Germany	99.998 %
OneTel Telecommunication GmbH	Marburg	Germany	100 %
PELIA Gebäudesysteme GmbH	Montabaur	Germany	100 %
Repowering Sachsen-Anhalt GmbH	Marburg	Germany	99.998 %
RISIMA Consulting GmbH	Marburg	Germany	100 %
Selfio GmbH	Linz am Rhein	Germany	100 %
Solarpark Adelebsen GmbH**	Adelebsen	Germany	100 %
weclapp GmbH**	Marburg	Germany	74.9998 %
Windpark Havelland Projekt I GmbH & Co. KG**/***	Kloster Lehnin	Germany	99.998 %
Windpark Langendorf GmbH & Co. KG**	Marburg	Germany	99.998 %
Windpark Langendorf Verwaltungsgesellschaft mbH	Marburg	Germany	99.998 %

*3U HOLDING AG holds directly or indirectly shares in these companies.

**There are restrictions on loan cancellations and/or distributions due to a patronage or declaration of rescission by the parent company or on the basis of capital service provisions in loan agreements. Please refer to the explanations under point 6.9.

***The company was deconsolidated on August 31, 2017.

Changes to the consolidated group

Compared with December 31, 2016, the changes in the scope of consolidation are as follows.

In the course of the sale of the wind park Schlenzer, the project company Windpark Havelland Projekt I GmbH & Co. KG was deconsolidated as of August 31, 2017.

It has been included as a subsidiary in the consolidated group since September 1, 2016. Both sales and earnings have not been incurred either before or since the initial consolidation date.

As of December 31, 2017, 3U HOLDING AG 22 (December 31, 2016: 23) domestic and foreign subsidiaries are included in the scope of consolidation in which 3U HOLDING AG directly or indirectly controls the majority of the voting rights or has control of the voting rights.

14 (December 31, 2016: 12) subsidiaries whose influence on the Group's net assets, financial position and earnings are of minor significance individually or jointly are not consolidated. These are essentially non-active companies. They are valued at acquisition cost less necessary value adjustments and reported under long-term assets.

Joint Ventures

Companies included within the assessment according to the "at-equity"-method:

Company	Registered office	Country	Share held by 3U HOLDING AG*
Spider Telecom GmbH	Marburg	Germany	50 %

*3U HOLDING AG holds directly shares in this company.

Please refer to the statements under point 6.1.4.

Other financial assets

Windkraft Lüdersdorf II GmbH & Co. OHG is a company for the construction and maintenance of the infrastructure of a wind farm project with several operating companies. The company does not carry out any further business activities.

The other companies carry out no or no significant business activities. The influence of these companies on the net assets, financial position and earnings of operations of the Group is of minor importance both individually and collectively.

Company	Registered office	Country	Share held by 3U HOLDING AG*	Currency	Shareholders' equity	Earnings for the financial year 2017
3U DYNAMICS GmbH	Marburg	Germany	100 %	EUR	48,648.78	-313.60
3U MOBILE GmbH	Marburg	Germany	100 %	EUR	8,686.45	-502.49
ACARA Telecom GmbH	Marburg	Germany	100 %	EUR	17,534.48	-312.40
Calefa GmbH	Montabaur	Germany	100 %	EUR	16,046.51	-337.15
EEPB Erneuerbare Energien Planungs- und Beratungs gesellschaft mbH	Marburg	Germany	100 %	EUR	58,063.95	353.86
Märkische Windkraft 89 GmbH & Co. KG**	Berlin	Germany	99.998 %	EUR	-6,335.60	-3,600.71
Märkische Windkraft 112 GmbH & Co. KG	Kloster Lehnin	Germany	99.998 %	EUR	-7,432.82	-4,763.27
Triast GmbH in Liquidation	Kreuzlingen	Switzerland	100 %	CHF	4,854.86	0.00
Windkraft Lüdersdorf II GmbH & Co. OHG**	Potsdam	Germany	39.992 %	EUR	2,246,366.03	-19,431.23
Windpark DBF GmbH	Marburg	Germany	100 %	EUR	5,424.36	-312.40
Windpark Havelland Projekt II GmbH & Co. KG	Kloster Lehnin	Germany	99.998 %	EUR	-1,961.20	-1,618.00
Windpark Merzdorfer Heide I GmbH & Co. KG	Kloster Lehnin	Germany	99.998 %	EUR	-4,152.40	-3,244.00
Windpark Merzdorfer Heide II GmbH & Co. KG	Kloster Lehnin	Germany	99.998 %	EUR	-800.00	-18.00
Windpark Ruppin Projekt GmbH & Co. KG	Kloster Lehnin	Germany	99.998 %	EUR	-676.00	-44.00
Windpark Ruppin Projekt 2 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-329.22	-329.22

*3U HOLDING AG holds directly or indirectly shares in these companies.
**Financial Statements 2016

The myFairPartner Limited, London, on the 3U HOLDING AG had a 20 % stake, was deleted in the 2017.

4 Segment reporting

In accordance with the regulations of IFRS 8, business segments, the segment reporting of 3U HOLDING AG applies the "Management Approach" regarding segment identification.

The information that is regularly made available to the Management Board and Supervisory Board is therefore regarded to be relevant for the segment presentation.

According to internal reporting, 3U covers the segments ITC, Renewable Energies, SHAC and Holding/Consolidation within its segment reporting.

The segment ITC comprises the activities Voice Retail, Business Voice and Data Center Services & Operation as well as the development, distribution and operation of cloud based CRM and ERP solutions and the trading of IT licenses.

In the segment Renewable Energies the 3U Group essentially covers the wind power project development and electricity generation with own plants using wind and solar energy.

In addition to the assembly of components of air conditioning in buildings, the distribution of products from sanitary, heating and air conditioning systems to wholesalers, craftsmen and self-builders belong to the segment SHAC. This distribution is carried out via the Group's online stores.

Besides the aforementioned segments, Holding activities as well as the necessary Group consolidating entries are summarised under Holding/Consolidation.

Segment reporting follows the intra-segment consolidation, while the inter-segment consolidation occurs on holding level.

A detailed description of the segments is available in the interim combined management report in the business performance presentation.

Segment reporting 2017 January 1–December 31, 2017 (in TEUR)	ITC	Renew-able Energies	SHAC	Subtotal	Holding/ Consoli-dation	Group
Total sales	15,736	9,784	37,558	63,078	495	63,573
Intercompany sales (intra-segment sales)	-2,633	-42	-14,012	-16,687	0	-16,687
Segment sales/Group sales	**13,103**	**9,742**	**23,546**	**46,391**	**495**	**46,886**
Other income	418	792	220	1,430	271	1,701
Change in inventory	0	-517	30	-487	0	-487
Other capitalised services	0	0	0	0	0	0
Costs of materials	-6,999	-409	-17,518	-24,926	48	-24,878
Gross profit or loss	**6,522**	**9,608**	**6,278**	**22,408**	**814**	**23,222**
Staff costs	-3,195	-552	-3,031	-6,778	-2,701	-9,479
Other operating expense	-1,636	-2,815	-2,591	-7,042	-27	-7,069
EBITDA	**1,691**	**6,241**	**656**	**8,588**	**-1,914**	**6,674**
Depreciation	-355	-2,381	-105	-2,841	-844	-3,685
EBIT	**1,336**	**3,860**	**551**	**5,747**	**-2,758**	**2,989**
Financial result*	**-48**	**-1,254**	**-48**	**-1,350**	**263**	**-1,087**
Profit/loss of companies recognised at equity**	0	0	0	0	1	1
Other financial result	-48	-1,254	-48	-1,350	262	-1,088
Income tax	166	-755	-108	-697	0	-697
Earnings for the period*	**1,454**	**1,851**	**395**	**3,700**	**-2,495**	**1,205**
Of which attributable to non-controlling interests	68	0	72	140	0	140
Segment earnings*/Group earnings	**1,386**	**1,851**	**323**	**3,560**	**-2,495**	**1,065**

*Before earnings transfer

**As of December 31, 2017, the carrying amounts of companies accounted for using the equity method amounted to TEUR 13 and were allocated to the area Holding.

Segment reporting 2016 January 1–December 31, 2016 (in TEUR)	ITC	Renewable Energies	SHAC	Subtotal	Holding/ Consolidation	Group
Total sales	19,718	11,696	32,794	64,208	233	64,441
Intercompany sales (intra-segment sales)	-2,764	-6,780	-11,157	-20,701	0	-20,701
Segment sales/Group sales	**16,954**	**4,916**	**21,637**	**43,507**	**233**	**43,740**
Other income	498	409	291	1,198	200	1,398
Change in inventory	0	-811	17	-794	0	-794
Other capitalised services	0	2,500	0	2,500	4	2,504
Costs of materials	-10,456	-1,026	-14,973	-26,455	50	-26,405
Gross profit or loss	**6,996**	**5,988**	**6,972**	**19,956**	**487**	**20,443**
Staff costs	-3,324	-618	-3,018	-6,960	-2,639	-9,599
Other operating expense	-1,939	-1,659	-2,710	-6,308	167	-6,141
EBITDA	**1,733**	**3,711**	**1,244**	**6,688**	**-1,985**	**4,703**
Depreciation	-366	-2,303	-139	-2,808	-842	-3,650
EBIT	**1,367**	**1,408**	**1,105**	**3,880**	**-2,827**	**1,053**
Financial result*	**-91**	**-1,138**	**-51**	**-1,280**	**332**	**-948**
Profit/loss of companies recognised at equity**	0	0	0	0	3	3
Other financial result	-91	-1,138	-51	-1,280	329	-951
Income tax	-113	902	-206	583	3	586
Earnings for the period*	**1,163**	**1,172**	**848**	**3,183**	**-2,492**	**691**
Of which attributable to non-controlling interests	-55	0	102	47	0	47
Segment earnings*/Group earnings	**1,218**	**1,172**	**746**	**3,136**	**-2,492**	**644**

*Before earnings transfer

**As of December 31, 2016, the carrying amounts of companies accounted for using the equity method amounted to TEUR 15 and were allocated to the area Holding.

The Management Board of 3U stipulates sales with the intersegment sales, EBITDA and the segment result before earnings transfer as major performance indicators for a segment's business success, since it considers them crucial to a segment's success. It should be noted that the tax on income – to the extent affiliation relationships with the 3U HOLDING AG exist – are borne by the controlling company, 3U HOLDING AG.

The following cash flow data were produced for the 3U Group:

Cash flow data 2017 (in TEUR) January 1–December 31, 2017	**ITC**	**Renewable Energies**	**SHAC**	**Holding/ Consolidation**	**Group**
Cash flows from operating activities	297	3,345	-251	3,255	6,646
Cash flows from investing activities	-220	-730	-29	-199	-1,178
Cash flows from financing activities	-156	-3,713	-455	-1,078	-5,402

Cash flow data 2016 (in TEUR) January 1–December 31, 2016	**ITC**	**Renewable Energies**	**SHAC**	**Holding/ Consolidation**	**Group**
Cash flows from operating activities	1,673	-4,797	1,899	-487	-1,712
Cash flows from investing activities	-176	-10,113	-76	-215	-10,580
Cash flows from financing activities	-634	16,653	-452	698	16,265

For the purposes of monitoring earnings power and allocating resources between the segments, the Management Board scrutinizes the financial assets allocated to the individual segment. Liquid funds are not allocated to any segment.

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Assets		
Segment ITC	10,138	10,872
Segment Renewable Energies	38,531	51,411
Segment SHAC	5,247	4,751
Holding/Consolidation	16,053	17,056
Total segment assets	**69,969**	**84,090**
Assets not allocated	11,269	11,672
Total consolidated assets	**81,238**	**95,762**
Liabilities		
Segment ITC	9,311	10,717
Segment Renewable Energies	49,362	65,467
Segment SHAC	5,427	5,530
Holding/Consolidation	-22,828	-25,110
Total segment liabilities	**41,272**	**56,604**
Reconciliation (shareholder's equity/non-controlling interests)	39,966	39,158
Total consolidated liabilities/shareholder's equity	**81,238**	**95,762**

The uniform Group accounting policies and methods of calculation were applied in the segment reporting. Services between segments are subject to adherence of the arm's length principle and therefore group-wide calculated at prices that would be agreed with third parties. Basically, the price comparison method is or was applied for the area Broadband/IP and Group specific effects were added. In the other areas essentially the cost plus method is applied. Administrative services are calculated as cost allocations.

