SERVICEWARE

Annual Report 2018/2019

Ratios

Ratios of the IFRS Financial Statements

in EUR million	2018/2019	2017/2018
Profit and loss account		
Sales revenues	66.6	55.2
- thereof SaaS/Service	24.3	16.3
EBIT	-2.3	2.7
Adjusted EBIT*	4.1	4.1
Earnings before taxes	-2.5	2.5
Adjusted earnings before taxes*	4.0	3.8
Earnings after taxes	-1.1	-1.1
Adjusted earnings after taxes*	3.4	3.4
Balance sheet		
Cash and cash equivalents	41.2	53.7
Equity	57.5	59.5
Borrowings	45.1	36.3
Balance sheet total	102.6	95.8

Information about the share

ISIN / Ticker symbol	DE000A2G8X31 / SJJ
Segment / Stock exchange	Prime Standard (Regulierter Markt) / Xetra
Outstanding shares	10.5 million
Free float	ca. 37.2 percent
Xetra year-end price on 30.12.2019	EUR 13.35
Market capitalisation on 30.12.2019	EUR 140.2 million

Further information

Fiscal year	1 December to 30 November
Registered office	Bad Camberg
Headcount (on 30 November 2019)	481
Reporting	IFRS

* To improve comparability with the previous year and transparency about the expenses in line with the strategy which was announced at the IPO and implemented thereafter, the EBIT / EBITDA as well as the results for the period before / after taxes are adjusted. During the previous year the non-recurring costs for the IPO (around EUR 1.4m) as well as non-recurring tax effects in connection with the IPO (around EUR 3.2m) were adjusted.

Content

Serviceware allows people to reach their goals in the service economy

Letter from the Managing Directors

Dear Shareholders,

Serviceware SE continued to push its growth in fiscal 2018/2019 and made significant progress with its strategy for the acceleration of growth. Expressed in figures, this means a clear increase in revenues by 20.6 percent or by euro 11.4 million to euro 66.6 million. In this connection a particularly encouraging aspect is the disproportionately high increase in revenues in the business unit SaaS (Software as a Service) / Services of 49.0 percent to euro 24.3 million. The business unit SaaS / Services plays an increasingly important role and offers high growth potentials. The higher demand for Software as a Service goes hand in hand with rising recurring profitable revenues; this leads to a higher visibility and a better plannability of our future business development.

Harald Popp, CFO

Dirk. K Martin, CEO

Dr. Alexander Becker, COO

During the past fiscal year we were not only able to significantly extend the share of SaaS / Services, but we also reached important goals concerning the expansion in European countries outside Germany and the strengthening of our business with large customers. Furthermore, the international sales organisations were strengthened, in particular in the United Kingdom, just as the marketing activities on the European markets of Serviceware. In the field of Artificial Intelligence we entered into a co-operation with the Technical University Darmstadt, a leading research institution in this field, with a view to joint practice-oriented research. We can implement the research results directly in our Enterprise Service Management (ESM) platform and offer our customers even more benefits for the digitalisation of their service processes. Concrete impulsions for the further development of our own ESM platform have already materialised only a few months after the start of the co-operation. The "Content Creation Assistant" extends Serviceware Knowledge and helps editors through an intelligent knowledge database to develop and maintain new knowledge.

Furthermore, we have upgraded our unique modular ESM platform. With the takeover of cubus AG in June 2019 and the integration of the solutions into the ESM platform as the module Serviceware Performance, Serviceware has further strengthened its market position and attractiveness, more particularly, on the level of groups and large customers. In combination with the existing Financial Management the company has an effective unique selling proposition. Our growth course is not only reflected by a larger product portfolio. As far as our headcount is concerned, Serviceware has likewise recorded a significant rise. At the end of the fiscal year, 481 employees were employed by us; 103 more than a year before.

We invest a lot into the future of our company. Our strategic and long-term investments already bear first fruits and will contribute towards sustainably increasing the value of our company. Our extensive investments are of course still reflected by our financial statements. With a view to the acceleration of our growth we have invested on an EBIT level an amount of euro 6.4 million. These investments have immediately been recognised in the income statement. Our unadjusted EBIT amounted to euro -2.3 million during the reporting period (prior year: euro 2.7 million). Apart from the expenditure for the programme for the acceleration of growth, this result was marked by the extension of the SaaS / Services business with which Serviceware increases the share of constantly recurring revenues. The earnings before interest and taxes (EBIT) adjusted for the expenditure of the programme for the acceleration of growth, were on prior-year level with euro 4.1 million.

The consolidated profit and loss account shows in the earnings after taxes a deficit of euro - 1.1 million (prior year: euro -1.1 million).

In the current fiscal year 2019/2020, we assume that we will improve the earnings versus prior year.

We thank all our shareholders, customers and business partners for their trust, and our special thanks go to our employees for their commitment and excellent work in fiscal 2018/2019. We are looking forward to an ongoing successful co-operation.

Yours sincerely

Dirk K. Martin	Harald Popp	Dr. Alexander Becker
CEO	CFO	COO

The Serviceware Portfolio

Serviceware Enterprise Service Management

Be it in private life or on the job - in the digital world people expect services which meet their requirements simply, directly and fully. Errors in processing or delays due to sophisticated business processes are not tolerated. Good services for customers and employees are, therefore, as important as never before for the success of companies.

With the Enterprise Service Management (ESM) platform Serviceware offers companies a platform for all services. The unique modular ESM platform can be tailored to specific user requirements and allows companies to control processes and work more effectively in all areas of Enterprise Service Management. As a result of the digitalisation and automation of service processes, companies can manage their service costs efficiently and significantly increase their service quality. Serviceware supports them with a comprehensive range of solutions and advice which stretches from strategy development via implementation of software solutions to the availability of infrastructure and managed services. The ESM platform currently encompasses the stand-alone software solutions Serviceware Financial (anafee), Serviceware Processes (helpLine), Serviceware Resources (Careware), Serviceware Knowledge (SABIO) and Serviceware Performance (cubus). The modules pooled in the ESM platform can be combined amongst each other but can also be used individually and as an overall package.

With the Serviceware ESM-platform

- You use a consistent platform for the entire Enterprise Service Management – for each query and each service task
- You optimise your processes in Customer Service Management, in the management of Enterprise Shared Services such as HR, IT or facility service
- You benefit from a comprehensive best practice portfolio with proven methods, tools and ratios

Serviceware Financial

Serviceware Financial (anafee) helps companies lower their costs and increase their service profitability. With Serviceware Financial never-ending spreadsheets are a thing of the past. The leading software solution for the financial management of IT and shared services ensures a transparent and consistent overview in pricing, calculation, and settlement of services, thanks to a structured service catalog, a detalied flow of costs as well as numerous budgeting scenarios. Based on automated documentation functions, the software solution allows, moreover, for a simple and reliable reporting. Compliance hence becomes a mere child's play.

- Serviceware Financial shows transparently where and how business costs arise. Put an end to unclear lump-sum costs and calculate the actual consumption of IT services automatically
- Intelligent analysis tools identify cost drivers and inefficient service components and contribute towards continuously optimising your service portfolio
- Avoid the negative surprises in budgetary planning through continuous control of performance to budget during the budgeting period
- Improve your efficiency with the support of self services in which cost centre managers administer requirements, order services and can issue authorisations

Accurate reports at the push of a button: Serviceware Financial at WACKER Chemie AG

The IT costs of many companies have strongly increased over the past years. Software, hardware, system upgrades and maintenance, as well as other changes brought on by digitization lead to significant expenses for the company. In the past the central function Information Technology (ZB-IT) of WACKER Chemie AG carried out the budgetary planning of ZB-IT in co-operation with IT Controlling primarily with spreadsheets and own developments in the ERP environment. Due to multiple media distruptions as well as an accompanying sequential planning process, budget planning was time-consuming, there was no flexibility for adjustments, and means for analysis were restricted. The IT service calculation, the planned charging of IT services and also the actual charging were likewise carried out through spreadsheets and in-house developments in an ERP environment.

Serviceware Financial supports the Munich-based chemical group operating throughout the world and listed in the SDAX, which supplies customers from more than 100 countries with around 3,200 products, at the financial management of IT costs, the IT service calculation and the charging of IT services. With Serviceware Financial a single point of data / single point of truth has been created for all relevant planning, service calculation and also IT charging data of ZB-IT.

"Media breaks in the planning process are a thing of the past. The time required for our budgetary planning has been significantly reduced. Budget adjustments and plan revisions have become more rapidly implementable across all stages of the planning process. The possible analyses in the IT service calculation are a quantum leap forward," says Stephan Keller, the expert in charge of the introduction of Serviceware Financial with WACKER Chemie AG.

The visual service analyser (VSA) developed by Serviceware is a special tool for the graphic representation of services and has been well received by ZB-IT of WACKER Chemie AG.

Serviceware Performance

Not only during economically turbulent times, companies must be able to flexibly and rapidly respond to market changes. An agile corporate management with short decision-making processes is decisive for the success of a company. With Serviceware Performance (cubus), different areas of corporate planning can be integrated on one platform: from sales planning, to HR, over investment and cost center planning, all the way to P&L, balance sheet and cashflow. This allows for access to continuous and consistent analysis and reporting.

- With Serviceware Performance you integrate the data of your different feeder systems on one platform and provide your employees with a single reliable source of information
- Based on target, actual, and forecast data you carry out analyses in just a few minutes and share the results with your employees – at any time and from any device
- Use the comment function in planning and reporting to support the correct interpretation of the data
- Make fact-based decisions. The intuitive handling and rapid query speed will delight not only your employees

From first idea to implementation: Drees & Sommer counts on Serviceware Performance for its corporate planning

Drees & Sommer is the innovative partner for consulting, planning, building and operating. As a leading European consulting, planning, and project management company, Drees & Sommer has accompanied private and public clients and investors for 50 years in all areas around real estate and infrastructure – be it analog or digital. In interdisciplinary teams the 3,300 employees support customers from many different industries at 40 locations around the world. The company currently supports around 3,800 building projects and generated sales revenues of euro 425 million in 2018. Serviceware Performance helps Drees & Sommer in corporate management and ensures that employees all over the world can access consistent and standardized information. With Serviceware Performance the company has a uniform data source. Ever since the implementation, the time-consuming and error-prone manual consolidation of hundreds of Excel spreadsheets has come to an end. Among other things, Drees & Sommer uses the software platform for sales revenues and result planning. Employees are planning the expected key figures in the different departments – such as project management, real estate consulting, smart infrastructure or engineering consulting – and at the company's locations for customer groups and industries. With Serviceware Performance, Drees & Sommer is able to autonomously develop, maintain, and adjust applications for planning and reporting according to current business changes. With the analysis and reporting function of the software, which permits the flexible evaluation of the data, it only takes a short period of time to draft a report and evaluate the results.

"Thanks to Serviceware Performance, we have been able to set up a flexible planning system within a short period of time which generates a true added value for our internal procedures," says Sebastian Berlin, Senior executive at Drees & Sommer.

Serviceware Performance is constantly upgraded and supplemented by additional functionalities. In this way, the software can be adapted to the growing needs of the customers quickly and easily.

Serviceware Knowledge

Companies are facing the challenge of pooling knowledge across different channels in a uniform knowledge structure and making it available in real time to customers as well as employees. With Serviceware Knowledge companies with customer contacts can manage their entire knowledge in a single central knowledge database. In this way waiting times can be shortened, onward transmissions can be reduced and a consistent customer communication through different contact channels can be guaranteed.

- Serviceware Knowledge shares knowledge across all channels
- Integration possibilities by app and an open interface (API) ensure a seamless integration in your company
- High-performance, self-learning search engine finds relevant knowledge in content pieces and uploaded documents
- Self-services provide answers and solutions for frequently asked questions around the clock

Serviceware Knowledge offers the employees of Commerz Direktservice GmbH a central source of knowledge

Commerz Direktservice GmbH is the customer centre of Commerzbank and is faced with the task of processing and solving almost 8 million customer enquiries per year. In order to be able to guarantee an efficient customer support, a structured knowledge management together with a contemporary, digital self-service is indispensable. The knowledge management of the company had a corresponding need for optimisation to be able to properly deal with the growing number of customer enquiries together with the digital requirements of customers. This is exactly where Serviceware Knowledge comes in to find a central solution and combine the efforts of individual business units. Thanks to the optimisation of the existing knowledge database, Commerz Direktservice GmbH always has the right information available. In this way it is now possible to respond quickly and precisely to enquiries and provide customers with tailored information.

The Consulting on the introduction and the implementation of Serviceware Knowledge took only three months. "During this time several sub-projects went live in parallel," Stefan Schleußner, Project Manager Serviceware

reports. Commerz Direktservice GmbH now not only has a convincing and multi-channel customer service in which corporate knowledge is centrally organised and processed accordingly for the individual channels, all branches of Commerzbank also have access to a self-service portal/to self-service functionalities for employees of the bank. With the latter, employees can now retrieve knowledge directly and without detours from Serviceware Knowledge.

Andre Kaiser, Managing Director of Commerz Direktservice GmbH, sums up: “Serviceware Knowledge is a great example illustrating how cross-functional co-operation across corporate borders can lead to first-class and highly innovative results. The service portal provides a genuine added value and makes banking for our customers simpler, quicker and better!”

“With Serviceware Knowledge we have a ‘source of knowledge’ and can support customers with a uniformly high quality in service. Moreover, through the connected API new content can, moreover, be integrated into other contact channels,” adds Nicolai Hardt, Head of the Digitalisation and Development Department at Commerz Direktservice GmbH.

Moreover, the voice portal of Commerzbank was connected via API to the system. If somebody now calls the service hotline of Commerzbank, a software responds which finds out what the customer wants through so-called intent recognition. If the customer wants, for instance, information about the recall of a remittance, the software identifies the data for the solution of the query through Serviceware Knowledge and reads them out. If necessary, the customer receives further information and a link by SMS which leads to the relevant piece of content on the customer service portal. The service portal combines the self-service of Commerzbank in one channel – based on the knowledge which leads to the relevant piece of content on the customer service portal.

With digital self-services Commerz Direktservice GmbH is able to meet the complex demands of the digital age. Nevertheless, personal customer service continues nonetheless to play an important role for the company. The employees of the customer centre continue to be directly available for more sophisticated matters such as questions on specific financing offers.

Serviceware Processes

With Serviceware Processes (helpline), best practice solutions are offered for the management of services in IT, HR, Finance and Customer Service. Through the modelling and digitalization of service processes, companies can save costs and significantly increase their productivity. Thanks to the intelligent process control of Serviceware Processes, the quality in the processing of service enquiries rises and the response time for replies is reduced. Serviceware Processes offers customers a broad range of services:

- High degree of automation ensures higher productivity
- Tried and tested standard workflows place the service processes of different corporate areas on one digital platform
- Real-time analyses based on custom criteria support the simple evaluation of information from the service
- Rapid go-live through numerous out-of-the-box integrations

With Serviceware Processes DFS is well prepared for regulatory requirements

German airports have been very busy for years; the number of flights and passengers is constantly rising. The security in the German air space and of thousands of take-offs and landings at the airports in Germany is ensured by the employees of DFS Deutsche Flugsicherung GmbH (Air Traffic Control Authority) which has its HQ in Langen. The privately organized company, which is wholly owned by the German state, is in charge of the country's air traf-

fic control and must comply with a series of national and international requirements and regulations. DFS monitors air traffic in the German air space from four control centers. Moreover, the company is represented at all 16 international airports in Germany where the take-offs and landings are monitored and coordinated from the tower. DFS implemented Serviceware Processes for two reasons: On one hand, to meet their statutory obligations with respect to their obligation to furnish evidence in air traffic control services and, on the other hand, to map the IT service management processes in the internal IT department.

Before, DFS had used different systems, portals, and databases in their control centers and the towers. As a result, information was not available uniformly and they were not able to retrieve it centrally. With Serviceware Processes, DFS now has a standardized, consolidated system for all corporate divisions in the field of air traffic control (control centers, towers and air traffic control engineers), which meets all security requirements and makes communication significantly easier. The system developed by Serviceware for DFS, called nDL (new Daily Log), stores all incidents (whether they have security relevance or not) such as bird strikes, medical emergencies, or delays in a centralized database. It then creates and transmits automatic logs of the reportable events to the European Organisation for the Safety of Air Navigation and can be extended through additional operative processes.

Moreover, nDL has additional features: in recent years, there has been a worldwide increase in cases in which pilots were blinded by laser pointers during their landing approach. As soon as such an incident is entered into the nDL, the system transmits all relevant information such as the direction of the beam, the time, or the color of the laser, to the police. They can then use this information only a few minutes later and start looking for the criminals to prevent worse things from happening.

“Serviceware Processes helps us fulfil complex requirements. Thanks to the high flexibility and adaptability of the system, new processes can be easily integrated. Looking at future regulatory demands or process adjustments, Serviceware Processes enables us to respond promptly and effectively,” stresses Markus Schäfer, Technical Project Manager with DFS.

With DFS as a reference customer, new business opportunities are available for Serviceware all over the world. Talks are already taking place with several airports concerning the introduction of Serviceware Processes.

Serviceware Resources

The highest priority for most companies is to provide the best possible service to their customers. But if this service takes place across various locations and requires certain resources, things can get challenging fast. Serviceware Resources (Careware) will take care of these challenges. The software tool supports you with planning and optimizing of service queries and allows for an excellent customer experience.

- Optimize your company’s time and task management with staff rosters and shift schedules for cross-team planning as well as templates for repeating shifts structures and task lists
- Thanks to automatic updates in case of changes as well as a daily overview over resource allocation, you will always know what is going on
- Alerts for guideline breaches (e.g. timeouts) and emergency functionalities for short-notice changes allow for flexibility in all situations
- Form-based reports for digital archiving as well as electronic recording of travel costs, time, and other expenditures

More time for patients: Serviceware Resources supports Diabeter in organizing diabetes centers

In the health sector, efficient logistics and proper service organization play an important role in the well-being of patients. However, patients often have to wait months for a doctor‘s appointment, and for some of them every minute can be crucial. Serviceware Resources helps companies in the healthcare sector to optimize their organization and service processes and supports them in the logistical planning of care appointments. One of the companies that already uses Serviceware Resources is Diabeter. The company specializes in the care and nursing of children and adolescents with type 1 diabetes and operates several facilities in the Netherlands where around 3,000 patients are cared for.

At the company‘s largest diabetes center in Rotterdam, Diabeter employees make particular use of the planning tools of Serviceware Resources. Thanks to a „Session Planboard“, employees can automatically view available appointments in the company‘s five centers in a single system. Even during office hours, appointments can be conveniently organized and arranged across all locations, either in-house or in one of the other centers. With Serviceware Resources, all Diabeter employees have an overview over upcoming appointments and plans several months ahead of time. It is no longer necessary to try and align several Excel spreadsheets or try and reach the other center by phone when things are busy.

In addition, the patients’ needs (e.g. personnel) can easily be matched with available resources. All tasks and appointments can be tracked across locations with Serviceware Resources - in real time and from any device. This guarantees optimal planning for patients, professionals and their organization.

The output of this new service is that our staff can see where in our centers a patient can have an appointment. This saves us hours a day that would be otherwise have to be spent on other issues than patientcare.

Digitization in the health care system is still at an early stage. However, there are many opportunities to expand cooperation. In the future, patients will possibly be able to make appointments from home using automated planning functions. Maybe in a few years’ time, the planning and making of appointments will be completely automated without the need for staff to assist.

Artificial Intelligence – from a basic technology to a competitive factor

Prof. Dr. Peter Buxmann, Technical University Darmstadt

Artificial Intelligence (AI) and Machine Learning (ML) processes are well on their way to become the fundamental technologies of the 21st century. In this connection Erik Brynjolfsson and Andrew McAfee from the MIT even refer to the most important "general purpose technology" of our age. This view can be underpinned by various studies: Forbes has, for instance, conducted a survey amongst more than 300 managers. 95 percent of the respondents believe that AI will in future play an important or very important role in their companies.

The almost universal applicability of AI algorithms makes the utilization of AI interesting for companies of all sizes and many different industries. Critics often object that AI is actually nothing new because algorithms like, e.g. neural networks, have already existed for years. This objection is understandable on the one hand, but on the other hand, it ignores that the framework conditions for AI applications have dramatically changed:

Firstly, data are at present available in a so far unequalled volume – both on the internet and in companies or corporate networks. These data represent the basis for the use of ML processes. Moreover, there are data platforms, such as Kaggle, which make available data for a large number of possible AI applications.

Secondly, the computing power and storage space are as cost-effective as never before and can be sourced without any problem from cloud providers. Developments in the field of quantum computing are likely to enable a future breakthrough of further computationally intensive AI applications. Apart from the advantages, it should be considered that the use of cloud services can become a genuine cost factor for large data volumes.

Thirdly, the performance of ML algorithms has improved over the past years. This applies, more particularly, to so-called deep learning algorithms which are increasingly used.

Fourthly, there are many free-of-charge toolkits and libraries for the development of AI applications. Examples include Scikit-learn, Apache Spark MLlib, Keras, CNTK, PyTorch or TensorFlow. Most of these tools are available under an open source license and facilitate the development of ML applications.

In addition, the possibility to use ML algorithms has also been simplified because providers such as Google, IBM, Microsoft or SAP, are offering AI services based on pay-per-use models. This means that users can obtain services such as the transformation of voice into text or the recognition of objects based on a Software as a Service model. Consequently, new innovative business models are developing around the ML use which will further promote the future use and dissemination.

As a result, AI is about to trigger the second wave of digitalization. If AI becomes increasingly prevalent in companies, software providers will have to offer customers corresponding solutions or integrate AI modules into their software. AI will then more and more become an important part of the business models of software producers and a strategic competitive factor.

Peter Buxmann is a University Professor for Business Information Systems | Software and Digital Business at the Technical University (TU) Darmstadt. He is responsible for the co-operation between the TU Darmstadt and Serviceware in the field of AI. Professor Buxmann is the speaker of the mission "Future Data Economy and Society" of the national research centre ATHENE and a member of numerous management and supervisory committees, including the Advisory Board of the Weizenbaum Institute for the Networked Society – the German Internet Institute in Berlin.

His research focuses on the digitalization of business and society, methods and applications of Artificial Intelligence as well as the field of tension between data economics and privacy. He is the author of more than 300 publications which have been published in international journals and conference proceedings. The work of Peter Buxmann and his team has received several awards, including the Best Paper Award at the Software Business Conference of the Massachusetts Institute of Technology (MIT).