Non-current assets in the amount of TEUR 4 (previous year: TEUR 0) are located abroad in 2017.

(In TEUR)	Depreciation and amortisation		Investments	
	2017	2016	2017	2016
Segment ITC	355	366	224	372
Segment Renewable Energies	2,381	2,303	356	10,117
Segment SHAC	105	139	33	82
Holding/Consolidation	844	842	200	281
Total	**3,685**	**3,650**	**813**	**10,852**

Sales of principal services

(In TEUR)	2017	2016
Areas within the segment ITC		
Voice retail	3,109	3,990
Voice business customer	5,724	9,091
Data center services & operation	1,628	1,791
IT services/cloud applications	1,909	1,032
Consulting/IT security/trade with IT licences	733	1,050
Total segment ITC	**13,103**	**16,954**
Areas within the segment Renewable Energies		
Wind	8,052	3,014
Photovoltaic	1,679	1,891
Miscellaneous	11	11
Total segment Renewable Energies	**9,742**	**4,916**
Areas within the segment SHAC		
Heating, cooling, ventilation	23,545	21,637
Total segment SHAC	**23,545**	**21,637**

The 3U Group achieved sales in the amount of TEUR 3,750 resp. 8.0 % (previous year: TEUR 5,898 resp. 13.5 %) with the largest customer in the segment ITC in the past year.

Geographical information of sales

(In TEUR)	2017	2016
ITC	**13,103**	**16,954**
Of which domestic	10,158	13,395
Of which foreign	2,945	3,559
Renewable Energies	**9,742**	**4,916**
Of which domestic	8,814	4,228
Of which foreign	929	688
SHAC	**23,545**	**21,637**
Of which domestic	21,467	19,716
Of which foreign	2,078	1,922

The assignment was for domestic and foreign according to the place of delivery or other service.

Foreign sales were mainly achieved in the countries listed in the following:

(In TEUR)	2017	2016
Austria	1,574	1,370
Belgium	1,168	107
Denmark	956	705
Switzerland	954	2,439

5 Notes on the consolidated income statement

5.1 Sales

Sales generated from activities as a provider of telecommunications are reported without sales tax and net of discounts granted. The income is recognised by way of invoicing after performance of telecommunications services. The income from the IT licenses provided or traded is calculated in advance and deferred over the period of performance.

In the segment Renewable Energies, sales from the generation of energy and the feed-in through billing are made following the provision of the respective service. Sales generated from the planning and construction of plants for the generation of energy from renewable energies are also reported without VAT.

In the segment SHAC, sales from the marketing of components from the sanitary, heating and cooling sector, as well as other products and after deduction of discounts granted, are reported without VAT. Sales are recorded by means of billing following the provision of the services.

Proceeds from the installation of heating and air conditioning systems are recognized according to the stage of completion and reported as sales without sales tax. These concern sales of TEUR 6,385 (previous year: TEUR 6,400) in 2017.

The accumulated costs of the still ongoing construction contracts amounted to TEUR 286 (previous year: TEUR 983) and the cumulative recognized gains and losses to TEUR 126 (previous year: TEUR 479).

The proceeds from the lease of property are recognized on a monthly basis at the beginning of the month.

The consolidated sales with third parties are comprised of the segments featured in Segment reporting.

Allocation of sales

(In TEUR)	2017	2016
Services	**11,030**	**15,516**
Telecommunication services/DCS	10,460	14,197
IT services	63	31
Consulting/IT security	0	130
Assembling and installation	0	201
Miscellaneous	506	957
Sales of goods	**34,010**	**27,225**
Energy and photovoltaic	9,720	5,082
Heating, cooling, ventilation	23,545	21,405
IT licences	733	728
Other products	12	10
Licence fees	**1,846**	**999**
Licences (cloud applications)	1,846	999
Total Group	**46,886**	**43,740**

5.2 Other income

Other income includes the following items:

(In TEUR)	2017	2016
Feed-in remuneration from wind farms in inventories	617	0
Remuneration in kind car use and other non-cash benefits	328	361
Income for other accounting periods	164	125
Earnings from minimisation of loss reserves	141	362
Insurance compensation	80	133
Income from the reversal of provisions/ provisions with liability characteristics	62	123
Income from asset disposals	3	50
Income from currency conversion	0	2
Income from deconsolidation	0	0
Other income	306	242
Total	**1,701**	**1,398**

The income from the reduction of allowances and expenses from loans previously written off is offset by bad debts and from impairment losses on receivables.

5.3 Inventory changes

The changes in inventories amounting to TEUR –487 (previous year: TEUR –794) mainly comprise finished and unfinished services in the segment Renewable Energies. This particularly concerns project developments in the field of wind power.

5.4 Own work capitalized

Own work capitalized amounts to TEUR 0 (previous year: TEUR 2,504). In the previous year, these mainly related to own services in the area of renewable energies and especially in project development

5.5 Costs of materials

Material costs are comprised mainly of connection services and network costs, raw materials and trading goods as well as costs expenses for services in the field of renewable energies:

(In TEUR)	2017	2016
Materials/products used renewable energies	15,714	13,074
Connection services	4,881	7,851
Expenses for purchased services	2,189	2,379
Network costs	1,120	1,510
Expenses in trade of IT licences	507	500
Performances in renewable energies	336	941
Costs of interconnection	131	150
Total	**24,878**	**26,405**

5.6 Staff costs

Staff costs comprise the following:

(In TEUR)	2017	2016
Salaries and wages	7,975	8,128
Social security contributions	1,353	1,310
Other staff costs	151	161
Total	**9,479**	**9,599**

The average number of employees (basis: head count) was:

Segment	2017	2016
ITC	61	55
Renewable Energies	12	11
SHAC	70	68
Holding	28	28
Total	**171**	**162**

In addition to employer contributions to statutory pension insurance, unemployment insurance and health insurance, the social contributions also include expenses for compensation contributions and contributions to the employer's liability insurance association. Expenses for employers' payments to legally required pension schemes amounted to TEUR 594 (previous year: TEUR 582).

5.7 Other operating expenses

Other operating expenses include the following items:

(In TEUR)	2017	2016
Promotion and hospitality expenses as well as sales commissions	1,077	1,049
Maintenance	987	847
Premises expenses/rental expenses	687	532
Travel and automobile costs	687	687
Value adjustments to receivables	621	272
Expenses from the loss of control of subsidiaries	353	0
Insurances	317	282
Financing costs/additional costs for monetary transactions	281	228
Statements and audit costs	236	244
Other consulting costs	208	176
Telephone/shipping costs	168	187
Technical consultancy costs	149	254
Loss of receivables	147	118
IT costs	143	106
Other taxes	113	75
Expenses for other accounting periods	89	338
Costs of legal advice	66	71
Premiums, fees and donations	58	65
Other operating expenses	682	610
Total	**7,069**	**6,141**

Other operating expenses include expenses from currency conversions in the amount of TEUR 3 (previous year: TEUR 2).

5.8 Depreciation and amortisation

Amortisation of intangible assets and property, plant and equipment amounted to TEUR 3,685 (previous year: TEUR 3,650). Depreciation has changed only slightly compared to the previous year.

5.9 Income from financial assets

This item relates to current and loan accounts as well as earnings of companies included using the "at equity"-method.

(In TEUR)	2017	2016
Interest and similar income	40	86
Interest income	**40**	**86**
Interest expenses for loans receivable	-1,128	-1,018
Interest expenses	**-1,128**	**-1,018**
Profit/loss from companies included using the at-equity-method	**1**	**3**
Depreciation on financial assets	**0**	**-19**
Total	**-1,087**	**-948**

5.10 Income tax expenses

Income taxes include both taxes paid or owed on income and deferred taxes.

(In TEUR)	2017	2016
Current income tax expenses	226	637
Deferred taxes	471	-1,223
Total	**697**	**-586**

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the business year 2017, income was subject to corporation tax of 15 % plus a 5.5 % solidarity surcharge. Trade tax amounted in Marburg to around 14 % in 2017. The income tax rate for the Group (parent company) is 29.825 % (previous year: 29.825 %).

The tax rate used for foreign companies is 25 % for Austria.

Deferred tax on hedging instruments recognized directly in equity amounted to TEUR 0 (previous year: TEUR 2).

Effective January 1, 2005, 3U HOLDING AG has concluded profit transfer agreements with LineCall Telecom GmbH and fon4U Telecom GmbH. The profit transfer agreements were approved in the Extraordinary General Meeting of November 15, 2005 and registered in the commercial register in December 2005.

Effective January 1, 2007, 3U HOLDING AG, as the controlling company, entered into a control and profit transfer agreement with 3U TELECOM GmbH, 010017 Telecom GmbH and Discount Telecom S & V GmbH. After being approved by the Annual General Meeting, these profit transfer agreements were recorded in the commercial register at the end of 2007.

The profit transfer agreements have been adjusted in accordance with the tax requirements in 2014. The entries in the commercial register were made at the end of 2014.

Effective January 1, 2015, 3U ENERGY AG as the controlling company concluded a control and profit transfer agreement with 3U ENERGY PE GmbH. After approval of the Annual General Meeting of 3U ENERGY AG this profit transfer agreement was entered into the commercial register at the end of 2015.

Effective January 1, 2016, 3U HOLDING AG, as the controlling company, concluded a profit and loss transfer agreement with Selfio GmbH. Following the approval of the Annual General Meeting of 3U HOLDING AG, this profit and loss transfer agreement was entered into the Commercial Register at the end of 2016.

Effective January 1, 2017, 3U HOLDING AG, as the controlling company, concluded a profit and loss transfer agreement with PELIA Gebäudesysteme GmbH. Following the approval of the Annual General Meeting of 3U HOLDING AG, this profit and loss transfer agreement was entered in the commercial register in mid-2017.

In accordance with IAS 12.81, the following overview contains an offsetting and reconciliation of tax expenses resulting from the calculation using German tax rates on earnings before taxes and the actual tax expenses reported in these annual financial statements:

Reconciliation	**2017 TEUR**	**2017 %**	**2016 TEUR**	**2016 %**
EBT	1,902	100.0	105	100.0
Earnings tax rate (29.825 %; previous year: 29.825 %)				
Calculated tax income/expenses	567	29.8	31	29.5
Non-deductible expenses/ tax-exempt income	28	1.4	44	41.9
Effects of allowance of deferred taxes / Non-inclusion of deferred taxes from loss carry forwards	47	2.5	-203	-193.3
Use of tax loss carryforwards, in the previous year no recording	-86	-4.5	-452	-430.5
Effect of tax rate differences of foreign tax jurisdiction	5	0.3	0	0.0
Deviations due to different trade tax collection rates	-18	-1.0	2	1.9
Effects on the loss of control of subsidiaries	105	5.5	0	0.0
Effects from tax rate changes	5	0.3	-41	-39.0
Aperiodic tax effects	47	2.5	28	26.7
Miscellaneous	-3	-0.2	5	4.8
Effective tax expenses	**697**	**36.6**	**–586**	**–558.1**

5.11 Earnings per share

Earnings per share are the profit from continuing operations and profit from discontinued operations, which can be allocated to the ordinary shareholders of 3U HOLDING AG, or profit (after tax) divided by the weighted average number of outstanding shares during the financial year.

The calculation of earnings per share is based on the following data:

	2017	2016
Basis of the earnings per share (attributable share of net profits attributable to the shareholders of the parent company in TEUR)	**1,065**	**644**
Number of shares		
As of January 1*	33,130,376	33,130,376
As of December 31	33,130,376	33,130,376
Weighted average number of ordinary shares for earnings	33,130,376	33,130,376
Earnings per share (in EUR)*	**0.03**	**0.02**

*There were no effects in either fiscal year 2017 or 2016, which could lead to a dilution of the result.

6 Notes on the consolidated statement of financial position

6.1 Non-current assets

The development of individual non-current items and depreciation and impairment for the current financial year are presented separately in the consolidated statement of changes in assets (Appendix to the Notes).

6.1.1 Intangible assets

The carrying amounts of intangible assets are as follows:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	1,020	1,705
Goodwill	603	603
Total	**1,623**	**2,308**

The acquired intangible assets are valued at cost less accumulated depreciation using the straight method. These relate primarily to usage rights of properties and software licenses for transmission and IT technology. We refer to the depreciation in the income statement. Usage rights for land were amortized over the contractually agreed term.

As part of the acquisition of the cash-generating unit "Online Store" goodwill in the amount of TEUR 170 was determined. This is allocated to the segment SHAC after the restructuring of the segments. It was also in the context of the acquisitions of the Aufwind & ORBIS Havelland GmbH & Co. KG together with Aufwind & ORBIS Havelland Verwaltungs-GmbH (after accretion 3U ENERGY PE GmbH) that goodwill in the amount of TEUR 411 was revealed. The purchase of the Windpark Langendorf GmbH & Co. KG, the general partner GmbH together with the Repowering Sachsen-Anhalt GmbH resulted in goodwill of TEUR 22. All goodwills were allocated to the segment Renewable Energies.

In fiscal 2017, the value in use determined in the context of the impairment tests exceeded the carrying amounts of the cash generating units in all cases so that impairment of the goodwill in fiscal 2017 as well as in previous periods has not been made.

To calculate the value in use the key assumptions in the online shop are based on the growth rates of the past as well as available market studies. The assumption of the sales in project development is based on the previously existing offers for individual wind farm projects and on known offers from other developers. It is also expected that the necessary approvals for planned wind farm projects are granted. Sales in the wind farm Langendorf were determined on the basis of secured EEG remuneration and an availability of at least 97 %.

In determining the use values as of December 31, 2017, a weighted average cost of capital before tax (WACC) of 9.12 % (previous year: 8.51 %) for the cash-generating unit "Online Shop", 6.28 % (previous year: 14.23 %) for the project development (3U ENERGY PE GmbH) and 5.16 % (previous year: 7.74 %) for the production of wind energy (Windpark Langendorf GmbH & Co. KG) was used. Changes in key assumptions may generally have a significant impact on the respective values. According to current estimations it is not expected that the use values of the cash-generating units are below their book values. We also refer to our comments under 2.3.14.

6.1.2 Fixed assets

Please refer to the consolidated statement of changes in assets for the carrying amounts of property, plant and equipment.

The wind farm Lüdersdorf, which was newly constructed in the 2016 financial year, was mainly reported under technical equipment and machinery and will be shown under assets held for sale in 2017. The wind turbines of the wind farm Langendorf acquired in the financial year 2014 were reported under technical equipment and machinery. The related thereto property for the electric power transformation substation of the wind farm Langendorf was activated within land and properties. The solar park Adelebsen with all the technical components is reported under plant and machinery, while the land on which the open space system of the solar park was built, is reported under land and properties.

6.1.3 Investment property

Basically under investment properties are those investment properties recognized, which are not operationally or only marginally self-used. These properties include the data center property in Hanover with their non-intrinsically part in operational use and the commercial real estate in Adelebsen. For the commercial property in Adelebsen, only the part on which the open space system of the solar park was built was not reported as investment property. The buildings and other properties are shown under investment properties. The data center real estate in Hanover, which was acquired in the fiscal year 2014, consists of two buildings. The building not being self-used by the Company is recognized under investment property. The other building is shown under tangible fixed assets.

The lease and rental income from investment properties amounted to TEUR 647 in fiscal year 2017 (previous year: TEUR 606. Operating expenses in fiscal year 2017 for the investment properties emerged in the amount of TEUR 122 (previous year: TEUR 94). Thereof TEUR 122 (previous year: TEUR 94) are allotted to leased investment properties and TEUR 0 (previous year: TEUR 0) to real estate which produced no rental income in 2017 resp. 2016.

Investment properties are valued at amortized cost. Details are shown in the development of the Group assets. The fair values of these investment properties as at December 31, 2017 amounted to TEUR 9,741 (previous year: TEUR 9,994). Subsequent acquisition costs in the amount of TEUR 0 (previous year: TEUR 82) were incurred in the year under review.

The fair values (fair value hierarchy Level 3) were determined based on the discounted cash flow method by an independent appraiser (Certified expert for property valuation). Here, the following assumptions were made:

	2017		2016	
	Adelebsen	Hanover	Adelebsen	Hanover
Land value interest/property yield of	6.62 %	6.00 %	6.62 %	5.57 %
Management costs	19.00 %	21.00 %	19.00 %	21.00 %
Remaining useful life of the building	30 years	35 years	31 years	36 years
Tax-free land value	23.00 EUR/m^2	153.00 EUR/m^2	23.00 EUR/m^2	154.50 EUR/m^2

6.1.4 Financial assets

Investments accounted for using the equity method

As of December 31, 2017, Spider Telecom GmbH, was accounted for using the equity method. Via Spider Telecom GmbH substantial contributions margins for the telephony network operation are generated. The summarised financial information for this investment is as follows:

Spider Telecom GmbH

Spider Telecom GmbH (in TEUR)	Dec 31, 2017	Dec 31, 2016
Total current assets	159	547
Total non-current assets	0	0
Total current liabilities	122	453
Total non-current liabilities	0	0
Write-offs	0	0
Interest earnings	2	3
Interest expenses	0	0
Taxes	5	29
Sales	447	835
Profit/loss (–) after taxes	12	69

Cash and cash equivalents in the amount of TEUR 40 (previous year: TEUR 389) are included in current assets. Current liabilities include financial liabilities of TEUR 0 (previous year: TEUR 0). There were no long-term financial liabilities at December 31, 2017 resp. at December 31, 2016.

The balance sheet day of the companies is December 31, 2017 resp. December 31, 2016.

The Spider Telecom GmbH has concluded a cost allocation agreement with its other shareholders. In the fiscal year an amount of TEUR 191 (previous year: TEUR 360) were settled based on this agreement.

The carrying value of this company accounted for using the equity method developed as follows:

Carrying amount (in TEUR)	**2017**	**2016**
As of January 1	**15**	**19**
Collected distribution of earnings	3	6
Pro rata share of net result for the year	1	2
As of December 31	**13**	**15**

No restrictions on the ability of the associated company to transfer financial resources in form of cash dividends, credit or advance repayment to the shareholder apply.

Contingent liabilities or capital commitments do not exist with respect to these companies.

Other financial assets

Other financial assets include the project shelf companies in the area of wind farm project development as well as other companies whose influence on the net assets, financial position and results of operations of the Group is of minor importance both individually and collectively. MyFairPartner Limited, based in London, was deleted in May 2017 following liquidation and has since ceased to be held under financial assets.

Other non-current assets

Loans

Since January 1, 2015, there is a loan agreement with a term of 48 months and an interest rate of 2.5 %. The loan is secured by transferring ownership of fixed assets and inventories. The balance of the loan is TEUR 784 as at December 31, 2017 (previous year: TEUR 826). In the 2017 financial year, the loan book value was adjusted to the value of the collateral by means of a value adjustment of TEUR 486.

6.1.5 Financial leasing

In the 3U Group, finance lease agreements, for which the 3U Group is the lessee, are essentially for IT hardware that is depreciated over a useful life of five years. The net book values of the assets reported amounted to TEUR 130 (previous year: TEUR 171) as of the balance sheet date. The obligations for minimum lease payments from these leasing agreements amount to TEUR 151 (previous year: TEUR 204). TEUR 53 (previous year: TEUR 53) are due in up to one year and TEUR 98 (previous year: TEUR 151) in more than one year and up to five years and TEUR 0 (previous year: TEUR 0) in more than five years. Taking into account an interest rate of TEUR 4 (previous year: TEUR 6), the present value of the minimum lease payments amounts to TEUR 147 (previous year: TEUR 198). At TEUR 2 (previous year: TEUR 3), the interest is due within one year.

6.1.6 Operating Leasing

In the 3U Group, contracts for operating leases, for which the 3U Group is the lessee, consist primarily of car leasing, leasing of technical office equipment as well as rental of buildings and wind farms. The obligations for minimum lease payments from these leases amounted to TEUR 4,909 (previous year: TEUR 5,187). Of this total, TEUR 663 (previous year: TEUR 770) are due within one year, TEUR 1,201 (previous year: TEUR 1,215) in more than one year and up to five years and TEUR 3,044 (previous year: TEUR 3,202) in more than five years. Operating leasing expenses amounted to TEUR 797 in 2017 (previous year: TEUR 770).

There are renewal options for wind farm areas of five years. There are no additional renewal or purchase options.

As a lessor, the 3U Group concluded real estate leasing agreements. The minimum lease payments from these leases total TEUR 426 (previous year: TEUR 626). TEUR 334 (previous year: TEUR 339) are due within one year, TEUR 92 (previous year: TEUR 287) are due within one to five years and TEUR 0 (previous year: TEUR 0) within five to ten years.

There are options to extend the building lease by the tenant.

6.2 Deferred taxes

Deferred taxes are calculated after accounting for temporary differences under the liability method per IAS 12.

3U HOLDING AG utilises the netting option provided for by IAS 12, whereby deferred tax assets and liabilities are reported net if they relate to the same tax authority (for the relevant taxable entity). In the reporting year, deferred tax liabilities were offset against deferred tax assets on loss carry forwards in the amount of TEUR 932 (previous year: TEUR 538).

The deferred tax assets and liabilities as of the balance sheet date are made up as follows:

Deferred taxes (in TEUR)	Dec 31, 2017		Dec 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0	218	0	205
Property, plant and equipment	483	1,524	534	1,051
Inventory	9	0	656	0
Other assets	302	54	101	29
Provisions	80	46	103	36
Liabilities	11	28	53	57
Loss carry forwards	1,506	0	924	0
Sub total	**2,391**	**1,870**	**2,371**	**1,378**
Netting	932	932	538	538
Total	**1,459**	**938**	**1,833**	**840**

Under the provisions of local tax law, temporally unlimited loss carry forwards for which no deferred tax assets were reported in the consolidated statement of financial position, amounted to a total of TEUR 27,624 (previous year: TEUR 27,784) for corporation tax and TEUR 29,342 (previous year: TEUR 29,291) for trade tax and primarily relate to the loss carry-forwards from the companies being established or inactive as well as 3U HOLDING AG.

At the balance sheet date there are taxable temporary differences associated with subsidiaries in the amount of TEUR 172 (previous year: TEUR 184) on which no deferred taxes have been accrued, since neither sale nor profit distributions are planned.

Deferred taxes in the amount of TEUR 577 (previous year: TEUR 878) were recognized in the group of companies of 3U ENERGY AG in 2017, whose realisation depends on future taxable earnings that are higher than the earnings effects from the reversal of existing deferred tax liabilities. The tax group had negative taxable earnings in 2017. Due to the change in the business model because of the discontinuation of the loss-making activities combined with the focus on the wind farm business, sufficient taxable profits are expected in future financial years.

Deferred taxes in the amount of TEUR 193 were recognized in weclapp GmbH in 2017, whose realisation depends exclusively on future taxable results. The company had negative earnings in 2016. With the continuous expansion of customers/users, positive taxable earnings were achieved in 2017. Due to planned further positive earnings in the detailed planning period, deferred tax assets were considered recoverable.

6.3 Inventories

Inventories are made up as follows:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Raw materials and supplies	233	227
Work in progress	4,229	13,292
Finished products and goods	1,485	1,278
Total	**5,947**	**14,797**

Inventories amounting to TEUR 0 (previous year: TEUR 0) were recognized at the net realizable value. Write-ups have not taken place in 2017 or 2016.