Artificial Intelligence in Enterprise Service Management

Dr. Adrian Engelbrecht, Head of AI, Serviceware

Artificial Intelligence (AI) continues to be the talk of the town. Many scientific studies and media reports take up the topic and discuss future potential. Whereas it is still unclear whether and how applications can work based on AI, the added value for Enterprise Service Management is already tangible in many areas.

This can be attributed to different factors. AI applications benefit in Service Management from the fact that many companies have already collected data about the actual service processes and interactions for years. Consequently, they can, for instance, analyze the connections between the topic of a customer enquiry, the underlying

process and the solution. These data constitute the basis to train high-performance models and validate their quality based on conclusive metrics. Since many of the relevant data are available in text form, the progress in natural language processing made during the past years is particularly visible here. Furthermore, AI meets two competing needs in Service Management which favour the utilization of new applications. On the one hand, service providers are under pressure to lower the costs for their services. On the other hand, customers have high expectations so that long waiting times and complex process-es are hardly accepted. AI can address the two needs by enhancing both service quality and efficiency through the automation of existing tasks.

Against the backdrop of these potentials Serviceware initiated “Serviceware AI” in early 2019. Serviceware AI is a centre of excellence for Artificial Intelligence and Machine Learning, which extends the existing product platform by adding new functionalities. Serviceware AI stands out, more particularly, with the application of the most recent methods and models of science. To expand the necessary knowledge, Serviceware co-operates with the Technical University Darmstadt. The potential of new algorithms and technologies are investigated, more particularly, in joint research projects, bachelor and master theses as well as programming internships and piloted for use in practice. The goal is then to make new findings promptly available in the product platform and make it possible for customers to leverage the technological development.

But what do concrete applications look like? As a matter of principle AI can support different phases of Service Management from planning via implementation to control. In the service implementation employees are, for instance, empowered to process customer enquiries more efficiently. In detail, algorithms analyse the content of an incoming enquiry and propose suitable knowledge from existing specialised articles or previous customer interactions. Employees can re-use this knowledge to process the enquiry and secure in this way not only a high quality solution, but they can also work more expeditiously. They can then use the free scope to deal with complex enquiries and the cultivation of personal customer relationships. In addition, AI can be used to answer questions by customers before they are passed on to the service employees. To do so, the algorithms must be integrated for the analysis of the questions in the self-service (e.g. in the contact form of a website), to predict already at that level the appropriate response modules. If this is successful, incremental added value is feasible apart from a better support of the agents.

With the “Content Creation Assistant” a first feature of Serviceware AI was presented to the public in March 2020. The Content Creation Assistant extends Serviceware Knowledge and supports editors in creating and maintaining new knowledge. In this way knowledge creation and maintenance become not only more efficient but also more effective. Service employees can access a structured knowledge database better so that they find relevant knowledge for customer queries quicker and can provide better answers. How is this possible? Editors are shown during creation and editing the associated contents which exist already in the database in real time so that they do not unknowingly create contents twice and can simply use metadata of existing texts (such as categories or views). Moreover, they can rapidly spot whether a text is at the right place in the database and make possible improvements. The Content Creation Assistant outperforms existing solutions through the use of the most recent language models. The AI-based language models are pretrained on large data volumes and are able to determine similarities reliably even if the text has the same meaning (semantics) but completely different formulations and structures are used.

Software Developer right from the outset:

Birgit Reidt advances the Serviceware platform with her creative drive

If one talks to team colleagues about software developer Birgit Reidt, one learns that her good mood is infectious and motivating, that she asks questions nobody else is thinking of, and that she stands for the imparting of knowledge. This comes as no surprise. As a software developer Birgit Reidt has worked for more than two decades on the success story of Serviceware. Right from the outset she was involved in the development of Serviceware Processes, the software for modelling and digitalization of service processes.

“Work at Serviceware means new and exciting tasks and challenges every day,” says Birgit Reidt. Together with an international developer team she works on the concept and implementation of new process logics, database designs and server-side interfaces. The team is always oriented towards the goal of supporting customers even better with their software at the automation and digitalization of their services.

The professional routine of the developer is marked by self-organized working in a team. She experiences the resulting dynamics as a major advantage: “We always have the possibility to take over tasks for which we apply new approaches and technologies.” This makes the work interesting and varied and secures at the same time a sound knowledge base in the team. “In the fast-paced software industry it is particularly indispensable to constantly develop oneself further,” Reidt believes. “Otherwise one falls out of the loop quickly.”

Falling out of the loop – that’s something Birgit Reidt never wanted to happen, even during her parental leave. This is why she continued to inform herself constantly about new technologies and even developed test applications to stay practically on the ball. This facilitated her re-integration into working life. However, the framework conditions must be suitable as well: “Accommodating family and professional life is not always easy. I am very grateful to Serviceware for having been able to come back to my job so successfully.”

After two decades with Serviceware, monotony remains unknown to Birgit Reidt. She is excited to commit herself to the “hackathons”, before special events where mixed teams pore over new products or solutions in a casual and creative atmosphere. As an experienced software developer, Birgit Reidt supports hiring more female talents in the IT industry. Together with a group of colleagues she ensures that the female participants are provided with a very practical insight into software development during the annual Girls’ Day. This year, the development of an all new app is on the agenda.

Sales person with experience and passion:

Lars Linden lives and values the service mentality at Serviceware

Lars Linden joined Serviceware with a clear motivation in 2009: “I wanted to be part of an agile, growing company with short decision-making channels and which offers the scope for the implementation of my own ideas.” He achieved this personal goal when he moved from one of the largest US IT groups to the owner-led company Serviceware.

Lars Linden took over responsibility for one of the sales territories and managed a small regional team. Today he acts as Sales Director Large Enterprise and is in charge of the nationwide support of key accounts in the field of infrastructure. In this role, he charts the right strategic and technical course for the success of his sales team, e.g. through the targeted planning of new partner-ships and the introduction of new sales methods, but also through activities for the recruitment of new employees and his commitment within the trainee program. This always includes a look at and analysis of the numbers of his area, which determines the further activities of the team.

It is important for Lars Linden that the structures at Serviceware allow him to remain active on the customer level even in his manager role. He considers the management of customer relations as the core task in sales: “Even if technology offers many different opportunities to support customers online, personal encounters continue to be indispensable.” He accompanies his colleagues in their work on the project, acts as a role model and gives them reassurance. Just like his team, the passionate runner continues to spend a large part of his professional life with his customers – and hence on the streets and rails of his sales territory.

The focusing on customers and their needs is seen by Linden as an important building block for the success of Service-ware as a whole: “What I appreciate above all at Serviceware is the self-understanding which runs across all corporate levels: everyone working for the company sees himself or herself as a service provider. I have been very pleased to see the developments this has resulted in during the past years and I am excited about where this high level of focus may lead in the future.”

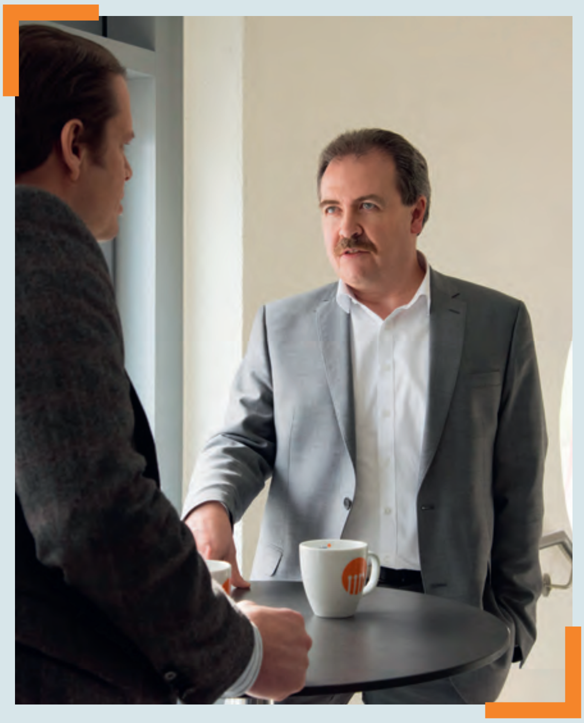
Christian Bösken:

Wanted: Accountant
Found: Senior Financial Accountant & Controller with an overall view

Christian Bösken has travelled a lot over the course of his professional career. His stations include Wales and Mauritius, amongst many others. Greece has a special place in his heart, although he never worked there. In 2004, Bösken happened to be on vacation there when he received the confirmation of his recruitment by Serviceware via SMS.

The company was then looking for an accountant to in-source accounting which had been outsourced up to that time. With the trained industrial clerk Bösken, who had completed his business administration studies with a focus on tax law after his training, the right match had been found to implement this plan (and many future improvements in accounting).

The new job was a good fit right from the very outset which is also due to the good cooperation with CFO Harald Popp – which frequently happened via verbal communication between the neighbouring offices. Whoever knows Christian Bösken's diploma dissertation is not surprised that the two get along well: with a cost analysis the aspiring graduate in business administration helped his employer to cut the costs for its top-selling product. Exactly the type of initiative that Popp appreciates and needs as CFO.



Today, Christian Bösken's main task is the preparation of consolidated monthly, quarterly and annual financial statements for all companies of Serviceware. If you think that this sounds like a boring routine, you will soon learn better. "The highlight of my professional life at Serviceware was of course the 2018 IPO," he reports. "However, the integration of new companies always involves exciting challenges." This includes the integration projects for different IT systems which are the responsibility of the Senior Financial Accountant & Controller just as the introduction and upgrade of new software systems – more particularly the ERP system Navision, a software solution for mid-sized companies for resource organisation and / or planning, financial management, and supply chain management.

When Bösken once more spent his vacation in Greece in 2019, he received another email from Serviceware. CFO Harald Popp congratulated him on his 15th work anniversary. "The next vacation is already planned," Bösken says with a smile. But he already knows exactly where he will spend his vacation for his silver anniversary in 2029 …

Far more than just a warm welcome:

Özge Korkmaz is the first contact point for many questions by customers and employees

Even if she is up to her neck in work, Özge Korkmaz always has a smile on her face for visitors and employees of Serviceware. As part of the Front Office Team she is a “calling card” of the company: friendly and helpful, even if it is quite stressful, with an open ear for everybody, always solution-driven and unbureaucratic. Özge Korkmaz gives visitors the feeling to be welcome, because she knows: “Whether you are welcomed with a friendly smile or fobbed off with a mere ‘Yes?’: There are no second chances for first impressions.”

The first impression also played a role when Özge Korkmaz joined Serviceware. Her first step into professional life was a two-week internship at Serviceware in 2015. During this short time, the student already felt well looked after and she made a great first impression the company. Her internship was followed by a three-year vocational train-ing as an office management specialist at Serviceware. “Apprentices are given responsibility at an early stage here already,” Özge Korkmaz mentions. “This is one of the reasons why I rapidly felt like a member of the Serviceware family.” After just two months with the company and a one-month initial training period, she took over responsibility for travel management. During her apprenticeship, she had the opportunity to familiarize herself with many departments of the company such as project management or fleet management, and she also got familiar with event organization.

Since the end of her apprenticeship, the sociable 22-year old has been working at the front office management of the Serviceware headquarters in Bad Camberg. Together with her colleagues she is responsible for welcoming visitors, preparing the meeting rooms, processing the mail as well as many other large and small office routines. Özge Korkmaz loves to work at the front office and knows that this takes more than just a friendly smile: “For instance, this job requires good IT and foreign language skills as well as organizational talent.” The latter becomes especially useful when dealing with the administration of the Serviceware offices for which she is in charge across locations. “It is always a special pleasure for me to be able to support colleagues at other locations on site.”

Focus on customer value:

Team UK drives Serviceware's international growth

After the market entry of Serviceware in the United Kingdom in 2018, Serviceware UK has developed from a pure sales force into a strong and diverse team. Over the course of 2019 the team is excecuting Serviceware's growth strategy now with a focus on building customer value and success globally. This is possible due to a newly hired group of motivated experts with backgrounds in sales, marketing, and technology bringing with them a wealth of experience at successful software companies.

Of special interest for Team UK is the expansion of the sales business with big international customers. Focus here lies on the support of companies with their financial management of IT and shared services, enabling a modern, accurate and agile way of optimizing budgets and saving costs.

Key motivators for members of Team UK were a passion for the customer and the opportunity to be part of Serviceware's growth story. Joe Wilson, Global Account Director, is convinced that the increasing importance of internal and external services in a "Everything as a Service" economy offers Serviceware ample growth opportunities. Related to this are the significance of Enterprise Service Management as a distinct market segment next to more "classical" areas like ERP and CRM.

The cooperation beyond country limits across Serviceware – while always keeping the customer in the spotlight – is an important driver for Team UK in their day-to-day work. Nancy Guttridge, International Marketing Manager, works closely with the marketing team in Germany to launch new campaigns for the growing internationalization of Serviceware: "Many companies are in the middle of their digital transformation. Our Enterprise Service Platform is the perfect companion for that journey." Global Account Director Sam Wilson knows from his passion for playing sports, that teamwork is important if you want to achieve success: "The team we have built at Serviceware exemplifies a fantastic team, and I very much look forward to the continued success that we will see this year in the international market as we help businesses transform with the service-based economy."

Gov Dhillon, Senior Sales Engineer at team UK, shares the drive to only bring the best results to customers. Ever since he was a child, the technology expert has had a passion for this topic. After several stops at international market leaders in the IT sector, Gov Dhillon now brings his knowledge and experience to Serviceware: "We want to work together to present Serviceware in an even better light internationally and help customers to land major successes. There are a lot of things we can still achieve at Serviceware."

Successful career start: our trainee programme for Junior Account Managers

Exciting and diverse tasks await the participants in the 24-month trainee programme for Account Managers. Workshops, training sessions, project exercises and bootcamps during which rhetoric as well as negotiation and presentation techniques are included in the list of topics. From the first customer contact to after sales support, trainees learn alongside seasoned colleagues all the necessary skills to work successfully in sales.

"Theory and practice are often wide apart. Whereas theory is learned at the university, practical experience often falls by the wayside," Marco Paul, Account Manager trainee at Serviceware mentions. As for many of his colleagues, it was important for Marco to find a trainee programme in which practice-oriented project tasks are on the agenda. "During the trainee programme at Serviceware practical tasks with responsibility are assigned right from the outset. This is how I rapidly felt as part of the sales team."

Stefanie Bialas is likewise going through the Account Manager trainee programme. She stresses the mentor programme in which experienced employees support a trainee. "You experience the account manager profession at very close quarters and your mentor provides you with a wide range of know-how. At the same time the mentor holds a protecting hand before things get really serious." Bialas was particularly pleased about the drafting of a process template for enquiries to the finance department within the company. "It was great to participate in something which will actually be implemented."

The bootcamp, an intensive methodology training over two days in five sales disciplines, is particularly popular. "During this event trainees get a first impression of possible practical pressure situations," says Marcel Krüß, another Account Manager trainee. His fellow trainee Anouar Al Marese appreciates the honest feedback from the experienced employees. "You identify very easily your own strengths and weaknesses and grow with your challenges." All trainees agree that the programme has enormously furthered them in their personal and technical development and they highly appreciate the opportunities they are offered at Serviceware. "A lot is invested in us – both in human and financial terms," Anouar Al Marese sums up.

The trainee programme is a more than 10-year success story during which a large part of today's sales team was trained. The tasks of the trainees include: cold calls, the preparation and implementation of presentations and customer support, also the accompaniment and support of experienced sales people during customer meetings or the preparation of offers for customers.

The Serviceware Share in 2019

Stock markets nationally and globally

The DAX index rose by around 25 percent in value in 2019. This is the highest annual gain since 2013. The TecDax increased in 2019 by around 23 percent and also the indices MDAX and SDAX reported significant price rises. Apart from the German stock indices, the worldwide indices had an ascending trend. The EURO STOXX 50 index recorded a rise by little less than 26 percent and the US S&P 500 Index rose even by 30 percent.

The uncertainties in respect of the trade conflicts, more particularly between the USA and China, but also with Europe, as well as the forthcoming exit of Great Britain from the European Union were more than compensated in 2019 by the robust general economic development and an ongoing easing of the monetary policy of the central banks. The new president of the European Central Bank Lagarde has already indicated that she continues to be in favour of a very expansive monetary policy. The US Fed carried out a new turnaround in interest rates in 2019 and lowered the most important key interest rate three times in a row. A new uncertainty factor for the worldwide business development and in parallel for the share price development seems to be the ongoing propagation of the coronavirus.

Share price of Serviceware SE

The Serviceware share started with an opening price of euro 16.50 into 2019 and recorded its annual high on 10 January with euro 24.00. It then dropped until it was slightly above euro 14.00 in April. In June, the Serviceware share reached again up to euro 19.50. By the end of the year the share price was altogether again dropping and amounted to euro 13.35 on 31.12.2019. The annual low was on 6 December at euro 11.97.

Stock exchange activity 2019

Between 1 January and 31 December 2019 a total of 1.68 million Serviceware shares were traded on Xetra. This corresponds to 43 percent of all shares in the free float (ca. 37.2 percent). The 2019 trading volume totalled on Xetra euro 26.2 million. On the average of the 251 trading days, 6,693 shares were traded on Xetra and the average trading volume per stock exchange day resulted in euro 104,301.

Analyst coverage

Analysts of Commerzbank and Hauck & Aufhäuser have observed the business development of Serviceware and have regularly published analyst studies. At the time of drafting of this Annual Report (1st quarter 2020), the assessment of the two banks was as follows:

Bank	last update of	Recommendation	Upside target
Commerzbank	03.09.2019	Buy	EUR 26.00
Hauck & Aufhäuser	25.11.2019	Buy	EUR 20.00

Investor relations activities

With the listing in the Prime Standard of the Frankfurt Stock Exchange, Serviceware is subject to particular transparency demands. Interim reports were published on the different quarters and for the fiscal year 2018/2019 this Annual Report is published. Through regular corporate news and ad hoc disclosures the capital market is informed about news concerning Serviceware SE. The corporate website provides all interested parties with comprehensive information on the company and the share. All the communication documents are made available in German and in English. In November 2019 Serviceware participated in the German Equity Forum in Frankfurt am Main. Within the framework of a company presentation as well as in individual and group talks, many investors, analysts and journalists were given explanations on the business model and the business development. Moreover, the Managing Directors were available for talks to interested investors during investor roadshows in Paris, London, Zurich and Frankfurt am Main as well as in many investor meetings and telephone conferences.

Stock exchange information

ISIN Ticker symbol	DE000A2G8X31 / SJJ
Segment / stock exchange	Prime Standard (Regulated Market) Xetra
Number of shares outstanding	10,500,000
Free float	ca. 37.20 Prozent
Xetra opening price 02.01.2019	EUR 16.50
Annual high	EUR 24.00
Annual low	EUR 11.97
Xetra year-end price	EUR 13.35
Market capitalisation on 31.12.2019	kEUR 140,175
Designated sponsor	Hauck & Aufhäuser
Analyst coverage	Hauck & Aufhäuser, Commerzbank

Dear Sir or Madam,

2018/2019 was an extraordinarily eventful year for Serviceware.

After the IPO in 2018, the company experienced the next milestone as a listed company. On 15 May 2019 the first shareholder meeting of Serviceware SE took place.

With the takeover of cubus AG in June 2019, we have been able to extend our Serviceware Enterprise Service Management (ESM) platform by adding Corporate Performance Management and Business Intelligence through the combination of the new modules with the existing Financial Management we have secured another unique selling proposition which increases the attractiveness of the Serviceware platform, more particularly, for large customers and groups.

We have been able to make a major future-oriented strategic step forward with the conclusion of an extensive co-operation agreement in the field of the Artificial Intelligence (AI) with the Technical University of Darmstadt. This enables us to implement the most recent research results from the field of AI directly into the development of our ESM platform and hence to offer our customers an even higher cost and quality benefit at the digitalisation of their service processes.

In the wake of our internationalisation strategy and in view of an even more intensive addressing of large customers, we have completely revised our brand appearance with a focus on our unique ESM platform. To do so, we have launched our new corporate logo in conjunction with a completely revised corporate design in the summer of 2019. The new corporate claim “Serviceware. That’s How.” and the new corporate website illustrate the mission of the company to be able to provide concrete answers to concrete needs at the process digitalisation of our customers at any time.

The Administrative Board has fulfilled in fiscal 2019 the tasks and obligations in accordance with the law, the statutes and its internal regulations with greatest care and regularly supervised the work of the Managing Directors. The body convinced itself at all times of the lawfulness and regularity of the management. The Administrative Board has great confidence in the decisions taken by the Managing Directors. We have constantly been available in an advisory capacity in our function and have jointly developed the management of the company with the goals set in an ongoing dialogue with the Managing Directors. The Administrative Board was at all times involved in all decisions which were of direct relevance for Serviceware. This was done, more particularly, through the transparent management by the Managing Directors.

Meetings of the Administrative Board

In six ordinary meetings of the Administrative Board, the Managing Directors have regularly reported comprehensively in writing and orally about the current situation of Serviceware SE and informed about all important aspects and business transactions of the company. The members of the Administrative Board were provided in due time prior to all the meetings with all relevant information and had at all times the possibility to critically deal with the reports and draft resolutions submitted by the Managing Directors. In this way it was possible to make suggestions without any problems. The reports on the position and development possibilities of the company were discussed constructively by the Administrative Board and the Managing Directors.

The Administrative Board had, moreover, an ongoing exchange of information with the Managing Directors about the current business development between the meetings.

All three members of the Administrative Board participated in all meetings of the Administrative Board until the new election of the Administrative Board at the General Meeting on 15.05.2019. Christoph Debus and Harald Popp then participated in the other two Administrative Board meetings in 2019; Ingo Bollhöfer participated merely in the meeting of the Administrative Board on 5.11.2019.

The meetings of the Administrative Board on 5.12.2018, 21.2.2019, 19.3.2019, 15.5.2019, 14.8.2019 and 5.11.2019 focused on the following topics:

Focal topics of the deliberations in the Administrative Board

1st quarter 2019
The Administrative Board accompanied the Managing Directors intensively in the further implementation of the inorganic growth strategy, more particularly with a view to the analysis and assessment of potential acquisition targets.

The Administrative Board was, moreover, integrated extensively by the Managing Directors into the new orientation of the brand Serviceware and the discussion of an even stronger orientation of the development unit towards customer-centric approaches within the context of AI (Artificial Intelligence) and beyond.

During the meeting of the Administrative Board on 5 December 2018 auditor Rainer Grote of RSM GmbH in Düsseldorf was appointed as external auditor who explained to the Administrative Board during the meeting on 21.02.2019 the preliminary audit report from the ongoing audit of the financial statements and consolidated financial statements 2017/2018.