The unfinished services include the wind farm project developments of the Group.

In the previous year, as part of the financing for the wind farm Schlenzer, the wind farm project development and the corresponding real estate rights with a book value of TEUR 10,008 were recorded as security. There were no security assignments in the 2017 financial year.

6.4 Trade receivables

Trade receivables are composed as follows:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Trade receivables from third parties	5,437	5,571
Receivables from production orders	145	64
Valuation allowances	-1,294	-925
Total	**4,288**	**4,710**

Depending on the age structure of the receivables, uniform valuation allowances are recognised within the Group for the receivables.

Receivables from construction contracts relate to receivables not yet partially billed from planning services and material deployments for custom orders for the installation of heating and cooling systems. Payments thereon were not obtained.

Security deposits for current orders amounted to TEUR 183 as of December 31, 2017 (previous year: TEUR 118).

The Group writes off trade receivables which have been outstanding for more than one year or where a debt collection agency has stated that they are unrecoverable or a default is to be expected with overwhelmingly likelihood. The procedure is supported by past experience which indicates that in principle no payment can be expected if trade receivables have been outstanding for more than one year.

In determining the value of trade receivables, account is taken of every change in creditworthiness from the time the credit period was granted until the balance sheet day. There is no significant concentration of credit risk since the customer base is wide for non-impaired receivables. Accordingly, the Management Board is convinced that no provisions above and beyond the impairment charges already recognised are required.

The impairment charges include individual write-downs on trade receivables amounting to TEUR 1,294 (previous year: TEUR 925) where insolvency proceedings have been instigated against the debtors, respectively which are older than one year. The recognized impairment is the result of the difference between the carrying amount of the receivable and the present value of the anticipated liquidation proceeds.

The carrying amount of trade receivables is the fair value.

The most important financial assets of the Group are bank balances and cash in hand, trade and other receivables. The default risk for the Group mainly results from trade receivables. The amounts of the statement of financial position include the valuation allowance for expected uncollectible receivables based on management experience and the estimations of the current economic environment of the Company. The risk of default for cash and cash equivalents is limited as these are held primarily by banks which have high credit ratings from international rating agencies.

6.5 Other current assets and receivables from income tax refunds

Other current assets comprise the following:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Receivables from tax refunds	505	1,828
Deposits	0	0
Advance payments	264	236
Others	540	841
Total	**1,309**	**2,905**

Receivables from income tax refunds in the amount of TEUR 380 (previous year: TEUR 323) are included in receivables from tax refunds.

Other current assets include receivables from affiliated companies which have not been consolidated or in which an associated equity investment is held as follows:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Other receivables	116	111
Valuation allowances	-69	-38
Total	**47**	**73**

The carrying amount of other assets is equal the fair value.

Please refer to section 8.2 for information about default risk.

6.6 Cash and cash equivalents

The item cash and cash equivalent contains cash and short term deposits with an original term of three months or less. The carrying amount of these assets is their fair value.

Please refer to section 8.2 for information about default risk.

6.7 Assets held for sale and the related liabilities

Of the assets held for sale, the wind farm Lüdersdorf with its assets is reported as a disposal group in the 2017 financial year. Likewise, the related debts are shown separately. In principle, the assets and liabilities are allocated to the segment Renewable Energies.

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Assets		
Intangible assets	666	0
Property, plant and equipment	8,834	0
Other non-current assets	9	0
Trade receivables	179	0
Cash and cash equivalents	469	0
Total assets	**10,157**	**0**
Liabilities		
Non-current financial liabilities due to banks	8,599	0
Non-current provisions	125	0
Trade payables	4	0
Other current liabilities	85	0
Total liabilities	**8,813**	**0**

With the contract dated September 29, 2017, Green City Energy AG was granted an option to acquire the shares in Märkische Windkraft 110 GmbH & Co. KG (Windpark Lüdersdorf II). The option may be exercised by Green City Energy AG in the period from May 1, 2018 to June 30, 2018. Under certain conditions, the company is entitled to a further exercise period from September 1, 2018 to September 30, 2018.

6.8 Shareholders' equity

6.8.1 Issued capital

Since November 27, 2012 the nominal share capital comprises of 35,314,016 no-par value shares with a nominal value of EUR 1.00 per share. The total share capital is fully paid.

The Company has only one class of shares. These do not grant entitlement to a fixed dividend. Each share confers one vote at the Annual General Meeting and is decisive to the share of the shareholders in the Company's profit. An exception are treasury shares held by the Company, from which the Company derive no rights. Details of the rights and duties of the shareholders can be derived from the provisions of the German Stock Corporation Act (Aktiengesetz – AktG) and in particular sections 12, 53a ff., 118 ff. and 186 AktG.

Authorised capital

At the Annual General Meeting on August 27, 2014, the Management Board was authorised, subject to approval by the Supervisory Board, to increase the share capital by up to EUR 7,062,803.00 in return for contributions in cash or in kind on one or more occasions up to August 26, 2019, whereby shareholders' subscription rights may be excluded.

Contingent capital

The Company has a contingent capital of EUR 3,531,401.00 (previous year: EUR 3,531,401.00). By resolution of the Annual General Meeting on May 25, 2016, the previous contingent capital was cancelled. The contingent capital was used to grant subscription rights to members of the Management Board, executives and employees of the Company. As part of the stock option program 2011, 4,602,500 stock options were issued until November 30, 2011; at the Annual General Meeting on May 25, 2016, all option rights had expired.

The share capital of the Company was conditionally increased by up to EUR 3,531,401.00 by resolution of the Annual General Meeting on May 25, 2016. The contingent capital increase is only implemented to the extent that option rights are issued and the beneficiaries of the subscription rights exercise their option rights.

Reserves

As at December 31, 2017, the Company recognized a capital reserve of TEUR 10,345 (previous year: TEUR 10,345) as well as a sales reserve of TEUR –844 (previous year: TEUR –719). Retained earnings developed negatively in connection with the acquisition of non-controlling interests.

The capital reserve in the amount of TEUR 10,345 (previous year: TEUR 10,345) includes the premium over the nominal amount from the issue of shares in 3U HOLDING AG in the amount of TEUR 21,499 (previous year: TEUR 21,499).

Own shares

The paid-in capital for own shares developed as follows:

(In units)	2017	2016
As of January 1	**2,183,640**	**2,183,640**
Buy back of own shares	0	0
As of December 31	**2,183,640**	**2,183,640**

Dividend payments

For fiscal year 2016, a dividend of EUR 0.01 per share entitled to profit participation was distributed (total TEUR 331). For fiscal year 2017, the Management Board and the Supervisory Board propose distributing EUR 0.02 per share entitled to profit participation. The total dividend payment would, according to this proposal, amount to TEUR 662.

6.8.2 Share buyback program

The Management Board of 3U HOLDING AG has decided on the basis of the authorisation granted by the annual general meeting of May 31, 2012 to repurchase up to 10 % of its own shares (up to 3,531,401 shares) on the stock exchange during the period from May 1, 2013 until not later than May 30, 2017. The shares may be used for all purposes according to the authorisation given by the resolution of the Annual General Meeting of May 31, 2012. Within the framework of the share buyback program, which began on May 2, 2013, 2,183,640 shares (previous year: 2,183,640 shares) were repurchased by May 30, 2017 at an average price of almost EUR 0.57; equivalent to 6.18 % of the share capital of EUR 35,314,016.00.

6.8.3 Employee participation program

As part of the stock option plan 2011, a total of 4,602,500 stock options were issued. No option rights were exercised until the end of the term of the stock option plan 2011 on February 6, 2016. The stock options are thus completely expired. There were no employee participation programs as of the balance sheet date.

The development of the stock options is as follows:

(In units)	2017	2016
As of January 1	**0**	**2,762,500**
Issued	0	0
Forfeited	0	2,762,500
As of December 31	**0**	**0**

6.8.4 Non-controlling interests

The non-controlling interests amount to TEUR 1,208 (previous year: TEUR –1,372).

The capital shares of non-controlling shareholders are divided among the individual Group companies as follows:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
ClimaLevel Energiesysteme GmbH	79	108
RISIMA Consulting GmbH	0	-125
weclapp GmbH	-1,287	-1,355
Total	**–1,208**	**–1,372**

The acquisition of the non-controlling interests in RISIMA Consulting GmbH by 3U HOLDING AG in the 2017 financial year led to a reduction in the equity of 3U HOLDING AG by TEUR 125.

For the companies with significant shares of non-controlling interests, the following key financial figures result:

weclapp GmbH

	Dec 31, 2017	Dec 31, 2016
Share in %	25.0002	25.0002
Sales in TEUR	1,911	1,033
EBITDA in TEUR	358	-124
Assets in TEUR	492	459
Liabilities in TEUR	5,639	5,879
Total Cash flow in TEUR	28	23
Earnings attributable to non-controlling interests	68	–55

ClimaLevel Energiesysteme GmbH

	Dec 31, 2017	Dec 31, 2016
Share in %	25.0	25.0
Sales in TEUR	6,248	6,849
EBITDA in TEUR	449	632
Assets in TEUR	1,456	1,662
Liabilities in TEUR	1,138	1,228
Total Cash flow in TEUR	-136	167
Earnings attributable to non-controlling interests	72	102

In financial year 2017, an amount of TEUR 101 (previous year: TEUR 36) was distributed to the non-controlling shareholders and an amount of TEUR 1 (previous year: TEUR 48) was transferred to the earnings carried forward.

RISIMA Consulting GmbH

The non-controlling interests were acquired at the beginning of 2017.

	Dec 31, 2016
Share in %	25.0
Sales in TEUR	1,129
EBITDA in TEUR	128
Assets in TEUR	547
Liabilities in TEUR	933
Total Cash flow in TEUR	8
Earnings attributable to non-controlling interests*	0

* Agreement as part of the purchase of shares completed in 2017

6.9 Financial liabilities and other long-term liabilities

The non-current financial liabilities refer essentially to long-term banking loans, which were contracted for the financing of properties, solar parks and wind farms.

A loan for the Marburg site was valued at TEUR 1,350 (previous year: TEUR 1,463). The loan has a term until December 30, 2029. The loan is secured with mortgages in the amount of EUR 2.25 million.

Two loans, each with TEUR 750, were closed to finance the purchase of the property in Montabaur. The loans have a term until May 30, 2027 and are secured by mortgages in the amount of TEUR 750 each. The loans were valued on December 31, 2017 at TEUR 528 each (previous year: TEUR 578).

For the property in Linz am Rhein a loan in the amount of TEUR 300 was completed and secured by a mortgage of the same amount. The loan was valued at TEUR 86 (previous year: TEUR 138) and will run till October 30, 2027.

In fiscal year 2014, the financing of the solar park Adelebsen was retrieved in the amount of TEUR 14,141. The loan has a term of 18 years and is secured by the assignment of the claim from the power supply through space security of the PV system and limited personal easements by registration in the Land Registry. The loan was valued at December 31, 2017 at TEUR 10,886 (previous year: TEUR 11,717). In the 2016 financial year, financing of the solar park was increased by the addition of a further loan of TEUR 1,000 with the same maturity date. The collateral is secured by the collateral provided for the original loan. The loan is valued at TEUR 867 as of December 31, 2017 (previous year: TEUR 933). As part of this loan a credit in the amount of TEUR 694 (previous year: TEUR 694) was pledged to a debt service reserve account.

The acquisition of the property in Hanover was financed by a loan in the amount of TEUR 6,000. The loan matured on May 1, 2017 and was valued at TEUR 5,175 as of December 31, 2016. It was secured by land charges in the amount of TEUR 6,000. In addition, the rights and claims under the rental and lease agreements for this property were assigned. In connection with this granting of the loan, there is an obligation to comply with financial covenants; if these ratios are not met, the Bank has the right to request further collateral or to terminate the loan. These key figures were reviewed on a 12-month basis as at June 30, 2017 and as at December 31, 2017 and confirmed their compliance. The credit in the amount of TEUR 1,500, which was pledged as part of the credit line, serves as further collateral. In the 2017 financial year, two bridging loans for the property were completed in the amount of TEUR 4,000. The first interim financing had a term until August 31, 2017. The second interim financing is limited until June 29, 2018. The collateral from the original loan was transferred to the interim financing in each case.

In financial year 2015, the financing for the acquisition of Windpark Langendorf in the amount of TEUR 9,000 was called up. The loan has a term to December 30, 2019 and is valued at TEUR 3,533 as at December 31, 2017 (previous year: TEUR 5,300). It is secured by the assignment of the entitlement from the electricity feed-in, by the safeguarding of the space of the 15 wind power plants, by the registration of limited personal easements in the land register and by the registration of a basic debt of TEUR 100. Within the scope of this loan, a cash balance of TEUR 900 was also pledged on a capital service reserve account.

For the long-term financing of Windpark Lüdersdorf, a loan agreement was concluded for a total loan amount of EUR 8.9 million, which had not been fully utilized by December 31, 2016. The loan, which has since been fully called in, is valued at TEUR 8,599 on December 31, 2017 (previous year: TEUR 8,503) and has a term until June 30, 2034. It is secured by the assignment of the entitlement to electricity supply and the assignment of the wind energy facilities as security for space.

Windpark Schlenzer was also financed by a long-term loan agreement in the amount of EUR 9.3 million. The financing consists of two loans with a maturity up to September 30, 2034. They are secured by the assignment of the entitlement from the electricity feed-in and by the surrender of the wind energy installations. The loans were fully utilized in the 2016 financial year. However, the financial resources thus obtained and unutilized until December 31, 2016 were subject to a restriction of availability of TEUR 1,229 and could only be used within the framework of settlements of the suppliers of the wind farm project company. The loans amounted to TEUR 9,251 (previous year: TEUR 0) as at December 31, 2016. In addition, as part of the VAT advance payment for the wind farm, a term loan of TEUR 951 with a term until January 1, 2017 was concluded. All loans were removed from the Group as part of the sale of the wind farm Schlenzer.

Short-term financial liabilities include the portion of the loan that is due within one year.

In addition, there is a credit line in the amount of EUR 1.5 million, which was utilized as of December 31, 2017 as part of a guarantee facility in the amount of TEUR 940 (previous year: TEUR 598). This credit line is secured by the deposit of EUR 1.5 million time deposits. This deposit also serves as collateral for the loan for the property in Hanover.

Of the loans payable are due as of December 31:

(In TEUR)	**Dec 31, 2017**	**Dec 31, 2016**
Within a year	7,444	9,313
Between one and five years	8,370	12,392
After five years	14,563	22,876
Total	**30,377**	**44,581**

The loans have an interest between 1.25 % and 3.85 % p. a.

The short-term financial liabilities also include the loan granted by EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH in the amount of TEUR 55 in the previous year.

Other non-current liabilities also include the non-current portion of obligations under IT license trading (TEUR 211, previous year: TEUR 220).

6.10 Other current liabilities and current income tax liabilities

These comprise the following:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Purchase price obligation	1,760	1,447
Other taxes	283	683
Provisions of a liability nature	134	158
Staff obligations	620	503
Income tax	623	715
Other liabilities	1,714	1,490
Total	**5,134**	**4,996**

The obligation to pay the purchase price relates to the residual purchase price from the acquisition of the wind farm Langendorf, the obligation to pay a subsequent purchase price adjustment from the acquisition of the wind farm project developments and a subsequent purchase price adjustment from the sale of the wind farm Schlenzer. The maturity requirements in the amount of the amounts reported as of the balance sheet date of December 31, 2017 as well as on December 31, 2016 have not yet been met.

Provisions with a liability character mainly contain obligations from outstanding invoices.

6.11 Provisions

Provisions comprise the following:

(In TEUR)	Dec 31, 2017 Current	Dec 31, 2017 Non-current	Dec 31, 2016 Current	Dec 31, 2016 Non-current
Restoration obligations	0	716	0	826
Litigation risks	15	0	0	0
Other	305	0	326	0
Total	**320**	**716**	**326**	**826**

The development is presented as follows:

(In TEUR)	As of Jan 1, 2017	Utili-sation	Reversal	Accumu-lation	Allo-cation	As of Dec 31, 2017
Restoration obligations	826	0	237	11	116	716
Litigation risks	0	0	0	0	15	15
Other	326	233	18	0	230	305
Total	**1,152**	**233**	**255**	**11**	**361**	**1,036**

Provisions for restoration obligations are of a long-term nature and were created for the restoration of the original state of various engineering sites and wind farm properties. The reversal/disposal relates to the disposal of the restoration obligations in connection with the sale of the wind park Schlenzer (TEUR 114) and the disclosure of liabilities from disposal groups for the wind farm Lüdersdorf (TEUR 123).

Other provisions mainly comprise provisions for year-end costs.

6.12 Reporting on financial instruments

Breakdown of carrying amounts according to the measurement categories of IAS 39/IFRS 7.8

2017 (in TEUR)	Loans	Cash and cash equiva-lents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	0	11,269	4,288	1,204	0
Available-for-sale financial assets	0	0	0	0	0
Financial liabilities that are valued at amortized cost	0	0	0	0	29,862
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	0
Derivative designated as hedging instrument	0	0	0	0	0
Total	**0**	**11,269**	**4,288**	**1,204**	**29,862**

2016 (in TEUR)	Loans	Cash and cash equiva-lents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	0	11,672	4,710	3,509	0
Available-for-sale financial assets	0	0	0	0	0
Financial liabilities that are valued at amortized cost	0	0	0	0	53,897
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	0
Derivative designated as hedging instrument	0	0	0	0	37
Total	**0**	**11,672**	**4,710**	**3,509**	**53,934**

The fair value of cash and cash equivalents, current receivables and liabilities corresponds approximately to the carrying amount. This is primarily because of the short term of instruments of this kind respectively their market rate.

The fair valuations in the balance sheet are classified according to a three-level hierarchy. The hierarchy gives the type and quality of the fair value (market prices). The following levels exist:

- Stage 1: publicly known market prices for the relevant financial instrument (e.g. stock market prices.).
- Stage 2: market prices which are not generally accessible and possibly derived from prices for similar financial instruments or underlying assets.
- Stage 3: prices that are not based on market data.

The fair value of interest swaps was determined according to stage 2 as in the previous year. The assessment was based on market data at the measurement date and using generally accepted valuation models. For the fair value measurement of interest rate swaps market observable yield curves and volatilities of active markets were considered.

Liabilities are divided into non-current liabilities amounting to TEUR 15,885 (previous year: TEUR 35,637) and current liabilities of TEUR 14,704 (previous year: TEUR 18,260). The total interest expense/income from financial liabilities that are measured at fair value through profit or loss amounted to TEUR 0 (previous year: TEUR 0) in fiscal year 2017.

Net losses including changes in value adjustments from loans and receivables amounted to TEUR 621 (previous year: TEUR 272).

For financial assets that are neither past due nor impaired, there were no indications of potential impairment as of the balance sheet date.

The maximum default risk of all financial assets results from their book values, for details of this we refer to 6.4 resp. 6.5.

The overdue trade receivables of TEUR 144 (previous year: TEUR 169) that are not impaired are in the amount of TEUR 12 (previous year: TEUR 17) older than twelve months or in the amount of TEUR 0.3 (previous year: TEUR 1.1) between six and twelve months old. The other financial assets that are past due and not impaired are in full in 2017 (TEUR 78) and in 2016 (TEUR 78) older than twelve months.

Neither financial liabilities which are measured at amortized cost, nor for financial liabilities that are measured at fair value through profit or loss, occurred net gains/net losses in the reporting year and the previous year.

It is also referred to under 2.3.12.

There are netting agreements in the segment ITC entitling to offset financial assets and financial liabilities at the time of payment. As at December 31, 2017 financial assets amounting to TEUR 473 (previous year: TEUR 821) (amount after netting: TEUR 336/previous year: TEUR 547) and financial liabilities of TEUR 573 (previous year: TEUR 482) (amount after netting: TEUR 436/previous year: TEUR 208), which are subject to a netting agreement and which were not netted as of the balance sheet date.

Pledged collateral are basically financial liabilities and are explained in section 6.9.

6.13 Contingent liabilities and other financial obligations

As at December 31 the following financial obligations remain:

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Within one year	745	816
More than one and less than five years	1,237	1,352
More than five years	3,044	3,202
Total	**5,026**	**5,370**

The purchase commitments included in other financial commitments within one year amount to TEUR 46 (previous year: TEUR 64).

These commitments include, in particular, the obligations arising from the long-term land tenancy contracts necessary for the operation of wind farms. The remaining financial obligations relate to rental contracts for office space, technical areas, technical equipment and cars. The contracts concerned have a remaining term of 1 to 10 years.

As in the previous year, a collateral restriction of EUR 1.5 million (collateral deposited) exists for the collateralisation of the Group's own credit line. There are also restrictions on the availability of capital service reserves in connection with the financing of the Adelebsen solar park in the amount of EUR 0.69 million (previous year: EUR 0.69 million) and for the Windpark Langendorf in the amount of EUR 0.90 million (previous year: EUR 0.90 million).

3U HOLDING AG has issued a patronage agreement for the benefit of the non-fully consolidated subsidiaries 3U DYNAMICS GmbH and 3U MOBILE GmbH, respectively, until March 31, 2018. In these, 3U HOLDING AG assumes the unrestricted obligation to provide the companies financially in such a way that they are able at all times and in full to meet their obligations towards their creditors on time.

6.14 Legal disputes and contingent liabilities

The operations of 3U Group result in various legal disputes. With regard to the uncertainty of the outcome of these proceedings, there is in principle the possibility of a negative impact on future operating results. Provisions for unsettled legal disputes totalling TEUR 15 (previous year: TEUR 0) were created for existing legal disputes as at December 31, 2017.

7 Notes to the consolidated statement of cash flows

Cash and cash equivalents comprise bank balances and cash in hand.

(In TEUR)	Dec 31, 2017	Dec 31, 2016
Fixed deposits	1,500	1,500
Credit with banks and cash	9,769	10,172
Total cash and cash equivalents	**11,269**	**11,672**
Less credit deposited as security/ or balances subject to restrictions	3,094	4,344
Cash and cash equivalents	**8,175**	**7,328**

Cash flows are broken down into operating, investment and financing activities. The indirect calculation method was used for the presentation of cash flows from operating activities.

After adjusting for non-cash income and expenses (mainly depreciation) and taking into account the change in working capital, the 3U Group received cash inflows from operating activities of TEUR 6,646 (previous year: outflow of TEUR –1,712).

The cash flow from investing activities amounts to TEUR –1,178 (previous year: TEUR –10,580) and the cash flow from financing activities amounts to TEUR –5,402 (previous year: TEUR 16,265). Exchange rate-related changes did not occur, as in the previous year.

Cash and cash equivalents, which are subject to a restriction on disposal, decreased in connection with the disposal of Windpark Schlenzer and the statement of Windpark Lüdersdorf as a disposal group.

All in all, this results in a cash-effective increase in cash funds in the amount of TEUR 847 (previous year: increase TEUR 2,862).

Of the cash and cash equivalents of TEUR 11,269 (previous year: TEUR 11,672) reported at the end of the period, a total of TEUR 3,094 (previous year: TEUR 4,345) is subject to a restriction on disposals. These are openly deducted from the liquid funds, so that the cash and cash equivalents are correspondingly reduced.

The interest income of TEUR 40 (previous year: TEUR 86) received in the 2017 financial year is offset by interest payments of TEUR 1,127 (previous year: TEUR 1,019).

Dividends in the amount of EUR 0.01 per share (previous year: none) were paid/distributed to the shareholders of 3U HOLDING AG in the 2017 financial year.

For the sale/purchase of shares in subsidiaries, cash and cash equivalents of TEUR 1 (previous year: TEUR 0) and TEUR 375 (previous year: TEUR 0) flowed from the Group. The purchase or sale prices were paid in cash or are to be paid in cash at maturity.