2nd Quarter 2019
During the meeting of the Administrative Board on 19 March 2019 the financial statements of Serviceware SE and the combined group management report for fiscal 2018/2019 were adopted after the final report by the auditor, participating in part of the meeting, about the audit and the consolidated financial statements of the Serviceware Group and the combined group management report for fiscal 2017/2018 were approved.

New election of the Administrative Board at the Ordinary General Meeting

Within the framework of the Ordinary General Meeting of the company on 15 May 2019, Mr Christoph Debus, Mr Harald Popp and Mr Ingo Bollhöfer were elected as members of the Administrative Board. A new election had become necessary since the office of all members of the Administrative Board ended at the end of the general meeting on 15 May 2019.

Mr Debus was then elected as chairman of the Administrative Board.

The activities of the Administrative Board were marked by relevant Administrative Board activities such as agreeing on contractual framework conditions with the Managing Directors and providing advice for the Managing Directors.

The meeting of the Administrative Board on 15.05.2019 focused on the preparation of the first general meeting of Serviceware SE.

Furthermore, the preparations for the acquisition of cubus AG, whose leading solutions extend the Serviceware ESM platform in the fields of Corporate Performance Management and Business Intelligence, were intensively discussed and finalised.

The Administrative Board instructed the CEO to enter into an acquisition agreement on 100 percent of the shares in cubus AG after a positive due diligence and instructed the CFO with the analysis of the financing options for the takeover.

This was successfully implemented with the takeover of cubus AG on 5 June 2019. In this connection the Serviceware ESM platform was not only extended by two additional value creating components, but the Serviceware partner and customer network was supplemented by renowned partners and customers from, amongst others, the USA and France, so that the further internationalisation of Serviceware was strengthened.

3rd Quarter 2019
As in the previous meetings of the Administrative Board, the reports of the Managing Directors regularly addressed the optimisation potential in the day-to-day business of Serviceware and discussed this with the Administrative Board.

The Administrative Board supported the Managing Directors, amongst others, in view of the elaboration and implementation of the further HR growth strategy, the digitalisation and harmonisation of the internal financial planning as well as the cost-efficient adjustment of office space requirements to the increase in headcount.

4th Quarter 2019
After the takeover of cubus AG the analysis and discussion of inorganic growth options continue to be a focus of the activities of the Administrative Board.

Against the backdrop of the ongoing fourth and hence final quarter of the fiscal year the earnings situation of Serviceware and optimisation approaches are extensively discussed with the Managing Directors.

Committees of the Administrative Board

The Administrative Board has three members. Consequently, no committees have been set up. All topics were covered together and within the meaning of the highest possible efficiency.

Composition of the Administrative Board

The members of the Administrative Board are:

- Christoph Debus (Chairman), since 30.01.2018
- Harald Popp, since 30.01.2018
- Ingo Bollhöfer, since 30.01.2018

The members were all re-elected by the Ordinary General Meeting on 15 May 2019.

Corporate Governance

The Managing Directors and the Administrative Board supervise compliance of Serviceware SE with the rules of the German Corporate Governance Code. The Administrative Board adopted the declaration of conformity in accordance with § 161 AktG (German Stock Corporation Act) on 31 January 2020.

Serviceware meets the overwhelming part of the recommendations of the Code. The few deviations are explained in the Corporate Governance report which was published together with the declaration on corporate management under https://serviceware-se.com/de.

Adoption of the financial statements

The consolidated financial statements and the consolidated management report of Serviceware SE as well as the financial statement and management report were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union (EU) and in accordance with the supplementary provisions under the German Commercial Code to be complied with in accordance with § 315e Para 3 HGB.

The external auditor elected by the general meeting of 15.05.2019 and instructed by the Chairman of the Administrative Board, Christoph Debus, RSM GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Düsseldorf, has audited the financial statements and the consolidated financial statements of Serviceware SE as well as the management and consolidated management report for fiscal 2019 and issued an unqualified audit certificate.

During the Administrative Board meeting on 16.03.2020 deliberations took place with the Managing Directors in the presence of the external auditor who reported about the essential results of his audit.

All mentioned documents and audit reports of the external auditor were circulated in due time to the members of the Administrative Board and intensively reviewed by them.

The result of the review corresponds fully to the audit report. The financial statements of Serviceware SE and the consolidated financial statements as well as the combined group management and management report submitted were approved by the Administrative Board during the meeting of the Administrative Board on 16.03.2020.

The financial statements are hence adopted.

The Administrative Board thanks all Serviceware customers for their confidence and the good co-operation and all employees of Serviceware SE as well as the Managing Directors Dirk K. Martin, Harald Popp and Dr. Alexander Becker for their commitment and constructive co-operation in fiscal 2018/2019.

Bad Camberg, 18 March 2020

Christoph Debus
(Chairman of the Administrative Board)

Combined Management and Group Management Report 2018/2019

Serviceware SE, Bad Camberg

1 Combined Management and Group Management Report

The Serviceware Group (hereinafter referred to as Serviceware) is a European software provider for the digitisation of business processes.

The single-entity financial statements of Serviceware SE are prepared in accordance with the provisions of HGB (German Commercial Code) and AktG (German Stock Corporation Act); the consolidated financial statements are prepared in accordance with §315e HGB based on the International Financial Reporting Standards ("IFRS"). The reporting on the situation of the Group corresponds basically to the reporting on Serviceware SE. Supplementary information on the financial statements of Serviceware SE is provided in Section 1.7.

1.1 General Economic Development

In 2019 the German gross domestic product increased for the 10th year in a row. The growth of 0.6 percent (price-adjusted; source: Federal Statistical Office, January 2020)[1] was, however, lower than during the previous years: the growth was, for instance, 0.9 percentage points below 2018. The gross domestic product rose less strongly with 0.4 percentage points than still assumed by the German government in its annual projection 2019[2]. On a worldwide level, the ongoing international trade conflicts and Brexit resulted in a further muted worldwide economic situation. The comparative sluggishness of the German economy, therefore, continues.

The drivers of the economic development were, more particularly, the services sector and the building industry. The German industry continues to be on a downtrend. However, it cannot be described as a general economic crisis or recession, even if for the moment a significant uptrend cannot yet be identified. Whereas the Ifo business climate records a general downtrend in line with the framework conditions, the business climate in the digital industry remains stable and even significantly improved towards the end of 2019[3].

Whereas job cuts in the banking sector and in the automotive industry, which represents a key technology industry in Germany, can be seen as symptoms of economic stagnation, there were nonetheless also positive industrial impulsions. The announcement by the electric car manufacturer Tesla to open a factory in Brandenburg, as well as the increase in the e-car premium decided by the Federal Cabinet, can be understood as important signals for Germany as an industrial location. Never before had discussions about sustainable management, energy production, mobility, emissions and climate goals been conducted as publicly and prominently as in 2019.

On the German labour market, the number of gainfully employed rose in 2019 by 271,000 persons or 0.6 percent versus December 2018 according to figures published by the Federal Statistical Office in January 2020[4]. The unemployment rate reached 4.9 percent in December 2019 (referred to all persons in civilian employment)[5]. Consequently, Germany continues to belong to the countries with the lowest unemployment rate in Europe. In the entire Euro area the seasonally adjusted unemployment rate amounted according to EuroStat in December 2019 to 7.4 percent and was significantly above the German rate.[6] Compared to the previous year (7.8 percent in December 2018) the European unemployment rate dropped, however. 7.4 percent is, moreover, the lowest rate which has been recorded during the past 10 years in the Eurozone. This suggests that the Eurozone is in this area on the right track.

[1] https://www.destatis.de/DE/Presse/Pressemitteilungen/2020/01/PD20_018_811.html
[2] https://www.bmwi.de/Redaktion/DE/Artikel/Wirtschaft/Projektionen-der-Bundesregierung/projektionen-der-bundesregierung-jahresprojektion-2019.html
[3] https://www.bitkom.org/Digitalindex
[4] https://www.destatis.de/DE/Presse/Pressemitteilungen/2020/01/PD20_031_132.html
[5] https://de.statista.com/statistik/daten/studie/1239/umfrage/aktuelle-arbeitslosenquote-in-deutschland-monatsdurchschnittswerte/
[6] https://ec.europa.eu/eurostat/documents/2995521/10159300/3-30012020-AP-DE.pdf/b96400e9-e18c-4d57-aae3-d6e23ec753e7

The by now longest growth phase in the united Germany and the historically low unemployment rate have meanwhile resulted in recruitment problems for many companies in 2019. The number of vacancies amounted to 774,345 and was only slightly below the record level of the previous year (796,427 vacancies).[7] According to the Federal Employment Agency it is, however, not possible to refer to a general lack of labour or skilled labour. However, there are significant bottlenecks in some technical professional fields like health and care occupations.[8] As in previous years, the investment activity was in 2019 an important pillar for growth in Germany. According to the Federal Statistical Office the entire gross investment in fixed assets is supposed to be in 2019 versus 2018 5.4 percent ahead of prior year.[9] Capacity utilisation in industry was again disproportionately high in 2019 and project financing remained favourable due to the ongoing low interest rates.

1.2 Industry Development

The general economic situation in the digital industry continues to be good. The German market for IT, telecommunications and consumer electronics has been growing by 2.0 percent last year.[10] After the initially subdued expectations during the second half of 2019, the business climate has brightened again. The Bitkom Ifo digital index reached its highest level since May 2019 in December.[11]

At the end of the year the number of employed in the digital industry exceeded for the first time 1.2 million. At the same time the lack of IT specialists has reached a new peak in 2019 according to information published by the digital industry association Bitkom in November 2019.[12] In Germany there were 124,000 vacancies for IT specialists at the end of November 2019. This corresponds to a significant increase by 51 percent versus 2018. According to Bitkom, software developers have the best prospects on the IT labour market. Three out of 10 companies across all industries (32 percent) with at least one IT vacancy are looking for programmers. They are followed by IT application administrators (18 percent), data scientists (13 percent), IT project managers (12 percent) as well as IT consultants and IT service managers (10 percent each).

Companies continue to invest more into their IT security. The sales revenues with security solutions rose by 10 percent in 2019. In 2019 sales revenues of approximately EUR 4.6 billion were generated with hardware, software and services for IT security. For IT security software, the companies spent in Germany EUR 1.4 billion; this likewise corresponds to 10 percent more versus prior year (Source: Bitkom, October 2018). [13]

With a view to the overall IT infrastructure, the market research company Gartner estimated in January 2020 that companies spent in 2019 worldwide around USD 3.7 trillion or 0.5 percent more for their IT infrastructure than in 2018[14].

The number of M&A transactions in the technology sector has significantly decreased in 2019 versus 2018 according to information from Transfer Partners (M&A Sector Report, Q3/2019)[15]. The transaction volume in Europe amounted during the first three quarters of 2019 to EUR 573.4 billion; this corresponds to a decline versus prior year of 29 percent. In Germany, too, the trend was declining with minus 57 percent. However, the transaction volume recovered towards the end of the year. Altogether the higher valuation level driven by lower interest rates has a negative impact on volume development.

---

7 https://de.statista.com/statistik/daten/studie/2903/umfrage/jahresdurchschnittswerte-des-bestands-an-offenen-arbeitsstellen/
8 https://www.bmwi.de/Redaktion/DE/Dossier/fachkraeftesicherung.html
9 https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/Tabellen/lrvgr03.html
10 https://www.bitkom.org/Marktdaten/ITK-Konjunktur/ITK-Markt-Deutschland.html
11 https://www.it-daily.net/analysen/23212-erstmals-1-2-millionen-jobs-in-der-bitkom-branche
12 https://www.bitkom.org/Presse/Presseinformation/Erstmals-mehr-100000-unbesetzte-Stellen-fuer-IT-Experten
13 https://www.bitkom.org/Presse/Presseinformation/Rekordjahr-Markt-fuer-IT-Sicherheit
14 https://www.gartner.com/en/newsroom/press-releases/2020-01-15-gartner-says-global-it-spending-to-reach-3point9-trillion-in-2020
15 https://transfer-partners.de/content/9-sektorreport/20191023-it-medien-q3-2019/sektorreport_it_medien_q3_2019.pdf

1.3 Business Development

Serviceware Group: Ratios of the Financial Statements for Fiscal 2018/2019 from 1 December 2018 to 30 November 2019

	1 December to 30 November			
In kEUR	2018/2019	2017/2018	Veränderung	%
Sales revenues	66,571	55,178	11,393	20.6 %
- thereof SaaS/Service	24,293	16,299	7,994	49.0 %
EBITDA	-1,179	3,219	-4,398	-136.6 %
EBITDA adjusted*	4,589	4,547	42	0.9 %
EBIT	-2,312	2,725	-5,037	-184.9 %
EBIT adjusted*	4,135	4,053	82	2.0 %
Financial result	-176	-260	84	-32.4 %
Results for the period before taxes	-2,488	2,465	-4,953	-200.9 %
Results for the period before taxes adjusted*	3,959	3,793	166	4.4 %
Income tax	1,338	-3,553	4,891	-137.7 %
Results for the period after taxes	-1,150	-1,088	-62	5.7 %
Results for the period after taxes adjusted*	3,419	3,442	-23	-0.7 %
	30.11.2019	30.11.2018		
Cash and cash equivalents	41,197	53,695	-12,498	-23.3 %
Churn rate (%)	4.8 %	4.7 %	0.1 %	2.1 %
Recurring revenue Margin	59 %	55 %	4 %	7.3 %

Please note: Numbers are rounded arithmetically to thousands. The calculation of totals can lead to rounding differences.

* To improve comparability with the previous year and transparency about the expenses in line with the strategy which was announced at the IPO and implemented thereafter, the EBIT / EBITDA as well as the results for the period before / after taxes are adjusted. During the previous year kEUR 1,328 of non-recurring costs for the IPO of 20 April 2018 were adjusted.

During fiscal 2018/2019 Serviceware was able to continue its success story despite macroeconomic interferences and generated record sales revenues of EUR 66.6 million (+20.6 percent versus prior year). A significant growth in revenues by 49.0 percent to EUR 24.3 million was achieved in the field of SaaS/Service. During the past fiscal year the recurring revenues, too, rose by 4 percentage points to 59 percent (kEUR 38,989). The churn rate remained almost unchanged with 4.8 percent (PY: 4.7 percent).

The positive development of sales revenues is the result of a clearly defined growth strategy which builds on the three components (1) European expansion, (2) Strengthening of sales to large customers including the corresponding marketing, and (3) Inorganic growth and extension of the ESM platform. The necessary investments have a short-term impact on the earnings situation, but they are necessary in strategic terms to render revenue growth even more dynamic.

In all mentioned areas Serviceware made significant progress during the past fiscal year and implemented the programme for accelerated growth. The incremental personnel and general administrative expenses for the European expansion, the enhanced addressing of large customers and inorganic growth are immediately expensed during a reporting period. Within the framework of inorganic growth, the amortisations made within the framework of corporate acquisitions since the IPO have been made in respect of the capitalised intangible assets and have likewise been expensed during the period.

To provide a transparent and comparable picture of the application of funds charged to expenses during the different periods and show at the same time the corresponding effect on earnings, we report adjusted values in addition to the existing reporting. The adjusted numbers do not represent IFRS-based ratios and are exclusively intended to increase transparency.

During fiscal 2018/2019 incremental expenses were incurred under the abovementioned programme for accelerated growth in the amount of kEUR 5,768 on an EBITDA level and kEUR 6,447 on an EBIT level. These include investments in internationalisation (kEUR 3,932), temporary integration costs within the framework of inorganic growth (kEUR 1,392) and the orientation towards the strategic large customer business (kEUR 444) as well as kEUR 679 caused by costs and amortisations in respect of acquisitions. [16]

The EBITDA adjusted for these expenses rose slightly versus the prior year period by 0.9 percent to kEUR 4,589. Together with the expenditure from the programme for accelerated growth the EBITDA amounted to kEUR - 1,179 (prior year: kEUR 3,219).

The adjusted earnings before interest and taxes (EBIT) increased likewise versus the prior year period by 2.0 percent to kEUR 4,135. After expenses for acquisition costs, internationalisation and orientation towards the strategic large customer business it reached kEUR -2,312 (PY: kEUR 2,725).

The financial result improved based on lower interest expenses with kEUR -176 (PY: kEUR -260) by 32.4 percent . The adjusted earnings before taxes for the period increased versus the prior year period from kEUR 166 to kEUR 3,959. After extraordinary expenses it reached kEUR -2,488 (PY: kEUR 2,465).

Income taxes were essentially impacted by the variation in deferred taxes. During the past fiscal year 2018/2019 tax income in the amount of kEUR 1,338 was arising. The prior year figure of kEUR -3,553 included non-recurring effects from contribution gains in the amount of kEUR 3,202 which occurred as a result of the IPO in April 2018.

The adjusted earnings for the period after taxes amounted to kEUR 3,419. After expenses for the programme for accelerated growth they amounted to kEUR -1,150 (PY: kEUR -1,088).

[16] Purchase price allocation on customer base and trademark as well as internally generated intangible assets acquired through the acquisition, which are subject to scheduled amortisation of up to 20 years.

The first half of fiscal 2018/2019 of Serviceware was marked by the development and expansion of our international structures, more particularly in Great Britain, where we were able to fully increase the team to the currently planned headcount. Moreover, the acquisition of cubus AG was intensively prepared. As a result of the intensive preparatory work it was possible to push a rapid and successful integration of cubus AG after the successful acquisition.

In addition, the focus was on the co-operation with the Technical University Darmstadt in the field of Artificial Intelligence (AI) and the opening of our AI Lab in the university environment in Darmstadt, as well as the revision of our brand appearance during the second half year. The new corporate claim “Serviceware. That’s how.” documents the ambition of the company to be able to give concrete answers to concrete needs at any time during the process digitalisation of our customers.

The change in cash and cash equivalents in the amount of kEUR -12,498 (-23 percent) to kEUR 41,197 versus prior year results essentially from the share of not debt-financed acquisition costs, which became due upon the acquisition of all shares in cubus AG in June 2019 as well as further strategic investments under the programme for accelerated growth.

The headcount continued to rise on schedule during fiscal 2018/2019 to 481 persons as at 30.11.2019 in order to step up the effectiveness in sales and services and also in software development. 34 employees were taken over within the framework of the acquisition of cubus AG.

1.4 Position of the Group

The managing directors rate the development and the position of the Serviceware Group in line with the expectations. Sales revenues reached their highest level in corporate history in 2019. All expectations were met in this field. After the implementation of the projects communicated at the IPO, profitability has deteriorated as expected. The positive market development supports corporate growth which is to be enabled through the further extension of capacities.

1.4.1 Sales revenue development

The sales revenues of the Serviceware Group were significantly improved during the past fiscal year 2018/2019 and continued to range on a record level. In fiscal 2018/2019 sales revenues rose by 20.6 percent versus the comparative prior year period to EUR 66.6 million. The growth rate continues to be above the average in many years, albeit below the prior year level (PY: 24.4 percent). All business units have contributed to the growth in revenues. The strongest growth was recorded by SaaS/Service with a 49.0 percent rise versus the comparable prior year period. During the reporting period, revenues from licences were 4.7 percent and maintenance revenues 12.9 percent above the prior year numbers.

Sales revenues break down as follows:

	2019/kEUR	2018/kEUR	Variation in %
Revenue SaaS/Service	24,293	16,299	49.0 %
Revenue licences	20,491	19,577	4.7 %
Revenue maintenance	21,787	19,302	12.9 %
Total	**66,571**	**55,178**	**20.6 %**

1.4.2 Orders in hand

The orders in hand on the reporting date at the end of the fiscal year are mainly reflected by the advance payments received for maintenance and SaaS contracts. This concerns contract liabilities for a period of up to 60 months. Given the binding nature of the contracts, contract liabilities constitute already definite future revenues of Serviceware. The revenues from the maintenance area are recognised over a specific period from maintenance contracts running over several years. Compared to existing contract liabilities for maintenance, managed service and SaaS contracts on 30 November 2018, the number increased by 30 November 2019 by around 5 percent . The proportion [17] of renewal of maintenance contracts of 95.2 percent remained on the prior-year level.

1.4.3 Operating Result (EBITDA/EBIT)

The positive sales revenue development during fiscal 2018/2019 is not yet reflected by the operating result. The non-adjusted EBITDA shows a loss in the amount of kEUR -1,179 (PY: profit of kEUR 3,219). After the adjustment for expenses in respect of acquisition costs, internationalisation and orientation towards the strategic large customer business they amounted to kEUR 4,589 (PY: kEUR 4,547). On an EBIT level the unadjusted result shows a deficit of kEUR -2,312 (prior year: surplus of kEUR 2,725). The EBIT adjusted for the expenses under the programme for accelerated growth rose by 2.0 percent to kEUR 4,135 versus prior year.

The decline in result is mainly attributable to additional burdens from personnel expenses, which rose by kEUR 11,010 to kEUR 32,134, other operating expenses which rose by kEUR 3,502 to kEUR 12,085 and costs of material which were higher by kEUR 3,200 and reached kEUR 26,521. An opposite effect was recorded in respect of other operating expenses which were with kEUR 2,991, kEUR 1,921 above prior year. This is mainly attributable to non-recurring currency gains from the development of the Swiss franc versus the Euro and an obligation under an earn-out associated with an acquisition no longer applying.

The increase in personnel expenses includes, more particularly, investments under the programme for accelerated growth implemented by Serviceware to push the further growth of the company. With a view to its financing, Serviceware had received within the framework of its IPO on 20 April 2018 net inflows resulting from a capital increase of approximately EUR 55 million. The funds are used as scheduled during the coming three to five years for three growth areas:

- European expansion (about 15 percent to 25 percent of the funds)
- Reinforcement of the large customer sales including the corresponding marketing (around 10 percent to 20 percent of the funds)
- Inorganic growth and expansion of the ESM platform (around 65 percent to 75 percent of the funds)

[17] Proportion of contract renewals corresponds to (1-churn rate)

In all these areas Serviceware made significant progress during the past fiscal year and has consistently implemented its programme for accelerated growth. The total expenses of the programme are currently reducing the net income for the period but constitute the long-term basis for additional increases in sales revenues and net income in the future and strengthening the international market position of Serviceware.