The cash in and outflows are comprised of the following:

(In TEUR)	2017 Inflow	2017 Outflow	2017 Net	2016 Inflow	2016 Outflow	2016 Net
Acquisition	0	45	45	0	0	0
Disposition	1	330	329	0	0	0
Total	**1**	**375**	**374**	**0**	**0**	**0**

As in the previous year, the deconsolidation of subsidiaries resulted in no change in cash and cash equivalents.

In 2017, net income taxes in the amount of TEUR 375 were paid (previous year: TEUR 435).

The change in financial liabilities is as follows:

Change in financial liabilities (in TEUR)	Dec 31, 2016	Payment affectiing changes	Non-cash changes Disposal	Non-cash changes Disposal group	Dec 31, 2017
Long-term financial liabilities	35,417	-3,191	-9,300	-8,075	14,851
Short-term financial liabilities	9,419	-1,877	0	-524	7,018
Leasing liabilities	198	-51	0	0	147
Total debt from financing activities	**45,034**	**-5,119**	**-9,300**	**-8,599**	**22,016**

The assets reported as a disposal group include cash and cash equivalents of TEUR 469. Of this amount, TEUR 307 are subject to restrictions on disposal.

8 Other information

8.1 Capital management

The Group manages its capital with the aim of maximising the earnings of those involved in the Company by optimising the ratio of equity to borrowed funds. The equity ratio is defined as the target size. In so doing, it ensures that all Group companies can operate as going concerns.

As December 31, 2017 and December 31, 2016, reported equity and total assets amounted to:

	Dec 31, 2017	Dec 31, 2016	Change
Equity in TEUR	39,966	39,158	
Equity in % of total capital	49.20	40.89 %	+8.31 % percentage points
Borrowed capital in TEUR	41,272	56,604	
Borrowed capital in % of total capital	50.80	59.11 %	-8.31 % percentage points
Total capital (equity and borrowed capital) in TEUR	**81,238**	**95,762**	

Equity comprises total capital, the Group's reserves and non-controlling interests. Borrowed capital is defined as non-current and current financial liabilities, provisions and miscellaneous liabilities.

8.2 Financial risks

On the basis of its normal business activities, the 3U Group is exposed to only minor interest rate and credit risks, which could have an impact on its net assets, financial position and results of operations. In the context of international business the 3U Group is exposed to currency risks, which may have a corresponding impact. Where necessary, it also uses derivative financial instruments to manage these risks. In principle, however, only those risks are addressed that have an impact on the cash flow of the Group. Derivative financial instruments are used exclusively as hedging instruments.

The following sections examine the individual risks and risk management.

Foreign currency risk

Foreign currency risks exist, in particular, if receivables, liabilities, cash and cash equivalents and planned transactions exist or occur in a currency other than the Company's local currency.

The 3U Group primarily conducts its business operations in Germany and invoices in EUR. Trade payables in foreign currency are still losing importance for the Group, so principally there is only a small foreign currency risk. There is a policy to hedge the risks, for example by forward contracts. It stipulates that these transactions are congruent concerning currencies and time.

As at December 31, 2017 there were no forward exchange contracts active.

The carrying amount of the Group's monetary assets and liabilities denominated in foreign currency as at December 31, 2017 is connected to the activities of the segment ITC and is as follows:

Assets:	TEUR 11	(previous year: TEUR 22)
Debt:	TEUR 0	(previous year: TEUR 0)

Default risk
3U is exposed to a credit risk to the effect that assets could be impaired if counterparties fail to comply with their obligations. To minimise credit risk, transactions are only concluded with debtors of undoubted creditworthiness and only up to a maximum of a preset risk limit.

Default risks are in line with the normal market risks and appropriate valuation allowances are made. The Group is not exposed to any major credit risk from one counterparty or a group of counterparties with similar characteristics. The Group defines counter parties as having similar characteristics if related companies are involved.

The differing rates by which overdue receivables are written down are primarily dependent on how long they have been outstanding and the degree of success in recovering them. Experience has shown that receivables that are outstanding for more than 365 days are irrecoverable and they are written off.

Liquidity/new financing risk
The liquidity risk of the 3U Group basically consists in the fact that the Group may not be able to meet its financial obligations. In 2017, the Group's liquidity reserves have largely remained constant. The repayment of loans was compensated by the positive course of business. In connection with the data center property in Hannover, the loan existing as of December 31, 2016 was repaid on schedule. The financing volume for this location has been reduced by around EUR 1.2 million. The interim financing should be replaced in the middle of 2018 by a longer-term financing. Financial planning tools are used across the Group to monitor and manage liquidity. The planning horizon extends to one year.

The Group can use credit lines. As guarantee credit, TEUR 940 (previous year: TEUR 598) were utilized as part of bank guarantees on the balance sheet date.

3U expects to be able to meet its other obligations from operating cash flows and from the inflow of maturing financial assets. Furthermore, 3U assumes that the current ratio of debt to equity will be moved by the completion of follow-on financing in Hannover and the associated borrowing of additional debt in favour of debt.

Interest rate risk
With the interest-bearing debts of the 3U fixed interest are predominantly agreed on. A floating-rate loan from 2016 became a fixed interest rate due to a derivative cash flow hedge. By concluding the interest rate swap, the variable interest on a bank loan was converted into a fixed interest rate of 1.09 % p. a. It was a micro-hedge with a high effectiveness of the hedging relationship, since the risk-determining parameters are the same between the underlying and the hedging transaction (critical-term-match). The hedged item hedged as part of the cash flow risk hedge was fully repaid as of the balance sheet date (previous year: EUR 5.18 million) and the hedge had expired. The fair value of the interest rate swap was TEUR –37 as of December 31, 2016. Changes in market interest rates would only have an impact if the non-derivative financial instruments were recognized at fair value. Since this is not the case, the fixed-interest financial instruments are not subject to interest rate risks as defined by IFRS 7.

Hence we abstained from sensitivity analyses within the meaning of IFRS 7.40.

The risk of rising interest on bank loans is monitored on a timely basis.

8.3 Related parties

In the normal course of doing business 3U HOLDING AG and its subsidiaries entertain business relationships with joint ventures who are considered related parties of the Group. This is Spider Telecom GmbH. These commercial operations relate solely to supply and service relationships with these related companies. They were made on terms that are contracted among the Group companies and are according to market conditions. Here, the cost-plus method was applied.

Current receivables with these companies as at December 31, 2017 amounted to TEUR 10 (previous year: TEUR 38) and current liabilities in the amount of TEUR 39 (previous year: TEUR 71). At 3U HOLDING AG there were current demands on these companies amounting to TEUR 1 (previous year: TEUR 1) and current liabilities of TEUR 0 (previous year: TEUR 0).

Income of TEUR 234 (previous year: TEUR 446) and expenses in the amount of TEUR 0 (previous year: TEUR 0) result from these transactions at subsidiaries of 3U HOLDING AG in fiscal year 2017. This income amounted to TEUR 11 (previous year: TEUR 10) and expenses TEUR 0 (previous year: TEUR 0) at 3U HOLDING AG.

Business with other related parties relate primarily to supply and service relationships that were made on commercial terms and consulting services provided at market rates. These transactions were carried out with related parties/companies of companies/managers of subsidiaries. In fiscal year 2017 there was income of TEUR 3 (previous year: TEUR 10) and expenses of TEUR 36 (previous year: TEUR 16). As at December 31, 2017 there were current loans amounting to TEUR 0 (previous year: TEUR 0) and current debt of TEUR 0 (previous year: TEUR 0).

Other business with related parties was made only to an insignificant extent, and on market conditions.

3U HOLDING AG has issued a temporary patronage agreement for the benefit of the non-fully consolidated subsidiaries 3U DYNAMICS GmbH and 3U MOBILE GmbH respectively, until March 31, 2018.

3U HOLDING AG received a short-term loan of TEUR 55 (previous year: TEUR 55) from EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH.

In addition, there are receivables from a shareholder/director of a subsidiary amounting to TEUR 22 (previous year: TEUR 21).

The following persons were appointed members of the Management Board of the Company in the reporting year:

Michael Schmidt	Lahntal Speaker of the Management Board of 3U HOLDING AG
Andreas Odenbreit	Marburg Board Member of 3U HOLDING AG Member of the Supervisory Board of 3U ENERGY AG (since November 11, 2016)
Christoph Hellrung	Hattingen Board Member of 3U HOLDING AG

Total remuneration of the Management Board granted in 2017 amounted to TEUR 854 (previous year: TEUR 727).

In the variable remuneration of 2017 33.33 % resp. 100 % of the maximum possible variable remuneration for 2017 of TEUR 100 (Michael Schmidt), TEUR 50 (Andreas Odenbreit) resp. TEUR 50 (Christoph Hellrung) is included.

Name	Fixed remuneration (in TEUR)		Variable remuneration (in TEUR)		Total remuneration (in TEUR)	
	2017	2016	2017	2016	2017	2016
Michael Schmidt (Speaker of the Management Board)	309	317	100	50	409	367
Andreas Odenbreit	170	160	50	18	220	178
Christoph Hellrung	175	164	50	18	225	182
Total	**654**	**641**	**200***	**86****	**854**	**727**

*In the amount of TEUR 75 already paid in 2017, the balance of EUR 125 is due short-term
**In the amount of TEUR 75 in 2016 and in the amount of TEUR 36 in 2017 paid resp. in the amount of TEUR 25 reimbursed.

In the 2011 financial year, stock options were issued to the Members of the Management Board. These stock options expired in the 2016 financial year. In fiscal year 2017, no stock options were granted.

All remuneration for Management Board activities at 3U HOLDING AG are paid for the time as Member of the Board of 3U HOLDING AG. The subsidiaries have not paid any remuneration.

There is a non-interest bearing loan receivable against the Board member Michael Schmidt in the amount of TEUR 17 which was limited until December 31, 2017 and was prolonged until December 31, 2018.

Shares held by the Management Board and the Supervisory Board as of December 31, 2017:

Name	Function	Number of shares
Michael Schmidt	Speaker of the Management Board	8,999,995
Andreas Odenbreit	Management Board	20,500
Christoph Hellrung	Management Board	0
Ralf Thoenes	Chairman of the Supervisory Board	25,000
Stefan Thies	Deputy Chairman of the Supervisory Board	23,583
Jürgen Beck-Bazlen	Supervisory Board	1,515,000

In the reporting year as well as in the previous year, the following persons were members of the Supervisory Board:

Ralf Thoenes
Düsseldorf
Lawyer in the partnership Altenburger in Düsseldorf
Chairman of the Supervisory Board of 3U HOLDING AG
Other Supervisory Board or Advisory Board mandates:
Chairman of the Supervisory Board of 3U ENERGY AG, Marburg

Stefan Thies
Heinsberg
Degree in business and tax consulting in Thies & Thies Steuerberatungsgesellschaft
Deputy Chairman of the Supervisory Board of 3U HOLDING AG

Jürgen Beck-Bazlen
Ostfildern
Construction physicist,
employed in EGS-plan Ingenieurgesellschaft für Energie-, Gebäude- und Solartechnik mbH
Member of the Supervisory Board of 3U HOLDING AG
Other Supervisory Board or Advisory Board mandates: Member of the Supervisory Board of Sanierungs- und Entwicklungsgesellschaft Ostfildern mbH, Ostfildern

Supervisory Board compensation for 2017 amounted to TEUR 158 (previous year: TEUR 166). For 2017, a performance-related remuneration in the amount of TEUR 90 (previous year: TEUR 90) was set aside.