	1 December to 30 November	
In kEUR	2018/2019	2017/2018
EBITDA (IFRS)	-1,179	3,219
Costs in connection with the internationalisation outside DACH	3,932	
Temporary integration costs in connection with inorganic growth	1,392	
Costs in connection with access to large customers and corresponding marketing	444	
Adjusted EBITDA	4,589	4,547*

	1 December to 30 November	
In kEUR	2018/2019	2017/2018
EBIT (IFRS)	-2,312	2,725
Amortisations in respect of capitalised intangible assets within the framework of company acquisitions	679	
Costs in connection with the internationalisation outside DACH	3,932	
Temporary integration costs in connection with inorganic growth	1,392	
Costs in connection with large customer sales and the corresponding marketing	444	
Adjusted EBIT	4,135	4,053*
Financial result	-176	-260
Adjusted net result for the period before taxes	3,959	3,793
Income taxes	1,338	-3,553
Tax effect referred to adjustments	-1,878	3,202
Adjusted result for the period after taxes	3,419	3,442

* During the previous year kEUR 1,328 were adjusted as non-recurring costs for the IPO of 20 April 2018.

Earnings before Taxes

The financial result of kEUR -176 includes essentially interest expenses for the long-term financing of the last company acquisition. The financial result improved from kEUR -260 to kEUR -176.

The unadjusted earnings before taxes (EBT) drop versus the prior year period by kEUR -2,488 (prior year: kEUR +2,465). The earnings before taxes adjusted for expenses under the programme for accelerated growth increased versus the prior-year period by 4.4 percent to kEUR 3,959.

1.4.4 Group Earnings after Taxes

The tax result was influenced by effects from deferred taxes. During the past fiscal year 2018/2019 this resulted in a total tax income of kEUR 1,338. The prior-year value of kEUR -3,553 included non-recurring effects from contribution gains of kEUR 3,202 resulting from the IPO in April 2018.

After taking into account the taxes, there is a consolidated net loss (unadjusted) for fiscal 2019 of kEUR 1,150 (PY: kEUR 1,088 net loss). The earnings after taxes adjusted for expenses from the programme for accelerated growth dropped versus the prior-year period by 0.7 percent to kEUR 3,419.

1.5 Capital expenditure

During fiscal 2019 investments in the amount of kEUR 14,182 (prior year: kEUR 11,231) were made. They concern essentially additions in connection with the acquisition of the shares in cubus AG (goodwill kEUR 6,312, cubus trademark kEUR 2,111 and customer base kEUR 5,248). The remaining capital expenditure of kEUR 511 concerns the enlargement and modernisation of operating and office equipment as well as the acquisition of software licences.

1.6 Financial Position and Capital Structure

The changes in the financial position and capital structure of the Group versus prior year result primarily from the acquisition of cubus and the partial financing of the purchase price with debt capital involved as well as the growth of sales revenues as such. The balance sheet total increased versus 30 November 2018 by 7 percent to kEUR 102,584 on 30 November 2019.

The increase in non-current assets by kEUR 14,898 to kEUR 33,215 is mainly attributable to an increase in goodwill by 82 percent to kEUR 14,048 and the rise in other intangible assets by kEUR 6,701 to kEUR 12,178. The two increases result essentially from the acquisition of cubus AG in June 2019. The decline in current assets by a total of kEUR 8,131 includes, more particularly, the reduction in liquidity by kEUR 12,497 and an opposite effect from the increase in trade receivables by kEUR 4,077 (+28 percent) to kEUR 18,712. The current contract receivables refer essentially to payments on account made for maintenance contracts which are shown in the consolidated balance sheet as contract assets with a residual term of less than 12 months. The variation in trade receivables results from the growth in sales revenues and effects from extended payment terms for invoices concerning longer term maintenance contracts. 78.1 percent (prior year: 70.8 percent) of the trade receivables were not yet due on the balance sheet date. The overdue receivables were reduced by kEUR 256 during the past fiscal year so that the increase in trade receivables occurred exclusively in the field of undue receivables. The reduction in liquid funds results primarily from the acquisition of cubus AG as well as the investments in conformity with the strategy into the programme for accelerated growth.

Non-current liabilities increased during fiscal year 2018/2019 versus 30 November 2018 by kEUR 5,418 (68 percent) to kEUR 13,347. The rise results primarily from two items: on the one hand, the deferred income taxes rose essentially as a result of the capitalisation of the trademark and customer bases of SABIO GmbH and cubus AG by kEUR 2,083 to kEUR 3,461. Furthermore, the non-current financial liabilities rose by kEUR 3,796 to kEUR 6,388, which is essentially attributable to the partial financing with debt capital of the acquisition of cubus AG. The current liabilities rose during fiscal 2018/2019 versus 30 November 2018 by kEUR 3,380 (+12 percent) to kEUR 31,774. The increase results primarily from other current liabilities which grew by 62 percent to kEUR 9,024. The main drivers of the increase are liabilities from earn-out in connection with the acquisition of cubus as well as outstanding supplier invoices.

Equity decreased compared to the prior year reporting date by kEUR 2,031 (2 percent) to kEUR 57,464. The equity ratio remains with 56.0 percent (prior year: 62.1 percent) on a high level. The subscribed capital amounts to EUR 10.5 million like in the previous year and includes 10.5 million shares with a nominal value of EUR 1.00 each. Reserves likewise remain at kEUR 49,828. The balance sheet loss has changed primarily as a result of the negative net income for the period. In the cumulated other equity further effects with no effect on income, which included during the past fiscal year mainly currency effects, are reflected.

1.7 Presentation of the Situation of Serviceware SE (single-entity financial statements according to HGB – German Commercial Code)

The balance sheet total of Serviceware SE amounts to kEUR 72,567, with the largest part being accounted for by cash and cash equivalents (kEUR 22,820), as well as borrowings and shareholdings in affiliated companies (kEUR 41,632). Financing is made with kEUR 64,714 primarily through equity. Due to the favourable interest environment a bank loan was raised in the amount of kEUR 6,000 in 2019.

The company Serviceware SE has at the end of the fiscal year a net loss for the year of kEUR 266. The company generates income primarily from the charging of management services to the affiliated companies (kEUR 2,115). Expenses are incurred as a result of the remuneration of the managing directors and the measures involved in the listing of the company on the stock exchange. In addition, expenses were incurred from the revision of the brand appearance.

1.8 Cashflow Statement

The cash and cash equivalents of Serviceware SE dropped as at 30 November 2019 versus 30 November 2018 by 23 percent to an amount of kEUR 41,197. Current business activities have resulted during fiscal 2019 in an outflow of cash and cash equivalents of kEUR 7,232 (prior year: kEUR 2,491), which is mainly attributable to the development of receivables and other assets based on the reporting date as well as the payment of income taxes and tax expenses. Investing activities resulted in an outflow of kEUR 10,139 (prior year: kEUR 7,541), which was mainly attributable to the payments in connection with the acquisition of cubus AG. Financing activities resulted in an inflow of kEUR 4,793 (prior year: kEUR 54,659), which originates essentially from the partial debt-financing of acquisition costs. Moreover, there is an increase in cash and cash equivalents of kEUR 80 (prior year: kEUR 52) due to exchange rates resulting from effects from cash and cash equivalents held in foreign currency.

1.9 Employees

The Serviceware Group employed 481 employees on the reporting date 30 November 2019, which corresponds to a net growth of 103 employees. Of the 481 employees 394 employees work in Germany, 27 employees in the Netherlands, 26 employees in Spain, 13 employees in Austria, 7 employees in the United Kingdom, 7 employees in Bulgaria, 5 employees in Switzerland and 2 employees in Sweden. In functional terms, we have on the reporting date 30 November 2019 104 employees in sales and marketing (PY: +26.8 percent), 209 employees in Service & Support (PY: +22.2 percent), 107 employees in software development (PY: +46.6 percent) and 61 employees in administration (PY: +17.3 percent).

Since a positive headcount development and a low fluctuation rate are decisive for the business success of Serviceware SE, many ratios concerning our human resources are collected. In 2019 the fluctuation rate of Serviceware of around 12 percent (PY: 15 percent) was on a low level compared to the industry average. In order to obtain an overall picture as to the development of our people, ratios are not only analysed in quantitative terms, but also with a view to their special skills.

The staffing of IT projects and positions in software development is a major challenge for IT companies. Against the backdrop of the strong demand for qualified IT staff and the lack of skilled labour in Germany, IT specialists continued to be recruited at the Spanish company. We were also able to successfully grow at our development site in Sofia / Bulgaria, which was opened during the last fiscal year. In Germany, an additional possibility was created to recruit highly qualified specialists for Serviceware through the development of the AI Lab in Darmstadt and the co-operation with the Technical University of Darmstadt. Moreover, qualified employees were recruited at all the other locations in order to increase the clout in sales and service with a focus on the market penetration at large customers.

1.10 Research and Development

As a provider of software solutions for applications in the digitalisation and automation of service processes (Enterprise Service Management), Serviceware does not have its own research. The focus is rather on the development and further development of our software platform with the solutions of which companies increase their service quality and are able to manage their service costs efficiently.

In the field of Artificial Intelligence we, moreover, entered into a co-operation with the Technical University of Darmstadt, a leading research institution in this field, for joint practice-oriented research with the objective of being able to implement research results directly in our Enterprise Service Management platform.

Based on customer feedback, industry and technology trends, there is an ongoing functional and technological extension and updating of our standard products. This also includes the technological and functional integration of new products acquired through acquisitions into our platform.

To be able to quickly respond to trends and topics, our development works in accordance with agile methods. Based on a long-term development roadmap we secure the consistency of our activities and the prioritisation of decisions. During the past fiscal year we have been able to further grow in software development from 73 to 107 employees.

2 Opportunities and Risks

As a software company with revenues in many European and extra-European countries, Serviceware SE is exposed to many different risks whose occurrence could jeopardise the development of the company. In accordance with its risk policy, Serviceware SE basically takes only risks which are assessed as unavoidable within the framework of value adding activities but are controllable. In its business activities Serviceware is basically exposed to the same opportunities and risks as the entire Serviceware Group. Consequently, the opportunities and risks are represented from the general point of view of the Group and equally apply to Serviceware SE as a single entity.

The risk management system of Serviceware SE is implemented throughout the company and is constantly developed further. We check our business goals, internal company processes and risk control measures continuously by means of the controlling systems, procedures and reporting standards.

Moreover, the known risks are assessed on a regular basis in all business units. In this connection all risks are verified and evaluated with a view to their probability of occurring and the impact on the continued existence of the company. Existing measures are reviewed and new measures to be introduced, if necessary, are determined and implemented. Despite the regular monitoring and upgrading of risk management, risks cannot, however, be completely excluded.

We describe below only those risks which are considered to be essential since they can have a major influence on the business as well as the assets, finance and earnings position.

2.1 Global risks and opportunities

The opportunities and risks for the development of the world economy have an impact on the development of the export-oriented German economy. Since the prevailing share of the sales revenues originates from companies based in Germany, the slowdown in world economic activities will have adverse effects on the business development. Current risks include, for instance, the exit of the United Kingdom from the EU, the details of which continue to be unnegotiated, the foreign trade policy marked by protectionism of the USA, China and other states as well as a dip in the world economic situation in connection with the spreading of the new coronavirus (SARS-CoV-2). The high level of indebtedness of many countries throughout the world does not contribute to the stability of the financial markets. By contrast, we see opportunities in the ongoing moderate interest policy of the central banks.

In the event of a plunge of the world economy, the investment reluctance of our customers can have a long-term impact on our order backlog and hence impair the assets, financial and earnings position of Serviceware SE. In order to compensate the impact of the difficult market environment as far as possible, the development of the international markets is permanently monitored in order to initiate corrective measures as soon as possible. Moreover, the extension of recurring revenues, which are generated for 12 months or longer, are to attenuate the consequences of investment restraints.

Other uncertainties such as political or statutory changes, which Serviceware SE encounters on the different markets, can likewise have a considerable influence on the daily business. In order to counter the risk resulting from the change in statutory provisions (tax law regulations and other regulations), Serviceware SE bases its decisions and the design of its business processes on comprehensive advice by internal experts and also external specialists.

We see global opportunities in the possibility to offer our software as “Software-as-a-Service” all over the world to customers through the internet. Nonetheless this opportunity involves the risk that large companies have provided for sophisticated evaluation processes before the awarding of a contract. Since we only have key account sales in parts of Europe for the moment or the latter are just being set up in further parts, there is a risk that we cannot be awarded interesting large-scale projects because we are not on site with our sales. Furthermore, extensive evaluation processes can delay purchasing decisions. This would have an adverse effect on the business development of Serviceware SE.

2.2 Strategic opportunities and risks

Organic and inorganic growth of Serviceware SE has a major share in sales revenue and profit growth. As far as inorganic growth is concerned, we see the risk that we cannot acquire the companies matching our strategy, since they are either not for sale or do not exist. Furthermore, there is the risk that the already acquired companies do not develop as positively as expected. A higher than anticipated fluctuation amongst employees of the acquired companies or wrong assumptions concerning the revenue and earnings potential can have a negative impact on the business development of the Serviceware Group. Negative earnings contributions and high depreciations and amortisations in respect of acquired companies would likewise have an adverse effect on the earnings position.

As far as the organic development is concerned, we see the risk that we do not find enough sales and implementation partners or the induction of these partners is slower than anticipated. However, if we succeed in finding, more particularly, in European countries outside Germany, further sales and implementation partners for our software, this would have a positive influence on our earnings and revenues.

In the medium term the implementation of a successful strategy of regional expansion has a big influence on the revenue, earnings and assets position of Serviceware SE. If we do not succeed in implementing the newly founded sales companies outside Germany and generate sufficient revenues, the business development of the Serviceware Group will be adversely affected.

Furthermore, the strategic business orientation, which consists in focusing on the SaaS business, can mean that the earnings and revenues potentials will be subject to a shift in future and that the current revenue expectations cannot be realised.

With a view to the profit earning capacity in relation to revenues, we see in this case an opportunity to dynamically increase the relative earnings if we succeed in growing disproportionately with the production of the Enterprise Service Management platform.

2.3 Personnel Management Opportunities and Risks

Our employees are a major success driver for the future development of Serviceware. As a technology company we depend on retaining highly qualified and experienced employees with a high specialist and social competency, in particular in software consulting projects and software development on a permanent and motivated basis in the company in future, too as well as on adjusting employee know-how through targeted training measures to the rapidly changing market requirements. As a result of our successful recruiting we were able to significantly grow our headcount in fiscal 2018/2019. The successfully staffed positions create both direct sales revenue potentials and also the necessary technical prerequisites to the future business success. Within the framework of our internationalisation strategy Serviceware has also become significantly more international in terms of employees.

The intense competition for qualified IT specialists continues to lead to the risk that employees will leave the company or not enough new employees can be recruited. In order to reduce this risk, Serviceware intends to position and present itself as a modern and attractive employer. This is backed by the development of an employer brand together with a performance and success-dependent compensation model and the possibility of participating in further development programmes in initial and continuing education. Our leadership culture must be upgraded in such a way that our employees are provided with a long-term perspective at Serviceware SE. Moreover, Serviceware has developed an internal reporting and key indicator system to inform about the areas in the company in which improvements in staff retention are necessary.

We see an opportunity in continuing to recruit the necessary number of high-quality IT employees in the further extension of the international service and development locations in Spain and Bulgaria.

To recruit new talents, intensive contacts are maintained with universities, dual training is carried out and trainee programmes are offered. Furthermore, we provide training in occupations relating to the IT environment.

We want to continue to exploit any opportunities available to us and align a sufficient number of highly qualified employees for Serviceware SE.

2.4 Opportunities and risks from software projects

We will continue to deal with competition on the market through experience, innovations, reliability and a high degree of quality. We enforce our high-quality demands through internal procedures and quality control. Nonetheless quality defects cannot be avoided and increase the risk that customers do not fully pay for the services and that the revenue, earnings and assets position of Serviceware is adversely affected.

We believe that price pressure which can result at project acquisition through the high intensity of competition, is another challenge. In the customer project business Serviceware is partly confronted with offers from competitors which have not been calculated in a cost-covering manner and hence exert pressure on competitors. Serviceware deals with these risks, in particular in the field of fixed-price projects, with standards for the calculation and approval in connection with the acceptance and execution of software implementation projects in order to avoid losses from projects. As a result of regular reporting by project controlling directly to the managing director in charge, the development of the software implementation projects is permanently monitored to identify deviations at an early stage and initiate counter measures as soon as possible. Nonetheless it can happen that individual projects are not developing on schedule, which might have an adverse effect on the success of Serviceware at the end of the day.

In order to reduce the risk of errors in connection with consulting and implementation of customer solutions, our contracts include restrictions of liability for possible warranty claims. Furthermore, third-party liability insurance policies are taken out for these risks. If necessary, provisions are created for potential liability risks.

There is an ongoing risk that portfolio customers postpone or no longer extend service and licence contracts if their economic situation deteriorates, and the acquisition of new customers is difficult. Another risk consists in the ability of anticipating product trends and customer demand at the development of our standard software. If we do not succeed in this field, this has an adverse effect on our revenue, earnings and asset position. We counter this risk by developing software with agility so that we are able to respond quickly to demand trends or changes. Furthermore, the co-operation with various universities is to ensure that we continue to offer an attractive and innovative software product on the market.

2.5 Financial opportunities and risks

The cash management of Serviceware SE regularly checks the liquidity on a Group level and on the level of the individual subsidiaries. By means of regular liquidity status reports and an active receivables management it is to be ensured that sufficient liquidity is available and that our receivables are paid when due. Nonetheless there is a risk that individual debtors become insolvent or delay payments beyond their due date. We take a conservative approach to the investment of liquid funds and attach importance to a high solvency and collateral of the debtor and that exposure protection systems work. At the investment of liquidity, safety prevails over yield. There is a risk that negative interest rates have to be paid in fiscal 2019/2020.

At the initiation of contracts, a systematic credit assessment of the potential customer is to ensure that the risk of individual defaults due to a bad creditworthiness is minimised. Since the financial receivables from our customers are broadly distributed over industries and the potential default of the highest individual receivables would not have jeopardised our existence so far, the risk is under this aspect limited. Nonetheless it cannot be excluded that large receivables default. This would have negative consequences for the revenue, earnings and asset position of Serviceware.

Serviceware SE is currently not engaged in any active hedging against other currencies. When investing liquid funds Serviceware SE is prudent and ensures that the funds which are held as liquidity reserve can be made available at short notice. It, therefore, primarily invests in fixed-term deposits and financial instruments of debtors with a high creditworthiness. The interest rate exposure is partly hedged.
Serviceware SE has currently enough liquid funds to always meet its financial obligations.

2.6 Accounting-related risk management system and internal control system

The internal controlling and risk management system in the Serviceware Group includes all accounting-related processes as well as all risks and controls with a view to the accounting of the Serviceware Group. The objective is the identification and assessment of risks which can have a major influence on the financial statements. Any risks which are identified can be monitored and managed in a targeted manner through the introduction of measures and the implementation of corresponding controls, to ensure enough safety to prepare financial statements in conformity with the laws and regulations.

Serviceware has an internal control and risk management system in view of the Group accounting process in which suitable structures and processes are defined and implemented in the organisation. They are designed in such a way that prompt, uniform and correct accounting of all business processes and transactions is secured. It ensures compliance with the statutory norms and accounting principles for all companies included in the consolidated financial statements. Both the risk management system and the internal control system include all subsidiaries which are relevant for the consolidated financial statements with all processes which are relevant for the financial statements. A uniform central booking process ensures that the subsidiaries prepare their financial statements in close co-ordination with the parent company. The controls which are relevant for accounting, focus, more particularly, on risks relating to material mis-statements in financial reporting. The assessment of mis-statements is based on the probability of occurrence and the financial impact on revenues and EBIT. Amendments to laws, accounting standards and other communications are permanently analysed in view of their relevance and impact on the consolidated financial statements both by internal and external specialists.

Essential elements of risk management and control in accounting are the clear assignment of responsibilities and controls at the preparation of the financial statements, adequate access regulations to the IT systems which are relevant for accounting and clear definition of responsibilities at the inclusion of external specialists. The four-eye principle and segregation of functions are further important control principles in the financial reporting process.

The identified risks and the corresponding measures taken are updated in the half-year reports to the Administrative Board of Serviceware SE.

The effectiveness of internal controls in view of accounting is assessed at least once a year, primarily within the framework of the process of preparation of the financial statements. The auditor makes an assessment of the relevant accounting processes within the framework of his audit The above-mentioned risk areas do not have any impact threatening the continued existence of the Group neither individually nor in their cumulative effect.

The principles of the financial policy of the Group are defined by the Managing Directors. The ultimate goals of finance management are the securing of liquidity and the restriction of financial risks.

Serviceware is currently not engaged in any active exchange rate hedging against other currencies. If necessary, this management is the central task of Serviceware SE for all its subsidiaries. At the investment of liquid funds Serviceware is conservative and attaches importance to the fact that the funds held as necessary liquidity reserve for business operations can be made available at short notice. It, therefore, invests primarily in fixed-term deposits and / or in financial instruments of debtors with a very good credit standing (until January 2020). Due to a lack of investment opportunities, the investment range was extended in February 2020 to financial instruments of debtors with a good standing. The management of solvency risks of our contracting partners is the central task of Serviceware SE for all its subsidiaries. There is a partial interest rate hedging. A return on the liquidity reserve is in the current interest environment no goal of the Group; it is rather about avoiding negative interest rates in respect of the liquidity reserves.

An essential source for corporate financing is currently and on a transitory basis the capital based debt capital and internal financing. In the medium and long term corporate financing is to be carried out again increasingly through positive earnings from the current operating business activity. As a result of the revenues from the IPO in April 2018 Serviceware has sufficient liquid funds to finance the projects which were communicated prior to the IPO. In addition, further debt capital was raised during the third quarter of 2019 in the amount of EUR 6 million to finance the programme for accelerated growth and continue to spare the liquidity. This is centrally managed by Serviceware SE for all its subsidiaries. Since all the bank accounts should show a credit and sufficient liquid funds should be available, there is no major credit line. Financial liabilities are reduced on schedule.

All central management measures are regularly discussed at the meetings of the Managing Directors and at the meetings of the Administrative Board to be adjusted to the relevant developments. In this connection the management measures are supported by various ratios (eg sales revenues, EBIT, deferred items, cash flow).

2.7 Group Corporate Governance Statement according to §§289f, §315d HGB

1. Declaration of conformity

The corporate governance statement in accordance with § 315d HGB is available on the website of the company under "Investor Relations":

German:
https://serviceware-se.com/de/investor-relations/corporate-governance

Englisch:
https://serviceware-se.com/investor-relations/corporate-governance

2. Information about the management practices which are applied beyond the statutory requirements

Within the framework of its IPO in fiscal 2018, Serviceware SE has modified its risk management system and adapted it to the requirements of the new circumstances. It has been implemented throughout the Group and is developed further. The business goals, internal corporate processes and risk control measures are constantly reviewed by means of the controlling systems, processes and reporting standards applied. A detailed description of these internal risk management and controlling systems can be found in this Management Report (section 2).

The Managing Directors of Serviceware SE comply with the applicable laws. There are so far no more extensive publicly accessible codified corporate management practices.

3. Functioning of the Administrative Board and the Managing Directors

Serviceware SE has a monistic management and control structure. The monistic system is characterised in accordance with Art. 43-45 SE-VO (SE Regulation) in conjunction with §§ 20ff SEAG (SE Implementation Act) by the fact that the man-age-ment of the SE is carried out by a uniform body, the Administrative Board. The Managing Directors are conducting the current operations of the company. Another body is the General Meeting.

The Administrative Board of Serviceware SE manages the company, determines the baselines of its activities and supervises the implementation by the Managing Directors. It appoints and dismisses the Managing Directors. In accordance with the Statutes, the Administrative Board has three members, who must all be elected by the General Meeting. The current members of the Administrative Board are Mr. Christoph Debus (Chairman), Mr. Harald Popp and Mr. Ingo Bollhöfer. The current members have been appointed with effect from the end of the General Meeting on 15 May 2019 until the end of the General Meeting which decides about the formal approval of the acts of the members of the Administrative Board for fiscal 2021, but no longer than for six years after the appointment of the respective member of the Administrative Board.

The Administrative Board meets at least every three months to deliberate about the development of the business and its prospects. The Administrative Board had six ordinary meetings and no extraordinary meeting in fiscal 2018/2019.

The Managing Directors conduct the business of the company with the goal of creating sustainable added value under their joint responsibility. They implement the baselines and instructions which are elaborated by the Administrative

Board. This body is currently composed of three members, namely Mr. Dirk K. Martin (CEO), Mr. Harald Popp (CFO) and Dr. Alexander Becker (COO). The Managing Directors inform the Administrative Board regularly, promptly and comprehensively about all relevant issues concerning corporate planning, business developments, the risk situations, risk management and compliance. They deal with deviations of the business development from the defined plans and goals by stating the corresponding reasons.

The Managing Directors are obliged to immediately disclose all conflicts of interests vis-à-vis the Administrative Board and to inform the other Managing Directors accordingly. They may only take over sideline activities, and more particularly mandates on supervisory boards and comparable mandates outside the Serviceware Group, with the prior consent of the Administrative Board. During the past fiscal year there have not been any conflicts of interests among the Managing Directors of Serviceware SE.

Description of the functioning and composition of the committees of the Administrative Board.

In accordance with the Rules of Procedure of the Administrative Board, the Administrative Board may ask individual members of the Administrative Board to implement the resolutions and execute the measures and set up committees of the Administrative Board.

At present there are no committees of the Administrative Board.

4. Targets for the Women's Quota

At the staffing of the management positions of Serviceware SE as well as on the two levels below the managing directors, it matters for the Administrative Board in accordance with the requirements under the German Stock Corporation Act that the female or male candidate has the skills, knowledge and experience which are a prerequisite to the management's activities. We promote women at Serviceware to a special extent and really wish women to take over more responsibility at Serviceware. At the same time the Administrative Board has to note that the women's quota as a whole but also in management positions is in the IT industry significantly lower compared to other industries. It is, therefore, comparatively more difficult to staff open positions with women in the different corporate functions and hierarchies. By contrast, the Administrative Board believes that criteria such as gender of the candidate is of secondary importance, even if diversity is expressly welcomed. In addition, it has to be considered that the male members of the Administrative Board and the managing directors have long-term contracts or should be retained by Serviceware on a long-term basis against the backdrop of their qualifications. This is why a target women's quota of 0 percent is defined.

5. Diversity concept

The composition of the Administrative Board and the Executive Management are based exclusively on knowledge, skills and specialist experience of the different candidates. No age limit or maximum term for Managing Directors or members of the Administrative Board have been laid down. With a view to age and the term the company believes that there is no reason for such limits. No limit for membership has been defined and according to the Administrative Board it does not make sense given, more particularly, the shareholder structure. Criteria such as the gender of the candidate is at present considered by the company of secondary importance, even if diversity is expressly welcomed. It is intended to continue to stick to these principles in order to secure experience and skills. The Administrative Board believes that proposals for the composition of the Administrative Board and the Executive Management should be decided individually in the respective concrete situation and without the elaboration and publication of a concept.

2.8 Compensation Report

The compensation system of the managing directors includes apart from the fixed salary components also variable salary components. The variable compensation components are oriented, more particularly, on the increase in current sales revenues versus prior year, the extension of the ESM platform, the further growth in sales revenues outside Germany and the positive development of the share price. In terms of amount, the variable compensation components are restricted in fiscal 2018/2019 to 73.33 percent of the maximum variable compensations.

2.9 Disclosures in accordance with §289a and §315a HGB

Information in accordance with § 289a and § 315a HGB

As a listed company with registered office in Germany, Serviceware SE, whose voting stock is listed on an organised market within the meaning of § 2.7 of the Securities Acquisition and Takeover Act (WpÜG), namely in the regulated market of the Frankfurt Stock Exchange (Prime Standard), is obliged to disclose in the Management and Group Management report the information in accordance with § 289a Para 1 HGB and § 315a Para 1 HGB.

Composition of the subscribed capital

The subscribed capital of Serviceware SE amounted on 30 November 2019 to EUR 10,500,000 and includes 10,500,000 no-par value bearer shares with a proportionate amount in the share capital of EUR 1. There are no different classes of shares. Since the beginning of the fiscal year 2018/2019 there has not been any change in the share capital. Every share entitles the holder to one vote in the general meeting of the company. The shares are all fully entitled to dividend.

Restrictions concerning the voting rights or the transfer of shares

The shareholders aventura Management GmbH, Bad Camberg, Germany, dreifff Management GmbH, Bad Camberg, Germany and Ingo Bollhöfer, Wiebaden, have undertaken within the framework of the IPO of the company vis a vis COMMERZBANK Aktiengesellschaft and Hauck & Aufhäuser Privatbankiers Aktiengesellschaft that within a period of six months after the first trading day of the shares of the company at the Frankfurt Stock Exchange, ie 20 April 2018 and within an additional period of another six months they will not without the prior written consent of COMMERZBANK Aktiengesellschaft and Hauck & Aufhäuser Privatbankiers Aktiengesellschaft (which may not be withheld or delayed without good reasons): (i) offer, pledge, allocate, market, pay, sell, transfer or otherwise dispose directly or indirectly of shares of the company (including the issuing or selling of securities which can be converted to shares of the company), (ii) prompt or approve directly or indirectly the announcement, implementation or execution of an increase of the share capital of the company or a direct or indirect placement of shares of the company, (iii) directly or indirectly submit an increase of the share capital of the company to the general meeting for the adoption of a resolution or approve such a proposal, (iv) prompt or approve directly or indirectly the announcement, implementation or proposal of any issuing of financial instruments, which create options or subscription rights which can be converted to shares of the company or (v) carry out a transaction or take a measure which corresponds to one of the aforementioned measures in economic terms.

Shares in the capital which exceed 10 percent of the voting rights

On 30 November 2019 the following direct and indirect shares in the capital of Serviceware SE exceeded the threshold of 10.00 percent of the voting rights:

a) Mr Dirk K. Martin, held through aventura Management GmbH, Bad Camberg, Germany as well as

b) Mr Harald Popp, held through dreifff Management GmbH, Bad Camberg, Germany

Shareholders vested with special rights which grant control rights

No shares with special rights were issued which would grant control rights.

Voting right control for the shareholding of employees

There is no voting right control if employees have a share in the capital of Serviceware SE.

The statutory provisions and the provisions of the Statutes about the appointment and dismissal of members of the Administrative Board as well as Managing Directors and about the amendment to the Statutes.

Appointment and dismissal of members of the Administrative Board and Managing Directors

As far as the appointment and dismissal of members of the Administrative Board is concerned, reference is made to the applicable statutory provisions of §§ 28, 29 SEAG as well as §§ 15 ff. of the Articles of Association. According to these provisions the Administrative Board consists of three members who must all be elected by the general meeting. At present the Administrative Board consists of Mr Christoph Debus (Chairman), Mr Harald Popp and Mr Ingo Bollhöfer.

As far as the appointment and dismissal of Managing Directors is concerned, reference is made to the applicable statutory provision of § 40 SEAG. Moreover, § 12 of the Statutes stipulates that the Administrative Board appoints one or more Managing Directors. In accordance with § 12 Para 3 of the Statutes, the Administrative Board may appoint one of these Managing Directors as spokesperson or chief executive officer (CEO) as well as deputy Managing Director. Managing Directors may be dismissed at any time by resolution of the Administrative Board in accordance with § 12 Para 2 of the Statutes. At present Mr Dirk K. Martin (CEO), Mr Harald Popp (CFO) and Dr. Alexander Becker (COO) are Managing Directors of the company.

Amendments to the Statutes

The amendments to the Statutes are governed by Article 9 Para 1 lit. C) (ii) SE-VO and §§ 133, 179 AktG (German Stock Corporation Act) according to which every amendment to the Statutes requires a resolution by the general meeting. The Administrative Board is empowered according to § 16.2 of the Statutes to adopt resolutions about the amendments to the Statutes which concern only the version.

Resolutions of the general meeting concerning amendments to the Statutes require in accordance with §§ 133, 179 AktG in conjunction with § 28 Para 2 of the Statutes the simple majority of the votes cast and in addition the simple majority of the share capital represented during the adoption of the resolutions unless statutory provisions or the Statutes impose a larger majority in individual cases.

Powers of the Administrative Board in particular with a view to the possibility of issuing and buying back shares

Authorised capital 2018

By resolution of the general meeting of 14 March 2018 the Administrative Board was empowered to increase the share capital of the company during the period up to 13 March 2023 by a total of up to EUR 4,000,000 by a single or multiple issuing of up to 4,000,000 new no-par value shares against cash and / or non-cash contributions (Authorised Capital 2018).

The shareholders have, as a matter of principle, a subscription right. The Administrative Board is empowered to exclude the subscription right of the shareholders as a whole or in part. The exclusion of the subscription right is only admissible in the following cases:

(i) in the event of capital increases for cash, if the shares of the company are listed at the Stock Exchange (regulated market or open market and / or the successors to these segments), the number of shares issued does not exceed

10 percent of the share capital and the issuing amount of the new shares does not essentially remain below the Stock Exchange price of the shares of the company already traded at the Stock Exchange of the same category and with the same terms at the time of the fixing of the issue price within the meaning of §§ 203 Para 1 and 2, 186 Para 3 Sentence 4 AktG. The amount of 10 percent of the share capital must be charged against the amount accounted for by shares which during the term of this empowerment until the time of its use are issued and / or sold by virtue of other corresponding empowerments to the exclusion of the subscription right by direct or corresponding application of § 186 Para 3 Sentence 4 AktG, to the extent that such a charging is required by statutory provisions. Within the meaning of this empowerment the issuing price is the amount to be paid by a third party or the third parties when taking over the new shares by an issuing intermediary with a simultaneous obligation for the intermediary to offer the new shares to one or more third parties determined by the company for acquisition;

(ii) In the event of capital increases against non-cash contributions, more particularly for the acquisition of companies, parts of companies and shareholdings in companies, industrial property rights such as patents, trademarks or licences based thereon or other product rights or other contributions in kind, including receivables, bonds, convertible bonds and other financial instruments;

(iii) As far as necessary to grant the owners and / or creditors of the bonds issued by the company and its affiliates with option or conversion rights and / or obligations a subscription right in respect of new shares to the extent they would be entitled to after the exercise of their option or conversion right and / or after the fulfilment of an option and / or conversion obligation;

(iv) For fractions which arise as a result of the subscription ratio.

The entry of the Authorised Capital in the Commercial Register was made on 3 April 2018.

Empowerment to issue bonds

a) By resolution of the general meeting of 4 April 2018 the Administrative Board was empowered to issue until 3 April 2023 once or several times convertible bonds and / or bonds cum warrants or profit participation rights with and without conversion or subscription rights (jointly hereinafter referred to as “Bonds”) with a total nominal amount of up to EUR 100,000,000. The term of the Bonds or the period until the first possibility of termination for the company may not exceed 20 years. The holders of the Bonds referred to in the above sentence may be granted conversion or subscription rights in respect of up to 4,000,000 no-par value bearer shares of the company with a proportionate amount in the share capital of a total of up to EUR 4,000,000. The conversion and subscription rights may be exercised from a contingent capital to be decided at the general meeting of 4 April 2018 or future general meetings, from existing or future Authorised Capital and / or from a cash capital increase and / or from existing shares and / or provide a cash compensation instead of the delivery of the shares. The Bonds may be issued for cash or as non-cash contributions

b) At the issuing of the bonds the shareholders have a statutory subscription right unless the subscription right is excluded in accordance with the provisions below.

c) The Administrative Board was empowered to exclude the subscription right of the shareholders,

(i) in order to exclude fractions from the subscription right;

(ii) (ii) to offer the convertible bonds and / or the bonds cum warrants and / or the profit participation rights which are provided with a conversion or a subscription right, to individual investors for subscription insofar as in compliance with § 186 Para 3 Sentence 4 AktG the percentage of shares to be issued under these bonds does not exceed 10 percent of the share capital available upon the entry into force of this empowerment and existing at the resolution about the exercise of the empowerment and the issue price of the bonds does not remain essentially below the theoretical market value of the bonds determined in accordance with recognised methods of financial mathematics. The amount which is accounted for by shares which are issued or sold by virtue of another corresponding empowerment to the exclusion of the subscription right in direct or corresponding application of § 186 Para 3 Sentence 4 AktG is to be charged against the amount of 10 percent of the share capital, to the extent that such a charging is required by law;

(iii) to offer the profit participation rights without conversion or subscription right to individual investors for subscription to the extent that the issue price is not essentially below the theoretical market value of the profit participation rights determined in accordance with recognised methods of financial mathematics and to the extent that the profit participation rights are merely similar to an option, ie establish neither membership like rights nor conversion or subscription rights in respect of shares of the company, do not grant any participation in the liquidation proceeds and the amount of the payment is not governed by the amount of the net income for the year, the balance sheet profit or the dividend;

(iv) To the extent that it is necessary to grant holders of conversion and subscription rights which were granted by the company or affiliated companies of the company in respect of shares of the company a subscription right to bonds which are issued in accordance with this empowerment to the extent that they would be entitled to after the exercise of their conversion or subscription right or after the fulfilment of any conversion obligation (anti-dilution provisions); or

(v) To the extent that bonds are issued against contributions in kind, in particular to acquire companies, parts of companies and stakes in companies, industrial property rights such as patents, trademarks or corresponding licences or other product rights or other non-cash contributions, including bonds, convertible bonds and other financial instruments and the exclusion of the subscription right is in the prevailing interests of the company.

Contingent Capital 2018

By resolution of the general meeting of 4 April 2018 the share capital of the company was contingently increased by up to EUR 4,000,000 with the issuing of up to 4,000,000 new no-par value bearer shares with entitlement to profits from the beginning of the fiscal year of their issuing (Contingent Capital 2018). The Contingent Capital increase serves for the exercise of bonds which are issued by virtue of the above mentioned empowerment resolution of the general meeting of 4 April 2018 under agenda item 1.

Empowerment to acquire and dispose of treasury shares

By resolution of the general meeting of 4 April 2018 the company was empowered to acquire treasury shares in the amount of 10 percent of the share capital of the company at the time of the general meeting of 4 April 2018. The acquired shares may not exceed at any time 10 percent of the share capital of the company together with other treasury shares which the company has already acquired or still owns or which are attributable to it in accordance with §§ 71a ff. AktG. The empowerment became effective upon the expiration of the general meeting of 4 April 2018 and applies until 3 April 2023. Effective 30 November 2018 no treasury shares were held. The acquisition may be made as a whole or in parts, once or several times by the company.

Moreover, the Administrative Board was empowered by resolution of the general meeting of 4 April 2018 to dispose of the treasury shares acquired by virtue of the above-mentioned or a previous empowerment in accordance with § 71 Para 1 No. 8 AktG by observing the principle of equal treatment (§ 53a AktG) for other purposes than the trading in treasury shares. The disposal of the acquired treasury shares may be carried out through the Stock Exchange. The acquisition right of the shareholders is excluded in this connection.

Empowerment to use derivatives within the framework of the acquisition and disposal of treasury shares in accordance with § 71 Para 1 No. 8 AktG

By resolution of the general meeting of 4 April 2018 it was moreover decided that the acquisition of the treasury shares may also be made by using certain derivatives (hereinafter referred to as “Equity Derivatives”). For the disposal and redemption of shares acquired by using Equity Derivatives, the rules defined under agenda item 3 of the general meeting of 4 April 2018 apply.

Significant agreements subject to the condition of a change in control following a takeover bid

There are no significant agreements of the company which are subject to the condition of a change in control following a takeover bid.

Compensation agreements in the event of a takeover bid with the members of the Administrative Board or employees

According to the respective employment contracts of the Managing Directors Popp and Martin, the company and the Managing Directors are entitled each to terminate the service agreement within a period of three months after the occurrence of a change of control subject to a period of notice of three months to the end of a month. In the event of a termination, severance pay is provided for, which takes the claims into account that the managing director would have if the service agreement had been carried out up to the expiration of its term.

The severance pay includes

a) the fixed compensation in accordance with the service agreement for the residual term of the service agreement, whereby the calculation of the severance pay is based on a maximum period of 24 months, plus

b) all variable compensation components for the residual term of the respective service agreement; the amount of variable compensation components to be paid is calculated in view of the targeted growth of the company based on the last planning numbers adopted by the Administrative Board for the period of the residual term of the service agreement and

c) a compensation for the value in use of the company car of the managing director for the residual term of the service agreement. The compensation for the value in use is to be calculated on the basis of the financial advantage of the private possibility to use as well as

d) at the option of the managing director either a compensation for the share options granted to the managing director based on the value of the share options at the time of retirement from the company based on the assumption that the waiting periods are met at this point in time or the upholding of the share options granted provided that within the vesting period the managing director is not responsible for the reasons which lead to the termination of the service agreement;

e) The total amount of the compensation is calculated in accordance with the provisions of Clause 4.2.3 of the German Corporate Governance Code and together with the ancillary payments it may not exceed the value of the compensation for 24 months. The value of the compensation of the share options in accordance with lit. d) is not taken into account at this calculation.

2.10 Supplementary Report

After the balance sheet date, no additional events occurred which have an essential impact on the assets, financial and earnings position of Serviceware SE.

2.11 Outlook

The Federal Government expects in its Annual Economic Report 2020 [18] published in January 2020 for 2020 an increase of 1.1 percent (prior year: 0.6 percent) and hence a more dynamic growth of the price-adjusted gross domestic product. This growth is, more particularly, driven by domestic demand.

Its assumption that there will be a robust domestic business which is supported by tax relief, rising income and dynamic government spending is faced by a weakness of the export-oriented industry, more particularly the automotive industry which is very important for Germany.

For the European growth the Federal Government forecasts a similarly moderate expansion rate as during the previous year (+1.2 percent). For the world economy, too, the Annual Economic Report sends out positive signals, provided that the trade conflict between the USA and China ends and the relationships of the European Union with Great Britain still to be defined will not lead to economic distortions. The Annual Economic Report sees further risks in the economic development and stability of China, the global high indebtedness of the corporate sector as well as a possible overheating of the financial and real estate markets.

In the field of information technology, which is the important and relevant market for Serviceware SE, which consists of the segments IT hardware, software and IT services, the sector association BITKOM expects according to information provided in January 2020 [19] in calendar year 2020 sales revenues of EUR 95.4 billion (+2.7 percent versus 2019). This means that the growth dynamics decrease again (prior year: +2.9 percent versus 2018). The software segment is able to render its growth rate slightly more dynamic with 6.4 percent versus 2019 (PY: + 6.3 percent versus 2018) and is in the field of information technology, compared to the other two segments IT hardware and IT services, a clear growth driver. The sector association assumes that the segment IT hardware will generate sales revenues of EUR 25.9 billion (-0.4 percent versus 2019), the segment software sales revenues of EUR 27.6 billion (+6.4 percent versus 2019) and the segment IT services sales revenues of EUR 41.9 billion (+2.4 percent versus 2019) in 2020. A quote by the association president of BITKOM, Achim Berg, underlines that Serviceware has a strategically excellent position with its product portfolio for the coming years as well: “Digitalisation is in all sectors no nice-to-have but an absolute must-do. The demand for IT consultants and software applications is accordingly high, in order to upgrade products, value networks and corporate culture and gear them to the digital era,” says Berg.

The major opportunities which we identify on the level of our customers as a result of the increasing digitalisation contrast with several challenges which could overcast the world economy in 2020. Although we still generate the overwhelming part of our sales revenues in Germany, the development of the foreign trade and of the worldwide business situation has a major influence on the investment activities of our customers into our software solutions, since most of our customers are companies operating on a worldwide level, whose economic success and hence also their readiness to invest, is essentially dependent on exports. For that reason it is relevant for our sales revenue and earnings forecast how the large economic regions in the world advocate free world trade and continue to reduce trade restrictions. Furthermore, the further development and extension of our business in Great Britain will be dependent on how the

[18] https://www.bmwi.de/Redaktion/DE/Publikationen/Wirtschaft/jahreswirtschaftsbericht-2020.html
[19] https://www.bitkom.org/Marktdaten/ITK-Konjunktur/ITK-Markt-Deutschland.html

trade relations between the European Union and Great Britain will evolve after Brexit. An additional risk for the worldwide economic development results in connection with the propagation of the coronavirus.

After we have been successful in staffing our scheduled positions during the past fiscal year despite a massive lack of specialists in the IT industry, the focus of the current fiscal year is on having sales revenues again grow more strongly than the cost basis so that we return to profitability.

In the development of our sales revenues a strong trend towards Software as a Service can be identified which means that a large part of the contracts entered into can only be recognised with a small percentage in profit and loss in the current fiscal year and the largest part will be posted with an impact on profit and loss during the following years. This renders on the one hand our business model in future essentially more resistant to economic declines but on the other hand, these sales revenues are missing in the current fiscal year and slow down the growth in sales revenues during the current year.

Despite this challenge we had expected before the dynamic development around the spreading of the coronavirus (SARS-CoV-2) that we can continue on our clear growth path in terms of sales revenues and will be able to continue to increase sales revenues versus the prior year period.

This assessment continues to be supported by the fact that we have been able to further extend our portfolio of contracts with recurring revenues during the past year and the revenues expensed as at 30.11.2019 are reversed to a large extent during fiscal 2020 with a recognition through profit and loss.