Name	**Fixed remuneration in TEUR**		**Attendance-fee in TEUR**		**Performance related remuneration in TEUR**		**Total remuneration in TEUR**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Ralf Thoenes (Chairman)	10	10	15	18	40	40	65	68
Stefan Thies (Deputy Chairman)	8	8	15	18	30	30	53	56
Jürgen Beck-Bazlen	5	5	15	18	20	20	40	43
Total*	**23**	**23**	**45**	**53***	**90**	**90**	**158**	**166***

*Due to rounding differences in the totals line

In addition, the members of the Supervisory Board receive a reimbursement of their travel expenses and other expenses. In the 2017 financial year, Mr. Thoenes received an amount of TEUR 2.4 (previous year: TEUR 2.5), Mr. Thies an amount of TEUR 0.8 (previous year: TEUR 1.1) and Mr. Beck-Bazlen an amount of TEUR 0.8 (previous year: TEUR 2.0) reimbursements for their expenses. Mr. Thoenes also received meeting fees and reimbursement of expenses for his work on the Supervisory Board of 3U ENERGY AG in the amount of TEUR 6 (previous year: TEUR 9).

The law firm Altenburger Rechtsanwälte, whose partner is the chairman of the Supervisory Board, Mr. Thoenes, received a total of TEUR 4.9 (previous year: TEUR 11.1) plus value added tax in the financial year ended for its consulting services and reimbursement of expenses for the 3U Group. These were provided in full to 3U ENERGY AG (previous year: TEUR 10.6 from 3U ENERGY AG and TEUR 0.5 from ClimaLevel Energiesysteme GmbH).

The principles of the compensation system for the Management Board and Supervisory Board are presented in the remuneration report in the combined management report.

8.4 Events after the reporting period

There were no events of special significance after the end of the financial year.

8.5 Auditor's Fees

The fees including additional expenses for the auditor BDO AG Wirtschaftsprüfungsgesellschaft in the financial year 2017 are:

Annual audit services	TEUR 230*	(previous year: TEUR 235*)
Other certification services	TEUR 0	(previous year: TEUR 0)
Tax consulting services	TEUR 0	(previous year: TEUR 0)
Other services	TEUR 0	(previous year: TEUR 9)
Total	TEUR 230	(previous year: TEUR 244)

* Including recalculations for previous years in the amount of TEUR 0 (previous year: TEUR 5)

8.6 Declaration on the Corporate Governance Code in accordance with Article 161 AktG

Management Board and Supervisory Board of 3U HOLDING AG have submitted the declarations prescribed by Article 161 of the German Stock Corporation Act (AktG) and have made them permanently available (www.3u.net).

8.7 Information in accordance with Article 160 (1) No. 8 AktG

In accordance with Article 21, Section 1 of the WpHG (German Securities Trading Act), by way of a letter dated November 28, 2012, Michael Schmidt, Lahntal, notified the Company that his voting rights of 3U HOLDING AG, Marburg, Germany, exceeded the threshold of 25 % of the voting rights on November 27, 2012 and amounted to 25.49 % (this corresponds to 8,999,995 voting rights) that day.

On February 4, 2015, Mr. Jürgen Beck-Bazlen, Ostfildern, has informed us according to Article 21, Section 1 of the WpHG that via shares his voting rights on 3U HOLDING AG, Marburg, Germany, have exceeded the 3 % threshold of the voting rights on February 2, 2015 and on that day amounted to 3.028 % (this corresponds to 1,069,418 voting rights).

Pursuant to Article 26, Section 1, Sentence 2 of the WpHG, 3U HOLDING AG announced on April 29, 2015 that its share in own shares has exceeded the threshold of 5 % of the voting rights and on that day amounted to 5.0088 % (this corresponds to 1,768,793 voting rights).

Mr. Roland Thieme, Lahntal, has informed us pursuant to § 21 para. 1 WpHG on September 8, 2017 that his share of voting rights of 3U HOLDING AG, Marburg, Germany, fell below the threshold of 3 % of the voting rights on November 18, 2016 and amounted to 2.99 % on this day (this corresponds to 1,055,888 voting rights).

Additional information

The following companies owned by 3U HOLDING AG are making use of the exemptions permitted in Article 264 (3) HGB:

- 010017 Telecom GmbH, Marburg
- 3U TELECOM GmbH, Marburg
- Discount Telecom S&V GmbH, Marburg
- fon4U Telecom GmbH, Marburg
- LineCall Telecom GmbH, Marburg
- OneTel Telecommunication GmbH, Marburg

3U HOLDING AG is the supreme, dominant company of the 3U Group.

Date of approval of the financial statements for publication

The Management Board of 3U HOLDING AG approved the consolidated financial statements to be forwarded to the Supervisory Board on March 8, 2018. The Supervisory Board is responsible for examining the consolidated financial statements and for declaring that it approves the consolidated financial statements. After publication, the financial statements cannot be altered.

Marburg, March 15, 2018

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Appendix to the Notes: Development of fixed assets 2017

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2017	Additions	Reclassifications	Disposals	Departures disposal group	As of Dec 31, 2017
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	6,050	164	27	2	703	5,536
2. Customer base	331	0	0	0	0	331
3. Goodwill	616	0	0	0	0	616
Total intangible assets	**6,997**	**164**	**27**	**2**	**703**	**6,483**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	17,434	0	0	0	0	17,434
2. Technical equipment and machines	45,401	173	40	27	9,331	36,256
3. Other equipment, plant and office equipment	2,833	187	-40	12	0	2,968
4. Constructions in progress	259	288	-27	0	0	520
Total property, plant and equipment	**65,927**	**648**	**-27**	**39**	**9,331**	**57,178**
III. Investment properties						
Held as investment properties	8,580	-1	0	0	0	8,579
Total investment properties	**8,580**	**-1**	**0**	**0**	**0**	**8,579**
Total fixed assets	**81,504**	**811**	**0**	**41**	**10,034**	**72,240**

Numbers are rounded. Rounding differences may arise in the summation.

Accumulated depreciation						Carrying amounts	
As of Jan 1, 2017	Additions	Reclassi-fications	Disposals	Departures disposal group	As of Dec 31, 2017	As of Dec 31, 2017	As of Dec 31, 2016
4,345	211	0	2	38	4,516	1,020	1,705
331	0	0	0	0	331	0	0
13	0	0	0	0	13	603	603
4,689	**211**	**0**	**2**	**38**	**4,860**	**1,623**	**2,308**
2,342	460	0	0	0	2,802	14,632	15,092
12,757	2,566	36	19	498	14,842	21,414	32,644
2,021	188	-36	10	0	2,163	805	812
79	0	0	0	0	79	441	180
17,199	**3,214**	**0**	**29**	**498**	**19,886**	**37,292**	**48,728**
857	260	0	0	0	1,117	7,462	7,723
857	**260**	**0**	**0**	**0**	**1,117**	**7,462**	**7,723**
22,745	**3,685**	**0**	**31**	**536**	**25,863**	**46,377**	**58,759**

Appendix to the Notes: Development of fixed assets 2016

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2016	Additions	Reclassifications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2016
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	5,052	998	0	0	0	6,050
2. Customer base	331	0	0	0	0	331
3. Goodwill	616	0	0	0	0	616
Total intangible assets	**5,999**	**998**	**0**	**0**	**0**	**6,997**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	17,376	58	0	0	0	17,434
2. Technical equipment and machines	35,847	9,558	0	4	0	45,401
3. Other equipment, plant and office equipment	2,855	129	0	151	0	2,833
4. Constructions in progress	232	27	0	0	0	259
Total property, plant and equipment	**56,310**	**9,772**	**0**	**155**	**0**	**65,927**
III. Investment properties						
Held as investment properties	8,498	82	0	0	0	8,580
Total investment properties	**8,498**	**82**	**0**	**0**	**0**	**8,580**
Total fixed assets	**70,807**	**10,852**	**0**	**155**	**0**	**81,504**

Numbers are rounded. Rounding differences may arise in the summation.

Accumulated depreciation						Carrying amounts	
As of Jan 1, 2016	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2016	As of Dec 31, 2016	As of Dec 31, 2015
4,125	220	0	0	0	4,345	1,705	927
331	0	0	0	0	331	0	0
13	0	0	0	0	13	603	603
4,469	**220**	**0**	**0**	**0**	**4,689**	**2,308**	**1,530**
1,918	462	-38	0	0	2,342	15,092	15,458
10,275	2,483	0	1	0	12,757	32,644	25,572
1,961	184	0	124	0	2,021	812	894
0	41	38	0	0	79	180	232
14,154	**3,170**	**0**	**125**	**0**	**17,199**	**48,728**	**42,156**
597	260	0	0	0	857	7,723	7,901
597	**260**	**0**	**0**	**0**	**857**	**7,723**	**7,901**
19,220	**3,650**	**0**	**125**	**0**	**22,745**	**58,759**	**51,587**

Independent Auditor's Report

To 3U Holding AG, Marburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We audited the consolidated financial statements of 3U Holding AG, Marburg, and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flows for the fiscal year from January 1, 2017 through December 31, 2017 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we audited the management report of the Company and the Group of 3U Holding AG, for the fiscal year from January 1, 2017 through December 31, 2017. In conformity with German legal regulations, we have not audited the parts of the combined management report specified in the Chapter "Other information" of our independent auditor's report with regard to their content.

In our opinion, based on our knowledge obtained during the audit,

- the accompanying consolidated financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the EU and the supplementary German legal regulations to be applied in accordance with Section 315e (1) German Commercial Code (HGB) in all material respects and give a true and fair view of the Group's net assets and financial position as of December 31, 2017 as well as its results of operations for the fiscal year from January 1, 2017 through December 31, 2017 in accordance with these requirements and
- the accompanying combined management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the combined management report does not extend to the content of the parts of the combined management report detailed in the Chapter "Other information" section.

Pursuant to Section 322 (3) Sentence 1 German Commercial Code (HGB), we state that our audit has not led to any reservations with respect to the propriety of the consolidated financial statements and the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter referred to as "EU Audit Regulation"), and generally accepted German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany [Institut der Wirtschaftsprüfer] (IDW). Our responsibilities under these requirements, principles, and standards are further described in the Section "Auditor's responsibility for the audit of the consolidated financial statements and the combined management report" of our report. We are independent of the group companies in accordance with European and German commercial law and rules of professional conduct and we have fulfilled our other ethical responsibilities applicable in Germany in accordance with these requirements.

In addition, pursuant to Article 10 (2) lit. f EU Audit Regulation, we declare that we have not provided any prohibited non-audit services pursuant to Article 5 (1) EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1, 2017 through December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon but we do not provide a separate opinion on these issues.

In the following we present the key audit matter in our view:

ASSESSMENT OF LONG-TERM ASSETS

Actual situation
In its consolidated financial statements as of December 31, 2017, 3U Holding AG shows non-current assets amounting to EUR 48.3 million (59.4 % of total assets). The market capitalization of 3U Holding AG at December 31, 2017 was with EUR 31.3 million below the net assets of EUR 40.0 million reported in the consolidated balance sheet.

Therefore, 3U Holding AG carried out an impairment test according to IAS 36.12 (d) to review the recoverability of all non-current assets in the Group. The impairment test requires significant estimates of future sales and profit margins and resulting cash surpluses, as well as assumptions to determine the discount rate used and is therefore subject to significant uncertainty.

The Company uses valuation methods based on discounted expected cash flows to carry out the impairment test. The expected cash flows are based on three-year forecasts based on plans prepared by the Management Board and approved by the Supervisory Board. The cash flow forecasts take into account past experience and are based on estimates made by management about future developments. Expected cash flows beyond the detailed planning period are updated with growth rates.

Due to the absolute and relative significance of the long-term assets for the consolidated financial statements of 3U Holding AG and the significant estimates associated with the valuation, a particularly important audit matter exists.

The information provided by 3U Holding AG on the valuation of non-current assets can be found in the sections "2.3.7 Goodwill" to "2.3.10 Investment properties" (pages 9 to 11 of the notes to the consolidated financial statements) and in section "2.3.17 Deferred taxes" (Page 15 of the notes to the consolidated financial statements); Further details can be found in the sections "6.1 Fixed assets" on pages 36 to 40 of the notes to the consolidated financial statements and in section "6.2 Deferred taxes" on pages 40 and 41 of the notes to the consolidated financial statements. The information on the impairment test is provided in section "2.3.14 Impairment of non-financial assets" on page 13 of the notes to the consolidated financial statements and in section "6.1.1 Intangible assets" on pages 36 and 37 of the notes to the consolidated financial statements.