Furthermore, cubus AG will for the first time be consolidated on a full-year basis in fiscal 2019/2020 after its acquisition in June 2019. This results in another positive impact on our growth. Moreover, we assume that the investments in human resources and infrastructure made during the past fiscal year and now will step up organic growth in this fiscal year. In this connection the markets in Great Britain, Sweden and France, where we have secured a presence through the acquisition of cubus AG, will have a special significance. Because of the existing cost bases which we developed during the previous year and the sales revenue planning in the current fiscal year which indicate that clear sales revenue increases are only to be expected during the second half of the fiscal year, we currently assume that we cannot increase profitability versus prior year during the first half year of fiscal 2019/2020. However, increasing sales revenue dynamics during the second half of the fiscal year will then mean that we can also have an improvement in terms of earnings over the full fiscal year 2019/2020.

At the time of the drafting of this Report the situation around the spreading of the coronavirus (SARS-CoV-2) changes on a daily basis and due to the increasing dynamics of the events it is currently not possible for us to accurately assess the consequences.

However, we assume that the impact of the spreading of the coronavirus (SARS-CoV-2) will have a negative impact on the revenue and earnings position versus our original planning for fiscal 2020.

Bad Camberg, March 19 2020

Dirk K. Martin	Harald Popp	Dr. Alexander Becker

Consolidated Financial Statements 2018/2019

Serviceware SE, Bad Camberg

Consolidated balance sheet as at 30 November 2019

In EUR	Notes	30. Nov 19	30. Nov 18
Assets			
Goodwill	1.	14,048,135	7,736,316
Other intangible assets	1.	12,177,828	5,476,994
Property, plant and equipment	2.	831,283	801,885
Non-current assets	4.	3,455,247	2,960,347
Deferred income tax assets	5.	2,702,592	1,341,959
Non-current assets		**33,215,085**	**18,317,501**
Trade receivables	3.	18,712,402	14,635,698
Other current receivables/assets	4.	2,944,620	2,292,145
Current contract assets	4.	6,514,837	6,877,655
Cash and cash equivalents	6.	41,197,393	53,694,629
Current assets		**69,369,251**	**77,500,127**
Balance sheet total		**102,584,336**	**95,817,628**
Liabilities			
Subscribed capital	7.	10,500,000	10,500,000
Reserves	8.	49,827,627	49,827,627
Net income for the year / Net loss for the year		-1,723,652	-635,316
Accumulated other equity		-1,048,207	-167,477
Equity without non-controlling shares		57,555,768	59,524,834
Non-controlling shares		-92,234	-30,629
Equity		**57,463,534**	**59,494,205**
Deferred income taxes	12.	3,461,341	1,378,754
Non-current financial liabilities	9.	6,387,788	2,591,626
Non-current contract liabilities	10.	3,497,960	3,958,944
Non-current liabilities		**13,347,089**	**7,929,324**
Current income tax liabilities		2,631,439	4,315,193
Current financial liabilities	9.	2,259,884	1,082,433
Trade payables		2,879,908	3,758,529
Current contract liabilities	10.	14,978,520	13,668,148
Other current liabilities	11.	9,023,961	5,569,796
Current liabilities		**31,773,713**	**28,394,099**
Balance sheet total		**102,584,336**	**95,817,628**

Consolidated statement of comprehensive income for the period from 1 December 2018 to 30 November 2019

In EUR	Notes	Dec. 18 - Nov. 19	Dec. 17 - Nov. 18
Sales revenues	13.	66,570,848	55,177,579
Other operating income	14.	2,990,568	1,069,614
Cost of materials	15.	-26,520,954	-23,320,660
Personel expenses	16.	-32,133,517	-21,123,652
Depreciation & Amortisation		-1,133,720	-494,521
Other operating expenses	17.	-12,085,462	-8,583,532
Operating result (EBIT)		**-2,312,237**	**2,724,828**
Interest income		3,100	0
Interest expenses		-178,766	-260,111
Financial result		**-175,666**	**-260,111**
Earnings before taxes		**-2,487,903**	**2,464,717**
Income taxes	18.	1,337,962	-3,552,662
Period profit/loss	19.	**-1,149,941**	**-1,087,945**
Items which may in future be reclassified in the P&L:			
Balancing item from the currency translation of foreign subsidiaries		-880,730	-119,014
Other taxes		0	0
Other result		**-880,730**	**-119,014**
Comprehensive income		**-2,030,671**	**-1,206,959**
Period profit/loss			
thereof, shareholders of the Serviceware SE Group		-1,088,336	-1,033,904
thereof, non-controlling shares		-61,605	-54,041
Comprehensive income			
thereof, shareholders of the Serviceware SE Group		-1,969,066	-152,918
thereof, non-controlling shares		-61,605	-54,041

Consolidated cash flow statement for the period from 1 December 2018 to 30 November 2019

In EUR	Dec. 18 - Nov. 19	Dec. 17 - Nov. 18
Period loss/profit	-1,149,941	-1,087,945
Depreciation & amortisation of non-current assets	1,133,720	494,521
Tax expense	-1,337,962	3,552,662
Change in provisions	0	-108,000
Change in non-current liabilities	-460,985	226,292
Change in deferred taxes / deferred tax income	-1,397,056	-700,149
Financial result	175,666	260,111
Change in non-current assets	-494,900	333,902
Change in items of current assets and current liabilities		
- Change in inventory	0	8,986
- Change in receivables / other assets	-3,336,058	-7,493,401
- Change in liabilities	2,052,579	3,315,652
Income taxes paid	-2,416,696	-1,293,294
Cash inflow/outflow from current business activity	**-7,231,631**	**-2,490,664**
Capital expenditure on intangible assets and on property, plant and equipment	-447,686	-524,080
Interest received	3,100	0
Payments for additions to the group of consolidated companies	-9,694,197	-7,016,679
Cash inflow/outflow from investing activity	**-10,138,783**	**-7,540,759**
Payment of dividends/profits to shareholders	0	-1,927,774
Cash receipts from equity contributions	0	57,451,398
Interest expenses	-180,558	-187,714
Raising of non-current liabilities	6,000,000	0
Repayment of non-current liabilities	-2,203,838	-1,039,458
Raising of current liabilities	1,177,452	362,168
Cash inflow/outflow from financing activity	**4,793,056**	**54,658,620**
Exchange rate-related change in cash and cash equivalents	80,122	52,379
Change in cash and cash equivalents	**-12,497,236**	**44,679,576**
Cash and cash equivalents at the beginning of the period	**53,694,629**	**9,015,053**
Cash and cash equivalents at the end of the period	**41,197,393**	**53,694,629**

Consolidated statement of changes in equity for the period from 1 December 2018 to 30 November 2019

In EUR	"Subscribed capital"	Reserve	Profits and losses brought forward	Currency translation reserve	Non-con-trolling shares	Total
1 December 2018	**10,500,000**	**49,827,627**	**-635,316**	**-167,477**	**-30,629**	**59,494,205**
Period result			-1,088,336		-61,605	-1,149,941
Currency translation				-880,730		-880,730
Comprehensive income			-1,088,336	-880,730	-61,605	-2,030,671
30 November 2019	**10,500,000**	**49,827,627**	**-1,723,652**	**-1,048,207**	**-92,234**	**57,463,534**

Consolidated statement of changes in equity for the period from 1 December 2017 to 30 November 2018

In EUR	Subscribed capital	Reserve
1 December 2017	**782,750**	**1,251,609**
Period result		
Currency translation		
Comprehensive income		
Result allocation - Minority in helpLine BV		
Dividends to shareholders		
Change due to restructuring and IPO	9,717,250	50,241,943
Costs of equity raising with a neutral effect on profit or loss minus deferred taxes		-1,665,925
30 November 2018	**10,500,000**	**49,827,627**

Profits and losses brought forward	Currency translation reserve	Non-controlling shares	Total
2,380,403	**-48,463**	**23,412**	**4,389,711**
-1,087,945			-1,087,945
	-119,014		-119,014
-1,087,945	-119,014		-1,206,959
		-54,041	-54,041
-1,927,774			-1,927,774
			59,959,193
			-1,665,925
-635,316	**-167,477**	**-30,629**	**59,494,205**

Statement of changes in fixed assets for the fiscal year from 01.12.2018 to 30.11.2019

In EUR	Determination of the acquisition and production costs Status 01.12.18	Additions	Reclassifications, disposals	Status 30.11.19
I. Intangible assets				
1. Industrial property rights	3,501	1	0	3,502
2. IT software	311,380	48,618	-36,173	396,171
3. Goodwilll	7,736,316	6,311,819	0	14,048,135
4. Internally generated intangible assets	894,573	0	0	894,573
5. SABIO trademark	1,768,281	0	0	1,768,281
6. SABIO customer base	2,905,460	0	0	2,905,460
7. Cubus trademark	0	2,111,447	0	2,111,447
8. Cubus customer base	0	5,248,189	0	5,248,189
9. Intangible assets under construction	36,173	0	36,173	0
Total Pos. I.	**13,655,684**	**13,720,074**	0	**27,375,758**
II. Property, plant and equipment				
1. Cars	31,750	0	0	31,750
2. Furniture and fixtures	1,712,146	358,001	6,300	2,063,847
3. Office equipment	266,116	8,088	0	274,205
4. Fixtures	171,459	0	0	171,459
5. Low-cost assets	57	95,908	1,099	94,866
Total Pos. II.	**2,181,528**	**461,997**	**7,399**	**2,636,126**
Total Pos. I.-II.	**15,837,212**	**14,182,071**	**7,399**	**30,011,884**

Determination of the depreciations and amortisations			Carrying ampunt	
Additions (Annual depreciations)	Reclassifications, Disposals	Status 30.11.19 (accumulated)	30.11.19	30.11.2018
0		0	3,502	3,501
27,922	0	305,115	91,056	34,188
0	0	0	14,048,135	7,736,316
261,827	0	349,114	545,459	807,286
88,414	0	117,885	1,650,395	1,738,809
145,273	0	193,697	2,711,763	2,857,036
52,786	0	52,786	2,058,661	0
131,198	0	131,198	5,116,992	0
0	0	0	0	36,173
707,421	**0**	**1,149,795**	**26,225,963**	**13,213,309**
6,898	0	20,712	11,038	17,937
281,104	0	1,415,103	648,745	578,147
15,978	0	199,825	74,380	82,269
26,356	0	74,340	97,119	123,475
95,964	1,099	94,865	1	57
426,300	**1,099**	**1,804,844**	**831,283**	**801,885**
1,133,720	**1,099**	**2,954,639**	**27,057,245**	**14,015,195**

Statement of changes in fixed assets for the fiscal year from 01.12.2017 to 30.11.2018

In EUR	Determination of the acquisition and production costs Status 01.12.17	Additions	Reclassifications, Disposals	Status 30.11.18
I. Intangible assets				
1. Industrial property rights	3,501	0	0	3,501
2. IT software	276,994	34,386	0	311,380
3. Goodwilll	2,808,711	4,927,605	0	7,736,316
4. Internally generated intangible assets	0	894,573	0	894,573
5. SABIO trademark	0	1,768,281	0	1,768,281
6. SABIO customer base	0	2,905,460	0	2,905,460
7. Intangible assets under construction	0	36,173	0	36,173
Total Pos. I.	**3,089,206**	**10,566,479**	0	**13,655,685**
II. Property, plant and equipment				
1. Cars	31,082	0	-668	31,750
2. Furniture and fixtures	1,252,058	462,833	2,744	1,712,146
3. Office equipment	263,495	5,091	2,469	266,116
4. Fixtures	53,450	118,009	0	171,459
5. Low-cost assets	0	78,259	78,202	57
Total Pos. II.	**1,600,085**	**664,191**	**82,748**	**2,181,528**
Total Pos. I.-II.	**4,689,291**	**11,230,670**	**82,748**	**15,837,213**

Determination of the depreciations and amortisations				Carrying ampunt	
Status 01.12.17	Additions (Annual depreciations)	Reclassifications, Disposals	Status 30.11.18 (accumulated)	30.11.2018	30.11.2017
0	0	0	0	3,501	3,501
264,187	13,005	0	277,192	34,188	12,807
0	0	0	0	7,736,316	2,808,711
0	87,287	0	87,287	807,286	0
0	29,471	0	29,471	1,738,809	0
0	48,424	0	48,424	2,857,036	0
0	0	0	0	36,173	0
264,187	**178,188**	**0**	**442,375**	**13,213,310**	**2,825,019**
2,105	11,708	0	13,813	17,937	28,977
939,114	194,886	0	1,133,999	578,147	312,945
165,528	18,319	0	183,847	82,269	97,967
34,766	13,218	0	47,983	123,475	18,684
0	78,202	78,202	0	57	0
1,141,512	**316,333**	**78,202**	**1,379,643**	**801,885**	**458,573**
1,405,699	**494,521**	**78,202**	**1,822,018**	**14,015,195**	**3,283,592**

Consolidated Notes

General Information

Serviceware SE, Bad Camberg, (hereinafter referred to as "Serviceware" or the "Company") is a European public limited liability company entered in the Commercial Register under number HRB 5894 with the local court Limburg an der Lahn and the parent company of the Serviceware Group (hereinafter referred to as "Group" or "Serviceware Group"). The business address of the Company is Carl-Zeiss-Strasse 16 in 65520 Bad Camberg. The fiscal year of the Company runs from 1 December to 30 November of a year. The duration of the company is unlimited.

Serviceware is a Societas Europaea according to the law of the European Union as well as German law and was founded in the Federal Republic of Germany. The relevant legal order for the Company is the law of the Federal Republic of Germany.

The object of the companies of the Serviceware Group is the production, trade in and sale of software and the associated hardware for computer applications and the conduct of trainings, seminars and consulting as well as the maintenance of these services and the consulting of companies on economic and organisational matters.

The Company acts as a consulting holding company for its subsidiaries by taking over management functions for the latter.

According to the voting rights notifications available to the Company, the following shareholders have a stake in the share capital of Serviceware:

Shareholder	Number of shares taken up	Shareholding interest in % (rounded)
Dirk K. Martin [1]	3,296,545	31.40 %
Harald Popp [2]	3,296,545	31.40 %
Free float	3,906,910	37.20 %
Total	**10,500,000**	**100.00 %**

[1] held by aventura management GmbH, Bad Camberg
[2] held by dreifff management GmbH, Bad Camberg

The shares of the Company have been listed in the regulated market (primary market) of the Frankfurt Stock Exchange since 20 April 2018. The ISIN (International Securities Identification Number) is DE000A2G8X31, the WKN (Securities Identification Number) is A2G8X3 and the ticker symbol is SJJ.

These consolidated financial statements are to be released by the Administrative Board for publication on 16 March 2020.

The financial statements of Serviceware SE, Bad Camberg, as well as the consolidated financial statements of the Serviceware Group are published in the *Bundesanzeiger* (Federal Gazette).

The consolidated financial statements of the Serviceware Group were prepared for the fiscal year from 1 December 2018 to 30 November 2019 in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union (EU) and the supplementary provisions under German commercial law to be complied with in accordance with § 315e Para 3 HGB (German Commercial Code).

The consolidated financial statements have been prepared in euro. Unless otherwise mentioned, all amounts are stated in thousand euro (kEUR). The profit and loss account is prepared in accordance with the total cost method. In order to improve the clarity of presentation individual items in the balance sheet and the statement of comprehensive income can be aggregated. The breakdown of these items is shown in the Notes. In the presentation rounding differences can occur with the mathematically precise values.

The accounting policy corresponds as a matter of principle to the methods applied during the previous year. The values shown in the balance sheet differentiate between non-current and current assets and liabilities which are disclosed in the consolidated Notes, if prescribed, in accordance with their maturities. The financial statements of Serviceware and its subsidiaries are included into the consolidated financial statements taking into account the accounting and valuation methods applying uniformly to the Group.

Standards, interpretations and amendments to standards and interpretations to be applied for the first time during the fiscal year

During fiscal 2018/2019 the following pronouncements and / or amendments to pronouncements of the IASB were applied for the first time:

Pronouncement	Essential contents	Mandatory application EU	Effect on the statement of the assets, financial position and earnings of the Serviceware Group
IFRS 15	Revenue from contracts with customers	01.01.2018	The detailed effects of IFRS 15 are explained after this table.
IFRS 9	Financial instruments	01.01.2018	No material impact
Amendments to IFRS 2	Clarification of the classification and valuation of share-based payment transactions	01.01.2018	No material impact
Amendments to IFRS 4	Insurance contracts: consequences from the first-time adoptions of IFRS 9	01.01.2018	No material impact
Amendments to IAS 40	Transfers of investment property	01.01.2018	No material impact
IFRIC 22	Foreign currency transactions and advance consideration	01.01.2018	No material impact
Annual Improvement Project 2014-2016	Miscellaneous amendments	01.01.2018	No material impact

In July 2014 IASB published **IFRS 9 "Financial instruments"**. The application is mandatory for the reporting periods starting from 1 January 2018. The standard introduces new recognition and measurement provisions for financial assets and liabilities and replaces IAS 39. The new provisions include essentially the following matters which are relevant for the Company:

The new provisions on the **classification of financial assets** will result, depending on the respectively underlying business model, in some cases in changes in respect of measurement and presentation.

- Equity instruments held are allocated on the level of the individual instrument irrevocably at the initial recognition to a measurement category and measured at Serviceware as a matter of principle at fair value through the other comprehensive income without reclassification through profit or loss of the cumulative profits and losses on disposal (OCI option) or at fair value through profit or loss (PL option).
- Debt instruments held are measured in the subsequent measurement at fair value through profit or loss, at amortised cost or at fair value without effect on income in the other comprehensive income. The classification is based on two criteria: the business model of the Group to manage the assets and the question whether the contractual cash flow of the instruments represents exclusively the repayment of the principal and interest in respect of the capital outstanding.

The assessment of the business model of the Group was carried out at the time of the initial application, ie 1 December 2018. It was then carried out retroactively for the financial assets which were not derecognised before 1 December 2018.

The assessment whether contract cash flows from debt instruments represent exclusively repayments of principal and interest was made on the basis of the facts and circumstances which existed at the time of the initial recognition of the assets.

The provisions concerning the classification and measurement of financial liabilities correspond essentially to the existing provisions of IAS 39. The comparative period was not adjusted. For that reason there are no variations.

Concerning the **accounting of hedging relationships**, IFRS 9 provides for an abolition of the threshold values to be applied within the framework of the retrospective effectiveness test. Evidence of the economic relationship between the underlying and the hedging transaction is necessary.

Moreover, IFRS 9 introduces a new impairment model which is to be applied to all financial assets which are measured either at amortised cost or without effect on income at fair value as well as lease receivables and contract assets according to IFRS 15. This model provides for the measurement of the expected credit losses already at the time of the first recognition. As a matter of principle, this applies first to the expected losses of the next 12 months. In the event of a deterioration of the credit risks the measurement is extended to the full lifetime of the instrument. For trade receivables the simplified impairment model of IFRS 9 is applied; this means that the entire term of the receivable is considered from the outset. For cash in banks, loans and other financial receivables which are not classified at fair value through profit or loss, the general impairment rules of IFRS are used as the basis. The assessment of the expected future credit losses in the field of trade receivables is made on the basis of current information. In this connection it is assumed that in the event of a payment which is more than 90 days past due, a credit default is expected and a credit assessment is carried out. In this connection there is no essential value change compared to the method applied so far. A statement in equity was, therefore, waived.

The impact was analysed within the framework of a Group-wide project on the implementation of the new standard. Based on the current assessment by the management, the first-time and ongoing application will not result in any material impact on the consolidated financial statements for the Serviceware Group. Changes in the classification of the financial assets of the Group are explained below:

Trade receivables which were so far classified as receivables are held to collect contract cash flows and lead to cash flows which represent exclusively interest and principal repayments. These items will in future be classified and measured as debt instruments measured at amortised costs.

Financial investments in debt and equity instruments and insurances which have so far been classified by the Group as financial assets available for sale will in future be classified and measured as financial assets measured at fair value through profit or loss.

The **hedging relationships** are presented according to the provisions of IFRS 9. The transition from the existing hedging relationships to the new rules does not result in any major impact. Cash flow hedges to hedge interest and currency risks are dissolved with the transition to the provisions of IFRS 9 and redesigned to be able in future to use the possibility of recognising the costs of hedging in the consolidated other comprehensive income. The other hedging relationships will be continued without change.

The Serviceware Group exercises the option for a simplified initial application. Any cumulative effect from the transition is recognised in equity with no effect on income. Comparative figures of the prior year periods are not adjusted; any variations in items of the balance sheet and the profit and loss account of the current period are explained instead.

In May 2014 the IASB published **IFRS 15 "Contracts with Customers"** and in April 2016 some clarifications concerning IFRS 15. IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as the corresponding interpretations. The new standard as well as the clarifications are applicable to fiscal years which begin on or after 01.01.2018. The EU endorsement became effective in September 2016 and October 2017, respectively.

IFRS 15 provides for a comprehensive framework to determine whether and to what extent and when revenue is to be recognised. The basic principle of IFRS 15 consists in an entity recognising revenues once the power of disposal in respect of the asset passes to the customer. This core principle is implemented within the framework of the standard by a **five-step model**. In this connection it is first necessary to identify the relevant contracts with the customer and identify the performance obligations therein. After the determination of the transaction price, the latter is then to be allocated to each performance obligation. The recognition of revenue is then made in the amount of the anticipated consideration for each separate performance obligation satisfied at a point in time or over time. Moreover, the standard deals with the accounting of additional costs for the initiation of a contract and the costs which are directly related to the fulfilment of a contract. Finally, the standard includes extensive provisions on disclosures.

Step 1: Identification of the Contract

The Serviceware Group frequently enters into several contracts with the same customer. For accounting purposes we treat these contracts as one contract if the contracts are entered into at the same time or with a short time interval and are economically related. The exercise of discretion is necessary for the assessment whether different contracts are interconnected. In this connection the Serviceware Group considers, amongst other things, whether they were negotiated as a package with a single economic purpose, whether the consideration for one contract depends on the fulfilment of the other contract or whether some or all products in the contracts represent a single performance obligation.

Any amendments to the contract are analysed and accounted in accordance with IFRS 15.18-21.

Step 2: Identification of Performance Obligations

Our contracts with customers often include different products and services. As a rule the products and services represented in the section ***Classes of Sales Revenues*** have to be classified as separate performance obligations and the part of the contract price to be allocated to them is separately reported and is recognised as sales revenue upon the performance of the obligation vis a vis the customer.