Auditor's response

As part of our audit, we reconciled the method used to perform the impairment test with the requirements of IAS 36. During our audit, we reviewed, among other things, the methodology used to carry out the impairment test and assessed the determination of the weighted cost of capital used for discounting. We assessed the appropriateness of the future cash flows assumed in the valuation by reconciling these assumptions with the current budgets based on the planning prepared by the Management Board and approved by the Supervisory Board, and by agreeing with general and industry-specific market expectations, taking into account the company-specific situation. In doing so, we also assessed the adherence to forecasts by the Company on the basis of an analysis of the deviations from plan and actual in the past. In addition, we assessed the procedure for determining the value in use, with the inclusion of our valuation specialists. Sensitivity analyses have analysed the impact of realistic changes in assumptions by changing growth rates and planned outcomes. With the involvement of our valuation specialists, we have reconstructed the calculation scheme used to calculate the weighted cost of capital and have assessed its adequacy by comparing it with the market and industry-specific capital costs of a peer group.

OTHER INFORMATION

The legal representatives are responsible for the other information. The other information comprises:

- the separately published Corporate Governance Declaration referred to in the section "Declaration on Corporate Governance (Sections 289 f and 315 d HGB)" of the combined management report
- the information identified in the combined management report as unaudited separately
- the other parts of the annual report, with the exception of the audited consolidated financial statements and the combined management report as well as our audit opinion,
- the Corporate Governance Report according to No. 3.10 of the German Corporate Governance Code and
- assurance pursuant to Section 297 (2) Sentence 4 German Commercial Code (HGB) to the consolidated financial statements and assurance pursuant to Section 315 (1) Sentence 5 German Commercial Code (HGB) to the combined management report,

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

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

- is materially inconsistent with the consolidated financial statements, the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be substantially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report on that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements which comply with IFRS as adopted by the EU and the supplementary requirements of the German legal regulations pursuant to Section 315 e (1) German Commercial Code (HGB) in all material respects, so that the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. In addition, the legal representatives are responsible for the internal controls they have identified as necessary in order to enable the preparation of consolidated financial statements that are free from material misstatements, whether intentional or unintentional.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they have the responsibility to disclose matters relating to the Group's ability to continue as a going concern, if relevant. In addition, they are responsible for using the going concern basis of accounting, unless there are conflicting factual or legal circumstances.

In addition, the legal representatives are responsible for the preparation of the combined management report, which as a whole provides a suitable view of the Group's position, is consistent with the consolidated financial statements in all material respects, complies with German legal regulations and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) which they have deemed necessary in order to enable the preparation of a combined management report in accordance with the applicable German legal regulations and to furnish sufficient and appropriate evidence for the statements in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the findings of the audit, is in accordance with the German legal regulations, and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation and generally accepted German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW), and subject to supplementary compliance with ISA, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

As part of an audit, we exercise professional judgement and maintain professional skepticism. We also

- identify and assess the risks of material misstatements in the consolidated financial statements and in the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- form a conclusion on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and combined management report, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner such that the consolidated financial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Group in accordance with IFRS as adopted by the EU and the supplementary requirements of German law pursuant to Section 315 e (1) German Commercial Code (HGB).
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its legal consistency, and the view provided of the Group's position.
- perform audit procedures on the forward-looking information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence, we particularly evaluate the significant assumptions underlying the forward-looking information by the legal representatives and evaluate the correct derivation of forward-looking information from these assumptions. We do not issue an independent opinion on the forward-looking information or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking information.

We communicate with those charged with governance among other matters, on the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control, which we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report on the consolidated financial statements unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Other information pursuant to Article 10 EU Audit Regulation

We were appointed by the Annual General Meeting on May 18, 2017. We were commissioned by the Supervisory Board on October 17, 2017. Since 2008, we have been working continuously as auditors of 3U Holding AG.

We confirm that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 EU Audit Regulation ("Prüfungsbericht").

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr. Dieter Barhold.

Essen, March 15, 2018

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Thomas Semelka German Public Auditor	signed Dieter Barhold German Public Auditor

Further Information

Financial calendar

- **Annual General Meeting 2018**
  May 3, 2018
- **Publication of quarterly announcement 1/2018**
  May 9, 2018
- **Participation Frühjahrskonferenz (Frankfurt)**
  May 14–16, 2018
- **Publication of half year report 2018**
  August 15, 2018
- **Publication of quarterly announcement 3/2018**
  November 8, 2018
- **Participation Eigenkapitalforum (Frankfurt)**
  November 26–28, 2018

Contact

Company address
3U HOLDING AG
Frauenbergstraße 31–33
35039 Marburg
Germany

Postal address
3U HOLDING AG
Postfach 22 60
35010 Marburg
Germany

Investor relations
Peter Alex
Tel.: +49 (0) 6421 999-1200
Fax: +49 (0) 6421 999-1222
ir@3u.net
www.3u.net

Glossary

Cash flow
Key ratio for assessing the financial strength and earnings power of a company

The cash flow is calculated from the inflow and outflow of payments (cash or cash equivalents) from current operations (see cash flow statement).

Cash flow from financing activities
Includes inflows from borrowing or outflows from repayment of a loan, other liabilities to banks and interest liabilities from finance leases as well as outflows of funds for dividend payments and inflows/outflows arising from capital increases/decreases

Cash flow from investment activities
Outflows for the acquisition or inflows from the disposal of intangible assets, property, plant and equipment and investment assets, and of subsidiaries

Cash flow from operating activities
Change in liquid funds from the company's actual business operations (for example, the sale of products, the purchase of materials and of goods and services, and other moneys paid out in operations) and from other operations not classifiable as investment or financing activities

Cash flow statement
The cash flow statement is the cash-based component of accounting. It is a record of the values of cash flows within a financial year. To this end, inflows and outflows in the respective reporting period are offset, thus indicating the change in cash and cash equivalents.

Consolidation
Addition of sub-accounts to an overall account, e. g. of the single-entity balance sheets of individual companies in the Group to the consolidated balance sheet

Corporate governance
The German Corporate Governance Code represents important legal provisions for the management and monitoring of German companies listed on stock exchanges (corporate governance) and contains internationally and nationally recognised standards for good and responsible corporate management. The Code is intended to ensure that the German corporate governance system is transparent and enforceable. It is intended to build the confidence of international and national investors, customers, employees and the public in the management and monitoring of German companies listed and publicly traded on stock exchanges.

Declaration of conformity
Declaration by the Management Board and the Supervisory Board, in line with Article 161 of the German Stock Corporation Act, that the recommendations of the Government Commission of the German Corporate governance Code have been implemented.

Deferred tax assets
Future tax relief or tax burdens resulting when the recognition of asset and liability positions in the commercial and tax balance sheets diverge, but the difference is reversed over time (temporary differences). When deferred taxes are recognised, the effective tax expense resulting from the tax balance sheet is adjusted to the divergent net income according to commercial law. In addition, deferred taxes are recognised for future utilisation of tax loss carryforwards to the extent that there is a good likelihood of offsetting.

Earnings per share
This key ratio indicates the share of consolidated net income or loss generated that is attributable to one share. This key ratio is calculated by dividing the net result for the year (consolidated net income/loss) by the average weighted number of ordinary shares outstanding.

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortisation

EBT
Earnings before taxes

Equity ratio
The equity reported in the balance sheet divided by the total assets (the higher this key ratio is, the lower the level of debt)

Free Float
Shares which are publicly traded

Holding
The term "holding" (short for holding company or organisation) does not describe a legal form per se, but an organisational form of the parent company of affiliated companies established in practice.

IFRS
International Financial Reporting Standards

Market capitalisation
Term for the current market value of a company

It is calculated by multiplying the number of shares by the share price. Market capitalisation provides an indication of the price to be paid or realised for all shares of a company that are in circulation. However, it must be noted that large-scale acquisitions/disposals of shares can lead to an upwards or downwards trend in share prices.

Renewable Energies
Renewable energy is energy which comes from natural resources such as sunlight, wind, rain, tides, and geothermal heat, which are renewable (naturally replenished).

Risk management
Systematic method for identifying and assessing potential risks and for selecting and implementing measures to deal with risk

Risk management can be considered as the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximize the realisation of opportunities.

Scope of consolidation
Group of subsidiaries in a group which are included in the consolidated financial statements

Imprint

Published by
3U HOLDING AG
Frauenbergstraße 31–33
35039 Marburg
Germany

Photographs
3U HOLDING AG (title) ||
Jürgen Laackman, Laackman Fotostudios Marburg, www.psl-online.de (page 2) ||
Shutterstock Images LLC (page 18) ||
Publitek, Inc. dba Fotosearch (page 84, 168)

Font
Interstate by Tobias Frere-Jones
(manufacturer: The Font Bureau)

Printed in Germany

Disclaimer

The English translation of the German 3U annual report is provided for your convenience. Only the German version is audited by the auditor.

This annual report contains statements relating to the future which are subject to risks and uncertainties and which are assessments of the management of 3U HOLDING AG and reflect its current opinions with regard to future events. Such predictive statements can be recognised by the use of terms such as “expect”, “assume”, “estimate”, “anticipate”, “intend”, “can”, “plan”, “project”, “will” and similar expressions. Statements relating to the future are based on current and valid plans, estimates and expectations. Such statements are subject to risks and uncertainties, most of which are difficult to estimate and which are generally beyond the control of 3U HOLDING AG.

The following are – by no means exhaustive – examples of factors that may trigger or affect a deviation: the development of demand for our services, competitive factors – including price pressure –, technological changes, regulatory measures, risks in the integration of newly acquired companies. If any of these or other risks and uncertain factors occur, or if the assumptions on which the statements are based prove to be incorrect, the actual results of 3U HOLDING AG may differ materially from those outlined or implied in these statements. The company does not undertake to update predictive statements of this nature.

This annual report contains a range of figures which are not part of commercial regulations and the International Financial Reporting Standards (IFRS), such as EBT, EBIT, EBITDA and investments (capex). These figures are not intended to substitute the information for 3U HOLDING AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U HOLDING AG which are not part of commercial regulations and the IFRS, can only be compared to the corresponding figures of other companies to a certain extent.

3U Group*

3U HOLDING AG

ITC

010017 Telecom GmbH
Marburg, Germany

3U TELECOM GmbH
Marburg, Germany

3U TELECOM GmbH
Vienna, Austria

Discount Telecom S&V GmbH
Marburg, Germany

Exacor GmbH
Marburg, Germany

fon4U Telecom GmbH
Marburg, Germany

LineCall Telecom GmbH
Marburg, Germany

OneTel Telecommunication GmbH
Marburg, Germany

RISIMA Consulting GmbH
Marburg, Germany

weclapp GmbH
Marburg, Germany

Renewable Energies

3U ENERGY AG
Marburg, Germany

3U ENERGY PE GmbH
Kloster Lehnin, Germany

3U Euro Energy Systems GmbH
Marburg, Germany

Märkische Windkraft 110 GmbH & Co. KG
Kloster Lehnin, Germany

Repowering Sachsen-Anhalt GmbH
Marburg, Germany

Solarpark Adelebsen GmbH
Adelebsen, Germany

Windpark Langendorf GmbH & Co. KG
Marburg, Germany

Windpark Langendorf Verwaltungsgesellschaft mbH
Marburg, Germany

SHAC

ClimaLevel Energiesysteme GmbH
Cologne, Germany

Immowerker GmbH
Marburg, Germany

PELIA Gebäudesysteme GmbH
Montabaur, Germany

Selfio GmbH
Linz am Rhein, Germany

*Consolidated subsidiaries

3U HOLDING

3U HOLDING AG
Postfach 22 60
35010 Marburg
Germany

Tel.: +49 (0) 6421 999-1200
Fax: +49 (0) 6421 999-1222

ir@3u.net
www.3u.net

3018/1002