The determination whether a product or a service is considered as a separate performance obligation, involves, however, the exercise of discretion. Discretion is, more particularly, required for our implementation activities to assess whether this service, based on its type and scope, is an independent and separately assessable performance obligation. In general the implementation services go beyond mere set-up activities. In this connection we take the type of the services as well as their scope compared to the scope of the underlying standard software delivery into account.

Products and services which cannot be independently delimited are bundled in an independently definable bundle of products and services (combined performance obligation).

Step 3: Determination of the Transaction Price

The transaction price corresponds as a matter of principle to the individual selling price. The individual selling price is the price which the company would charge to sell a product or service to a customer. The Serviceware Group has fixed minimum prices for this purpose. The estimate of the individual selling prices involves the exercise of discretion. This includes estimates whether and to what extent the customers are granted subsequent concessions or payments and whether the customer will pay the contractually agreed fees as expected. The exercise of discretion takes into account our experience so far both with the corresponding customer and also beyond the individual customer relationship. The Serviceware Group applies this method, more particularly, for its offers in respect of software licences, SaaS, software maintenance services and training.

If the selling price for an offer cannot be directly observed or if the selling prices are very different for all customers, we apply an estimation procedure. For offers relating to advisory and implementation services we base the price estimates on the costs plus a margin.

In order to ensure that the most objective input parameters available are used, we verify the individual selling prices regularly or whenever the circumstances and assumptions change.

Step 4: Allocation of the Transaction Price

If a contract with a customer covers several performance obligations, the transaction price is allocated according to IFRS 15 to the individual performance obligations. The allocation is carried out in the relationship of the individual selling prices of the goods or services upon the conclusion of the contract.

Any price discounts granted (i.e. the total of the individual selling prices is higher than the transaction price) are as a matter of principle also allocated on the basis of the relative individual selling prices. If there are, however, indications suggesting that the price discount refers to only one or individual performance obligations, as is regularly the case for the Serviceware Group, the rebate is directly allocated to this (these) performance obligation(s).

Step 5: Recognition of Sales Revenues

The sales revenues are shown without value-added tax or other taxes collected from the customers and paid to the tax authorities. They are recognised in accordance with the performance if the recoverability of the consideration is probable. At the commencement of the contract the Serviceware Group determines for each identified performance obligation whether it will fulfil it over a certain period or at a certain date. In the section ***Classes of Sales Revenues*** the products and services are allocated to categories which reflect the type and timing of the transfer of the goods or services.

For service contracts with an ongoing service provision the contractually secured overall payment is recognised in a straight line over the minimum contractual term as sales revenue.

The Serviceware Group has applied the new standard in a modified manner retroactively. According to the new accounting and valuation methods the Serviceware Group no longer reports in the balance sheet any prepayments in respect of sales revenues not recognised. It shows instead a customer contract either as a contract liability or as a contract asset as soon as one of the contracting parties has started with the performance of the contract. The sales revenues deferred under other liabilities as at 30 November 2019 in a total amount of kEUR 18,476 (30.11.2018 - kEUR 17,627) are reported as contract liabilities according to IFRS 15. Legal claims to a consideration by the customer are only reported as trade receivables if the legal claim is unconditional. The changes resulting from IFRS 15 have merely an effect on the presentation in the financial statements. There is no effect on sales revenues or results of the company, since the new provisions concerning, more particularly, revenue recognition, do not involve any major changes compared to the standards applied so far for the services provided and products sold by the Serviceware Group.

Insofar as expenses for sales commission (contract costs) have to be capitalised, they have to be distributed over the estimated customer retention period. The depreciations and amortisations calculated pro rata temporis are reported as expenditure in the profit and loss account.

Contract liabilities (which were already expensed so far as deferred revenues) are to be set off against contract assets per customer contract.

At the assessment whether the Serviceware Group sells products for own account (principal = gross sales revenues) or the account of others (agent = net sales revenues) is concerned, there are no substantial changes for the agreements applied so far.

As far as IFRS 15 is concerned, the Serviceware Group uses the **accounting option** of a simplified initial application and hence restricts the retroactive application of IFRS 15 to contracts which have not yet been fully performed at the time of initial application.

The contracts not yet fully performed on 1 December 2018 are accounted for as if they had been recognised from the outset in accordance with IFRS 15. Any cumulative effects from the transition are recognised in equity with no effect on income. Comparative numbers from prior year periods are not adjusted but the changes in the items of the balance sheet and the income statement for the current period which result from the first-time application of IFRS 15 are explained.

A significant financing component is not taken into account in respect of the amount and the time of the sales revenue recognition, if the time between the transfer of a promised good or a promised service to the customer and the payment for this good or this service by the customer amounts to a maximum of one year.

Contract costs whose depreciation period would not amount to more than one year, are basically recognised immediately as expenses.

IFRIC 22 clarifies the exchange rate which is to be used for the initial recognition of a foreign currency transaction in the functional currency of a company, if the company pays or receives advance considerations before the related asset, the expense or the income are recognised. The exchange rate for the underlying asset, income or expense is the time when the non-monetary asset or the non-monetary liability which results from the advance consideration is recognised for the first time. The clarification has no major impact on the consolidated financial statements of the Serviceware Group.

Published but not yet applicable standards, interpretations and amendments

Standard	New or amended standards and interpretations	Mandatory application EU
IAS 19	Benefits for employees Changes concerning the taking into account of service costs and net interests after plan changes, curtailments and settlements for the rest of the period based on updated assumptions	01.01.2019
Amendments to IAS 28	Investments in associates and joint ventures	01.01.2019
Annual Improvement Project 2015-2015	Various amendments	01.01.2019
Amendments to IFRS 9	Financial instruments: early repayment options with negative prepayment penalty	01.01.2019
IFRS 16	Leases	01.01.2019
IFRIC 23	Uncertainty over income tax treatments	01.01.2019
Amendments to IAS 1 and IAS 8	Definition of inventories	01.01.2020
Amendments to IFRS 3	Definition of a business	01.01.2020
Amendments to the conceptual framework	Amendments to the conceptual framework	01.01.2020
IFRS 17	Insurance contracts	01.01.2021

In January 2016 the IASB published **IFRS 16 “Leases”**. IFRS 16 abolishes the existing classification of leases on a lessee level into operating and finance leases. IFRS 16 introduces instead a single lessee accounting model according to which the lessee is obliged to recognise for leases with a term of more than 12 months assets (for the right of use) and lease liabilities. This means that leases so far not accounted for must be reported in future – to a large extent comparable to the current reporting of finance leases. IFRS 16 is to be applied for fiscal years which begin on or after 1 January 2019; an earlier application is permitted as long as IFRS 15 is already applied. The EU endorsement became effective in October 2017. Serviceware does not, however, use the possibility of an earlier application.

The Serviceware Group concludes contracts about the lease of cars, buildings as well as fixed assets essentially as operating lessee.

With the introduction of IFRS 16 the Serviceware Group is obliged to assess whether a contract establishes or includes a lease. This is the case, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On the date of supply the Serviceware Group must recognise an asset for the right to use granted as well as a lease liability.

At the initial measurement the right of use is measured at historical cost. The costs of the right of use include:

- The amount which results from the first measurement of the lease liability,
- Adjusted for the lease payments made;
- Plus all initial direct costs incurred, and
- The estimated costs at the dismantling or removal of the underlying asset, at the restoration of the location where it is,
- And minus all lease incentives possibly received.

The subsequent measurement of the right of use is made in accordance with the historic cost model taking into account all accumulated depreciations and accumulated impairments, adjusted for any new valuation of the leased liability shown.

The depreciation amount of the right of use must be distributed in a scheduled manner over its duration of use.

On the date of provision the leased liability is measured at the cash value of the lease payments not yet made at that point in time. The lease payments are discounted at the interest rate implicit in the respective lease if that rate can be readily determined. If the rate cannot be readily determined, the incremental borrowing rate of the Serviceware Group is to be used. The incremental borrowing rate of the Serviceware Group is usually used as discount rate.

The subsequent measurement of the leased liability is made on the basis of the amortised costs by applying the effective interest rate. In this connection the carrying value is increased by the interest expenses and reduced by the lease payments made. After the date of provision the carrying value of the leased liability is to be newly measured and any changes in the lease relationship must be taken into account.

The right of use must be adjusted for the amount resulting from the restatement of the lease liability. If the carrying value of the right of use decreases, however, to zero and if the valuation of the lease liability continues to decline, each residual amount resulting from the revaluation is reported with an effect on income.

The application of IFRS 16 will probably result in the following impact on the reporting of the assets, financial and earnings position of the Group:

The initial application of IFRS leads to an increase of the non-current assets through the recognition of the rights of use. Consequently, the financial liabilities will increase following the reporting of the corresponding liabilities. In addition, the type of expenses from leases will change, since IFRS 16 replaces the existing straight-line expenses for operating leases by the amortisation of the rights of use and the interest on the lease liabilities. Furthermore, IFRS 16 provides for reporting the principal and interest repayment part of the lease payments as part of the cash flow from financing, so that the operating cash flow will improve. Payments within the framework of short term leases and payments for leases based on a low value asset continue to be classified amongst the operating activities.

The current operating lease volume results from Section 24.

The Serviceware Group will not fully apply the new lease standard retrospectively but will use the simplification provision for lessees (“modified retrospective method”). The Serviceware Group will apply the aforementioned method consistently to all leases in which it is a lessee.

The **overall effects** of IFRS 16 were determined within the framework of a project on the implementation of IFRS 16 on a Group-wide level. Based on the current assessment by the management, the Serviceware Group anticipates the following substantial effects from the transition as at 1 December 2019 whereby it is necessary to take into account possible variations of +/- 5 percentage points for the formulated expectations concerning the balance sheet items:

- The increase in the balance sheet total on 1 December 2019 following the capitalisation of rights of use by kEUR 8,447, the expensing of lease liabilities in the amount of kEUR 8,447. The increase in lease liabilities results in a corresponding rise in the net financial liabilities.
- In the profit and loss account, depreciations and amortisations will increase in 2019/2020 by around kEUR 1,659 and interest expenses which will be higher by around kEUR 85 are expected instead of the lease expenditure; this will result in a probable EBITDA improvement by around kEUR 1,743, whereby the anticipated effects are exclusively attributable to the portfolio on 1 December 2019.
- The comprehensive income is only marginally reduced (probably in the amount of kEUR 33).

Substantial options and delimitations are exercised as follows:

- Rights of use and lease liabilities are reported separately in the balance sheet.
- Leases for intangible assets are not covered by IFRS 16, but by IAS 38.
- The principles for recognition, measurement and presentation of IFRS 16 do not cover short-term leases and leases whose underlying asset is of a low value.
- In contracts which contain in addition to lease components, also non-lease components, no separation will be made. Each lease component will be reported together with the corresponding other lease components as one lease.

Furthermore, substantial options and facilitations will be used at the time of the first application of IFRS 16:

- For the measurement of each right of use an amount corresponding to the lease liability is recognised which is adjusted for the amount of the lease fees made or deferred in advance for this lease which was reported in the balance sheet immediately preceding the date of the first application.
- A single discount rate is applied to a portfolio with similar lease contracts.
- In connection with the determination of the term of leases better knowledge obtained partly subsequently (so-called “hindsight“) is not taken into account.
- The so-called “grandfathering“ provisions are used. Consequently, the lease standard is applied on 1 December 2019 to agreements which were previously classified as lease by application of IAS 17 leases and IFRIC 4 Determining whether an arrangement contains a lease.
- For the measurement of the right of use at the time of the first application, the initial direct costs are not taken into account.

The new definition of a lease does not have altogether effects for the Serviceware Group as lessor.

The Group has not applied any standards published by IASB before their mandatory application.

Discretionary decisions and uncertainties on estimates

The reporting on the assets, financial and earnings position in the consolidated financial statements is dependent on accounting policies as well as assumptions and estimates. The actual amounts may deviate from the estimates. The following material estimates and corresponding assumptions as well as the uncertainties involved in the accounting policies are decisive to understand the underlying risks of financial reporting as well as the impact the estimates, assumptions and uncertainties can have on the consolidated financial statements.

The measurement of the valuation of property, plant and equipment and intangible assets is associated with estimates to determine the fair value at the time of acquisition if they were acquired within the framework of a business combination. Furthermore, the expected useful life of the assets has to be estimated. The determination of the fair value of assets and liabilities as well as the useful lives of the assets are based on judgements by the management. Within the framework of the determination of the impairment of property, plant and equipment and intangible assets estimates are likewise made which refer, amongst other things, to the cause, time and amount of the impairment. An impairment is based on many different factors. As a matter of principle, changes in respect of the current competition conditions, expectations concerning the growth of the industry, increases in capital expenditures, changes in respect of the future availability of financing resources, technological ageing, the discontinuation of services, current replacement costs, purchase prices paid in comparable transactions and other changes concerning the environment which point to an impairment are taken into account. The identification of indications which suggest an impairment, the estimate of future cash flows as well as the determination of the fair value of assets (or groups of assets) involve considerable judgements which the management has to make in terms of identification and examination of indications suggesting an impairment, the expected cash flows, the applicable discount rates, the respective useful lives as well as the residual values.

The determination of the recoverable amount of a cash generating unit involves estimates by the management. The methods applied for the calculation of the recoverable amount include methods on the basis of discounted cash flows and methods which use market prices as a basis. The judgements on the basis of discounted cash flows are based on forecasts which result from the financial plans approved by management and are also used for internal purposes. The selected planning horizon reflects the assumptions for short to medium-term market developments and is selected in order to obtain a stable business outlook of the company which is necessary for the calculation of the perpetual annuity. Discount rates are determined on the basis of external variables derived from the market. This is carried out by taking into account the risks involved in the cash generating unit. Future changes in respect of the aforementioned assumptions may have a material influence on the fair value of the cash generating units.

The management of the Serviceware Group creates valuation allowances for doubtful accounts receivable, to take into account any anticipated losses resulting from the insolvency of customers. The bases used by the management to assess the adequacy of the valuation allowances for doubtful accounts receivable are the maturity structure of the balance of receivables and experience in respect of write-offs of receivables in the past, the creditworthiness of the customers as well as changes in respect of the terms of payment. If the financial position of a customer deteriorates, the extent of write-offs to be made may exceed the extent of anticipated write-offs.

The recognition and valuation of provisions and contingent liabilities are associated to a considerable extent with estimates by the management. The assessment of the probability that pending proceedings are successful, or a liability arises or the quantification of the possible amount of the payment obligation is, for instance, based on the judgement of the respective facts. Furthermore, provisions are made for anticipated losses from pending business transactions, if a loss is probable and this loss can be estimated in a reliable manner. Because of the uncertainties involved in this judgement, the actual losses may possibly deviate from the original estimates and hence from the provision amount. Furthermore, the determination of provisions for taxes and legal risks involves considerable estimates. These estimates may change as a result of new information. To obtain new information the Serviceware Group mainly uses the services of internal experts as well as the services of external consultants such as actuaries or legal advisers. Any changes concerning the estimates of these anticipated losses from pending business transactions may have a considerable impact on the future earnings position.

The Serviceware Group frequently enters into several contracts with the same customer. For accounting purposes these contracts are treated as one contract if the contracts are entered into at the same time or with a short time interval and are economically related. The exercise of discretion is necessary for the assessment whether different contracts are interconnected. In this connection the Serviceware Group considers, amongst other things, whether they were negotiated as a package with a single economic purpose, whether the consideration for one contract depends on the fulfilment of the other contract or whether some or all products in the contracts represent a single performance obligation. The determination whether a product or a service is considered as a separate performance obligation, involves, however, the exercise of discretion. Discretion is, more particularly, required for our implementation activities to assess whether this service, based on its type and scope, is an independent and separately assessable performance obligation. In general the implementation services go beyond mere set-up activities. In this connection we take the type of the services as well as their scope compared to the scope of the underlying standard software delivery into account.

The transaction price corresponds as a matter of principle to the individual selling price. The individual selling price is the price which the company would charge to sell a product or service to a customer. The Serviceware Group has fixed minimum prices for this purpose. The estimate of the individual selling prices involves the exercise of discretion. This includes estimates whether and to what extent the customers are granted subsequent concessions or payments and whether the customer will pay the contractually agreed fees as expected. The exercise of discretion takes into account our experience so far both with the corresponding customer and also beyond the individual customer relationship. The Serviceware Group applies this method, more particularly, for its offers in respect of software licences, SaaS, software maintenance services and training.

If the selling price for an offer cannot be directly observed or if the selling prices are very different for all customers, we apply an estimation procedure. For offers relating to advisory and implementation services we base the price estimates on the costs plus a margin.

In order to ensure that the most objective input parameters available are used, we verify the individual selling prices regularly or whenever the circumstances and assumptions change.

In multiple component agreements the determination of the individual selling prices of individual products or services is complex since certain components are price-sensitive and are, therefore, subject to fluctuations in a market environment marked by competition. Moreover, there are in many cases no observable individual selling prices for own products. Resorting to market prices of similar products involves uncertainties because of the normally missing fulll comparability just as an estimate with a cost plus margin approach. Changes in the estimates of the individual selling prices can have a major impact on the allocation of the transaction price for the entire multiple component transaction to the individual performance obligations and can, therefore, have an impact on both the asset position, ie the amount of the recognition of contract assets and contract liabilities, and on the current and also future earnings position.

Contract costs are deferred and basically distributed over the expected duration of the customer relationship. The estimate of the expected average customer retention period is based on the historic customer fluctuation rate which is, however, subject to variations and has, more particularly, in the event of a launch of new products, only a limited explanatory power concerning the future customer behaviour. In the event of a change of the estimates by the management, there can be substantial differences in terms of amount and time of the expenses for subsequent periods.

The significance of essential rights is an estimate which is based both on quantitative and qualitative factors. At the end of the day, it is a decision based on discretion – albeit supported by quantitative facts. Depending on the decision whether an essential right to be deferred of the customer exists or not, there can be major differences in terms of amount and time of the sales revenues for the current as well as the subsequent periods.

Gross versus net presentation: the assessment whether the Serviceware Group shows revenues as principal gross or as agent net after deduction of the costs, ie only in the amount of the remaining margin, requires an analysis of both the legal form and the economic substance of contracts. After considering all relevant facts and circumstances of the individual case, the decision involves a certain discretion even when applying a uniform review scheme throughout the Group. Depending on the conclusion, there can be essential differences concerning the amount of sales revenues and expenses for the current as well as subsequent periods. The operating result is not affected by that.

Accounting Policies

INTANGIBLE ASSETS (WITHOUT GOODWILL)

Intangible assets with a determinable useful life are valued at their acquisition costs and, as a matter of principle, amortised on a straight-line basis over their respective useful life. Such assets are impaired if the recoverable amount – the higher value from the fair value minus costs to sell and value in use – is lower than the carrying amount.

Intangible assets with an indeterminable useful life are valued at acquisition costs. They are not subject to scheduled amortisation but are examined on an annual basis and whenever there are indications for an impairment concerning their recoverability, and if necessary, they are written off to their recoverable amount. If the reasons for the previous impairments no longer exist, these assets are written up taking into account scheduled depreciations to the maximum amount which would have resulted if no impairments had been reported during the earlier periods. The useful life and the depreciation methods for intangible assets are reviewed at least on every reporting date; if expectations deviate from existing estimates, the corresponding amendments are recognised in accordance with IAS 8 as changes in accounting estimates.

The useful life amounts for software as a rule to three to five years. The intangible assets of the trademark “SABIO” as well as the trademark “cubus” and the “SABIO” customer base and “cubus” customer base disclosed within the framework of the acquisition of SABIO GmbH, Hamburg as well as cubus AG, Herrenberg, are amortised in each case over a useful life of 20 years. The useful life of the capitalised development costs amounts to three years from the commencement of marketing of the developed products.

GOODWILL

Goodwill is not subject to scheduled amortisation but is examined on the basis of the recoverable amount of the cash generating unit to which the goodwill is allocated for a possible impairment. The impairment test is carried out regularly at the end of each fiscal year and, in addition, whenever there are indications that the cash generating unit suffers from an impairment in its value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition or production costs, reduced by scheduled straight-line depreciations and possibly impairments. The depreciation period is governed by the probable economic useful life of the assets. In the year of acquisition property, plant and equipment are depreciated on a pro rata basis. The residual book values, the useful lives and the depreciation methods of the assets are reviewed at least on each reporting date; if expectations deviate from the existing estimates, the corresponding changes are reported in accordance with IAS 8 as changes in accounting estimates. If a property, plant and equipment asset consists of several parts with different useful lives, the individual material parts are depreciated over their individual useful lives. Maintenance and repair costs are recognised as an expense on the date on which they are incurred. Public investment allowances reduce the acquisition or production costs of those assets for which the allowance has been granted. A property, plant and equipment asset is derecognised if the asset is disposed of or if no other economic benefit is to be expected from its use or disposal. The profit or loss from the disposal of a property, plant and equipment asset is the difference between the net realisable value and the carrying amount of the asset and is recognised at the time of derecognition in the other operating income or other operating expenses. The useful lives of the essential asset categories are represented in the following table:

Other equipment, operational and office equipment	3 to 13 years

Tenant fixtures are either depreciated over their respective lifetime or over the shorter period of a possible leasing.

BORROWING COSTS

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the acquisition and production costs. Borrowing costs for assets which are recognised at fair value and for inventories which are regularly manufactured or produced in large amounts, are not capitalised.

IMPAIRMENT OF INTANGIBLE ASSETS (INCLUDING GOODWILL) AND PROPERTY, PLANT AND EQUIPMENT

Impairments are determined by comparing the carrying amount with the recoverable amount. If individual assets cannot be allocated to own future cash inflows generated independently from other assets, the impairment is to be tested on the basis of the superordinate cash generating unit of assets. On every reporting date it is reviewed whether there are any indications that an asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset or the cash generating unit is to be determined. In the event of intangible assets with indeterminable useful life (goodwill), an annual impairment test is in addition carried out on a regular basis. Within the framework of the impairment test the goodwill acquired in connection with a business combination is allocated to each cash generating unit which is likely to benefit from the synergies from the merger. If the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount, the goodwill allocated to this cash generating unit is to be reduced in the amount of the difference. An impairment of the goodwill may not be revoked. If the impairment of the cash generating unit exceeds the carrying amount of the allocated goodwill, the additional impairment has to be distributed on a proportional basis to the assets allocated to the cash generating unit. The fair values and / or values in use (as far as they can be determined) of the individual assets are to be taken into account as lower value limit. If the conditions for impairments recognised in previous periods no longer exist, the corresponding assets (with the exception of goodwill) must be written up through profit and loss. The recoverable amount of a cash generating unit is determined from the higher value from the fair value less disposal costs and value in use of the asset. The recoverable amount is determined as a rule by applying the discounted cash flow (DCF) method, unless a measurement based on a market price is relevant. These DCF calculations are based on forecasts derived from financial plans approved by the management and which are also used for internal purposes. The selected planning horizon reflects the assumptions for short to medium-term market developments. Cash flows which go beyond the planning period are calculated by means of adequate growth rates. The main assumptions on which the calculation of the recoverable amount by the management is based, are explained under “Discretionary judgements and uncertainties of estimates”.

OTHER PROVISIONS

Other provisions within the meaning of IFRS are not stated in these financial statements. This concerns accruals to be reported as other liabilities. The deferrals presented and explained separately as other deferrals under Section 10, are recognised for current legal or factual obligations vis a vis third parties which are uncertain in terms of their maturity or their amount.

Provisions are made for such obligations only if they are based on past business transactions or events, which are likely to lead to outflows of financial resources and these outflows can be determined in a reliable manner. Provisions are recognised with their probable settlement amount taking into account all identifiable risks and uncertainties. The settlement amount is determined on the basis of a best possible estimate whereby adequate estimate procedures and information sources depending on the characteristics of the obligation are used.

For a large number of similar obligations, the group of obligations is considered as a whole. The expected value method is used as an estimation method. In the event of bandwidths of possible events with the same likelihood of occurrence, the mean value is applied. Individual obligations (e.g. legal and litigation risks) are regularly valued with the most likely result unless other estimates lead to an adequate measurement due to special probability distributions. For the measurement of provisions historical experience, current cost and price information as well as estimates and / or expert opinions of specialists and experts are used. Insofar as historical experience or current cost and price information is used for the determination of the settlement amount, these values are updated taking into account the probable period of settlement. In this respect adequate price development indicators (e.g. inflation rates) are used. Provisions are discounted if their effect is material. For discounting purposes market interest rates before taxes are used which reflect the term and risk of the obligation (if not yet taken into account at the determination of the settlement amount).

Refund claims are not offset against provisions but are capitalised separately as soon as their realisation is as certain as possible. Provisions for decommissioning, reproduction or similar obligations which occur as a result of the acquisition of property, plant and equipment, are recognised with no effect on profit and loss and result in subsequent increases or decreases of the carrying amount of the property, plant and equipment asset concerned. Subsequent changes in respect of the estimates of the amount or the timing of payments or changes in interest rate for the valuation of these obligations are likewise recognised with no effect on income and lead to subsequent increases or decreases of the carrying value of the property, plant and equipment concerned. This hence also leads to changed scheduled depreciations of the asset to be recognised in future and hence to a recognition with an effect on net income of the changes in estimate over the residual useful life.

If an impairment of the provision exceeds the carrying value of the corresponding asset, the exceeding amount has immediately to be recognised through profit or loss as income.

FINANCIAL INSTRUMENTS

A financial instrument is a contract which leads at the same time in one company to a financial asset and in another company to a financial liability or an equity instrument. This includes both primary financial instruments (for instance trade receivables or payables) and derivative financial instruments (transactions to hedge against the risk of change in value).

In accordance with IAS 32.11 an **equity instrument** is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. If the financial instrument leads to payment obligations (including conditional ones), this represents debt capital and not equity.

Financial assets include, more particularly, cash and cash equivalents, trade receivables as well as other loans granted and receivables, financial investments held to maturity and primary financial assets and derivative financial assets held for trading.

Financial liabilities regularly establish a repayment entitlement in cash or in a different financial asset. This includes, more particularly, bonds, trade payables, liabilities to financial institutions, liabilities from finance leases and derivative financial liabilities.

Initial recognition

Financial instruments are recognised as soon as the Serviceware Group becomes a contractual party to the provisions of the financial instrument. In the event of regular way purchases or sales (purchases or sales within the framework of a contract whose terms and conditions provide for the delivery of the asset within a specific period which is usually determined by provisions or conventions of the respective market), the settlement day is relevant for the first-time recognition as well as derecognition, i.e. the day on which the asset is delivered to or by the Serviceware Group.

Financial assets and financial liabilities are disclosed as a rule without being offset; they are only offset if there is a right to offsetting at present concerning the amounts and if it is intended to bring about a balance on a net basis.

If contracts for the purchase or sale of non-financial assets come within the scope of application of IFRS 9, they are recognised in accordance with the provisions of this standard.

The initial recognition of financial instruments is carried out at fair value, possibly adjusted by transaction costs which are attributable to the acquisition or issue of the financial instrument. Exceptions include trade receivables without a significant financing component which are recognised at the transaction price. The fair values recognised in the balance sheet correspond as a rule to the market prices of the financial assets. If these are not directly available, they are calculated by applying recognised measurement models and referring to current market parameters.

The subsequent measurement is carried out in accordance with its measurement category based on IFRS 9:

Subsequent Measurement of Financial Assets:

Financial assets are sub-divided in accordance with IFRS 9 into the classification categories amortised cost or fair value and measured accordingly. If financial assets are measured on the basis of the fair value, the expenses and income can either be fully recognised in the period result (at fair value through profit or loss) or in the other comprehensive income (at fair value through other comprehensive income).

Financial assets measured at amortised cost are measured during the subsequent periods by applying the effective interest method and must be verified with a view to impairment. Profits and losses are recognised with no effect on income if the asset is derecognised, modified or impaired.

The Group determines the fair value at each transaction completion day. The fair value is the price which has been received in an orderly transaction between market participants on the measurement date for the sale of an asset or which has been paid for the transfer of a debt. When measuring the fair value it is assumed that the transaction within the framework of which the asset is sold or debt is transferred,

- took place either on the principal market for the asset or the debt or, if there is no principal market,
- on the most advantageous market for the asset and / or liability.

The Group must have access to the principal market or the most advantageous market. The fair value of an asset or a liability is measured based on the assumptions which market participants would use in the pricing for the asset and / or liability. In this connection it is assumed that the market participants act in their best economic interest.

The Group applies measurement methods which are appropriate under the respective circumstances and for which sufficient data are available to measure the fair value. In this connection the use of relevant observable input factors is as high as possible and non-observable input factors are kept as low as possible.

All assets and liabilities for which the fair value is determined or presented in the financial statements are classified in the following measurement hierarchy based on the input factor of the lowest stage which is altogether substantial for the measurement at fair value:

- **Stage 1**: prices quoted for identical assets or liabilities (without adjustment) on active markets
- **Stage 2**: measurement methods for which the input factor of the lowest stage which is altogether substantial for the measurement at fair value, can be observed directly or indirectly on the market
- **Stage 3**: measurement methods for which the input factor on the lowest stage which is altogether substantial for the measurement at fair value cannot be observed on the market.

In order to meet the reporting obligations for the fair values, the Group has determined classes of assets and liabilities on the basis of their type, their characteristics and their risks as well as the stages of the abovementioned measurement hierarchy.

Trade Receivables

Trade receivables are the unconditional claim of the Serviceware Group to consideration (ie maturity arises automatically by expiration of time). Trade receivables are measured at amortised cost taking into account appropriate deductions for all identifiable individual risks. Non-current receivables with a residual term of more than one year are discounted to the balance sheet date based on the corresponding interest rate. The general credit risk is likewise taken into account, as far as provable, by corresponding value adjustments.

For trade receivables the Group applies the simplified impairment scheme of IFRS 9 and recognises immediately the expected credit loss for the entire term. The necessary impairment is derived by taking into account historic credit losses and – as far as relevant – based on current developments on the market. In individual cases the credit loss is, however, also derived directly from information about the creditworthiness of the customer. In the event of insolvency of a customer, the value of the receivable is fully reported as a debt loss. It is only derecognised at this stage. As a matter of principle, changes in the carrying value of trade receivables are reduced by using an impairment account and recognising the impairment loss with no effect on income. If the amount of an estimated impairment expense increases or decreases during a subsequent reporting period due to an event which occurred after the recognition of the impairment, the previously recognised impairment loss is increased or decreased by adjustment of the impairment account through profit or loss. If a derecognised receivable is classified later again as recoverable due to an event which occurred after the derecognition, the corresponding amount is recognised directly against the other operating expenses.

Other non-current accounts receivable and borrowing expenses are measured by applying the effective interest rate method at amortised costs.

The item ***"Cash and Cash Equivalents"*** in the balance sheet includes the cash on hand, cash accounts and short-term deposits at banks with a residual term of less than three months which are only subject to a minor risk of fluctuations in value. They are measured at amortised cost. In the consolidated cashflow statement the Serviceware Group recognises the payment flows from interest inflows in the cash flows from investing activities and interest outflows in the cash flow from financing activities which are only subject to an unsubstantial risk of value fluctuations. Furthermore, the item includes financial assets which serve for the company at any time to cover its short-term liquidity needs, since they can be cancelled at short notice and no substantial economic loss is to be expected in the event of premature termination of these assets.

Cash investments are measured at amortised cost. Cash investments are term deposit investments and similar investments with banks and other financial service institutions as well as investments in insurances with original maturities of more than three months from the date of acquisition.

Debt and equity instruments held for trading are recognised with no effect on income at fair value whereby the changes in fair value are reported after offsetting in the income statement. Financial assets are classified as held for trading if they are acquired for the purpose of selling or selling back in the near future. Financial assets with cashflows which do not exclusively represent principal and interest payments are classified independently from the business model through profit or loss at fair value and recognised accordingly.

Equity Instruments held to maturity

For certain financial investments in equity instruments it is both intended and also to be expected with an economically sufficient reliability that they are held to maturity. These financial assets are classified and measured without effect on income at fair value in the other comprehensive income. A reclassification of the amounts in the net income eg when selling the instrument, is then no longer possible.

Derecognition

A financial asset is primarily derecognised, ie removed from the consolidated balance sheet, if the contractual rights to the cash flows from the financial asset are extinguished.

Subsequent Measurement of Financial Liabilities:

Financial liabilities are sub-divided into two measurement categories according to IFRS 9, as already in IAS 39. Either into the category at amortised cost or at fair value with recognition of the change in value in the net income.

Non-trade payables as well as other original financial liabilities are recognised at amortised costs.

Non-current liabilities with a term of more than one year are discounted to the balance sheet reporting date based on the corresponding interest rate. Exceptions are liabilities from acquisitions which are recognised at fair value (IFRS 3.39).

Derivative Financial Instruments

The Serviceware Group uses derivative financial instruments to hedge the interest risks from operations, financial transactions and investments. Derivative financial instruments are neither held nor issued for speculation purposes.

IFRS 9 defines certain requirements to be met by the application of hedge accounting. These are fulfilled by the Serviceware Group as follows: at the beginning of a hedging measure both the relationship between the financial instrument used as underlying transaction as well as the goal and the hedging strategy are documented. This includes both the concrete allocation of the hedging instruments to the corresponding assets and / or liabilities or (fixed / expected) future transactions as well as the estimate of the degree of effectiveness of the hedging instruments used. Existing hedging relationships are continuously monitored with a view to their effectiveness. If the prerequisites to the application of hedge accounting are no longer met, the hedging relationship is immediately reversed.

The derivative financial instruments are recognised at fair value for the initial reporting. The fair values are also relevant for the subsequent measurements. The fair value of traded derivative financial instruments corresponds to the market value. This value can be positive or negative. If no market values are available, the fair value must be calculated by means of recognised mathematical models. For derivative financial instruments the fair value corresponds to the amount which the Serviceware Group would either receive or have to pay on the balance sheet date. It is calculated by applying the interest rates of the contracting partners which are relevant on the balance sheet date. Middle rates are used for the calculations.

For the measurement of the changes of the fair values – fair value through profit or loss or for recognition in equity without effect on income – it is decisive whether the derivative financial instrument is embedded in an effective hedging relationship in accordance with IFRS 9. If no hedging relationship exists, the changes of the fair values of the derivative financial instruments have to be recognised directly through profit or loss. If there is, however, an effective hedging relationship (hedge accounting), the hedging relationship as such is reported.

CONTINGENCIES (CONTINGENT LIABILITIES AND ASSETS)

Contingencies (contingent liabilities and assets) are possible obligations or assets which result from past events or whose existence is conditional upon the occurrence or non-occurrence of one or more uncertain future events which are not fully under the control of the Serviceware Group. Contingent liabilities are also current obligations which result from past events in respect of which the outflow of resources which represent an economic benefit is unlikely or in respect of which the scope of the obligation cannot be estimated with sufficient liability. Contingent liabilities are measured at fair value if they were taken over within the framework of a company acquisition. Contingent liabilities not taken over within the framework of a company acquisition are not recognised. Contingent receivables are not recognised. If the realisation of earnings is, however, almost certain, the corresponding asset is no longer to be considered as a contingent receivable and is recognised as an asset. If an outflow of resources with economic benefit is not unlikely, information on contingent liabilities is published in the Notes to the consolidated financial statements. The same applies to contingent receivables if the inflow of economic benefit is likely.

LEASING

The beneficial ownership of leased items is attributed in a lease relationship to the contracting partner who bears the material opportunities and risks involved in the leased item. If the lessor bears the material opportunities and risks (operating lease), the leased item is recognised by the lessor in the balance sheet. The measurement of the leased item is governed by the accounting provisions which are relevant for the leased item. The lease payments are recognised in profit or loss by the lessor. The lessee in an operating lease recognises the lease payments to be made during the lease with an effect on profit or loss. Contractually agreed future changes in respect of the lease payments during the term are recognised throughout the entire term only once at the time of the conclusion of the contract in expenses (straight-line lease). In the event of any extension options the sufficiently certain use of extension options is first taken into account at the time of conclusion of the lease. If the original assessment of the use of extension options changes in the course of the lease, a corresponding change in estimate is to be made for the determination of the future obligations under operating lease transactions. If the lessee bears the material opportunities and risks involved in the ownership of the leased item (finance lease), the lessee has to recognise the leased item in the balance sheet. The leased item is measured at the time of addition with its fair value or the lower cash value of the future minimum lease payments and depreciated over the estimated useful life or the shorter contractual term. The depreciation is recognised with an effect on profit or loss. The lessee recognises at the time of addition at the same time a lease liability the amount of which corresponds to the carrying amount of the leased item. The lease liability is amortised and adjusted during the subsequent period in accordance with the effective interest method. The lessor in a finance lease recognises receivables in the amount of the net investment value under the lease. The lease income is subdivided into repayments of the lease liability and financial income. The receivable from the lease is amortised and adjusted in accordance with the effective interest method. With fiscal 2019/2020 the accounting of operating leasing relationships is converted in accordance with IFRS 16.

CLASSES OF SALES REVENUES, CONTRACT ASSETS AND CONTRACT LIABILITIES / COSTS

Sales revenues include all revenues resulting from the ordinary activities of the Serviceware Group. The sales revenues are recognised without value added tax and other tax collected at the customers and paid to the tax authorities. The Serviceware Group generates sales revenues from the licensing of software products to end customers or resellers, from SaaS, from maintenance contracts, consulting services, from the implementation of infrastructure projects, in the fields of IT-Security, IT-Management Systems, IT-Storage Management and in strategy projects, as well as the provision of other deliveries and services. The sales revenues are recognised in the amount of the consideration which the Group will probably receive in exchange for these goods or services.

The sales revenue recognition of the Serviceware Group presents itself in detail as follows:

Classes of Sales Revenues

(a) Revenues from the Sale of Software Licences

The revenues from software licences result from the licence fees which the Serviceware Group generates from the sale of the software to customers for use on their own IT infrastructure or on IT infrastructure sold together with the software which constitutes a unit with the sold software. In this connection the customer has the right to take possession of the software to install it on its own systems or on the IT infrastructure of third hosting providers which are not related to the Serviceware Group. The software licence revenues include sales revenues from the sale of standard software products possibly in product unity with IT infrastructure. The granting of licences for the standard software products is carried out as a rule by making an access available for the customer to download the software. The basically unrestricted licensing period starts with the granting of access. The recognition of the revenues from these licences takes place when the customer has access to and the power to dispose of the software. At the assessment that the software offers grant the customer a right to use the intellectual property and not a right to access our intellectual property we have taken into account the benefits of the software for the customer – without subsequent updates. The software use rights (licences) are sold independently from the contracted maintenance and update service.

(b) Software as a Service - SaaS

The sales revenues from the licence subscriptions and support represent revenues from the granting of a right to use software functions either on a provider-hosted infrastructure of third parties commissioned by the Serviceware Group, on an infrastructure of the customer or on an own infrastructure of the Serviceware Group.

In this connection the customer has no right to terminate the hosting contract and take possession of the software. After the conclusion of the SaaS contract the customer has a right to ongoing access to the most recent versions and updates of the software product. If the performance obligation is the granting of a right to ongoing access to a licence product and its use for a certain period, the revenues are recognised in accordance with the time passed and hence prorated in respect of the term of the contract in conformity with the output-oriented method of IFRS 15.B14. The average contractual term amounts to three years. The amounts for SaaS services normally charged in advance for services which are provided in later periods and hence have an effect on income, are recognised as contract liabilities.

(c) Provision of Maintenance, Software Updates, Hotline and Helpdesk Services (Software Maintenance Services)

Software maintenance services embody the sales revenues which the Serviceware Group generates through standardised support services, ie non-specified future software updates, upgrades and extensions as well as technical product support services for software use rights (licences).

For our standardised software maintenance services our performance obligation includes making available the resources to be able to provide technical product support when needed by the customer and to make available non-specified updates, upgrades and extensions when available. Our customers enjoy the benefit of these support services at the same time as our service performance. Software maintenance services are recognised as a rule after the expired time and hence prorated over the term of the support contract in conformity with the output-oriented method in IFRS 15.B14 (a). The amounts for software support services which are, as a rule, charged annually in advance for services provided in subsequent periods and hence have an impact on sales revenues are recognised as contract liabilities.

(d) Revenues from Consulting and Implementation Services

The Serviceware Group provides consulting and implementation services in connection with software projects and IT infrastructure projects in the fields of IT security, IT systems management, IT storage management as well as strategy projects. The transactions include, amongst others, IT services and network services for customers including IT outsourcing services and the sale of hardware.

These services are either sold individually in contracts with customers or offered as a package together with the sale of software licences to customers. As a matter of principle, the company does not, however, offer any consulting and implementation services in an overall package with software licences for an overall price.

The agreements concerning the implementation of infrastructure projects are as a rule governed by the following: they grant us a legal claim to payment for services already provided.

Revenues from service contracts are recognised in accordance with the performance of the service, ie basically proportionately over the contractual period. Sales revenues from contracts for services charged based on time and material expenditure are recognised upon the provision of working hours and the arising of direct costs based on the contractually agreed hourly rate.

Contract Assets and Contract Liabilities / Costs

A **contract asset** is to be stated if the Serviceware Group has recognised revenues based on the fulfilment of a contractual performance obligation before the customer has made a payment and / or before – independently from maturity – the prerequisites for invoicing and hence the recognition of receivables exist.

A **contract liability** is to be stated if the customer has made a payment and / or a receivable falls due vis a vis the customer before the Serviceware Group has fulfilled a contractual performance obligation and hence recognised revenues. Contract liabilities are to be offset within a customer contract against contract receivables. Long-term contract liabilities (eg from an advance payment of the customer) are to be recognised at cash value if the financing component referred to the entire contract value (ie including the performance obligations which do not include a financing component) is significant. The Serviceware Group exercises the option not to consider a significant financing component if the time interval between the delivery of a good or the provision of a service and the payment by the customer amounts to a maximum of one year.

Contract costs include costs of contract initiation (essentially sales commission to employees and third-party dealers in the direct and indirect sales channel) as well as contract performance costs. These must be capitalised if it has to be assumed that the costs will be compensated by future revenues from the contract. Costs of contract initiation are additional costs which would not have been incurred without the conclusion of the contract. Contract performance costs are directly attributable costs arising after the commencement of the contract which serve the purpose of contract performance but are upstream of the latter and are not to be capitalised under another standard. The Serviceware Group exercises its option to immediately expense contract costs whose depreciation period would not amount to more than a year. The capitalised contract costs are basically recognised on a linear line with an effect on expenditure over the entire customer retention period. The expenses are not reported in the income statement of the Serviceware Group under the scheduled depreciations and amortisations but – independently from the distribution channel – as material costs or personnel expenses.

Payments to customers including credits or subsequent price rebates are recognised as a matter of principle as sales deductions unless the payment is a consideration for an independently definable appropriately measurable delivery or service of the customer.

Charges for access provision and other non-recurring payments of the customer made in advance which do not represent a consideration for a separate performance obligation are deferred as contract liability and recognised with an effect on revenues over the minimum contract term and / or in exceptional cases (eg for contracts which may be terminated at any time) over an expected contractual term. This applies also to fees for installation and setting up activities provided that they do not have an independent value for the customer.

At the sale of products or services we often grant customers options to acquire additional products or services (for instance extensions of extendable offers, additional volumes for purchased software). At the determination whether such options grant the customer an essential right that the customer would not have been granted without the conclusion of this contract (**option with an essential right**), we exercise discretion. At this evaluation we take into account whether the options grant the customer the right to a rebate which is above the rebate which is granted for the corresponding products or services sold together with the option. In the event of granting of “essential rights”, such as the granting of additional rebates for the future acquisition of further products, part of the transaction price is to be deferred as contract liability and only to be recognised upon the performance or expiration of this additional performance promise as revenue. At present the contract structure of Serviceware does not provide for the granting of substantial rights within the meaning of the accounting standard.

In cases in which a company is in an intermediary position between another supplier / provider (e.g. manufacturer, wholesaler) and an end customer, it has to be evaluated whether the company supplies the corresponding product and / or the service requested by the customer as principal itself or whether the company acts merely as an agent for the supplier. It depends on the result whether the company can recognise **revenues on a gross basis** (as principal) or on a **net basis** after deduction of the costs vis a vis the supplier (as agent). For the Serviceware Group the question arises in particular in connection with implementation services (hardware, software for IT infrastructure) which is sourced from third parties and sold as part of the product portfolio of the Serviceware Group to final customers. Summing up, the Serviceware Group sees itself in the event of rights in respect of goods or services of a third party in a principal position vis a vis the final customer and hence states gross revenues:

- The company is primarily responsible for the fulfilment of the promise to deliver the hardware and consequently the other party has entered into an enforceable, ongoing obligation to provide access.
- The Serviceware Group sells goods and services of the other party on its own behalf and for its own account within the framework of a contract between the Serviceware Group and the final customer.
- The Serviceware Group can influence at its own discretion the price for the services of the other party which it sells for its own account.

INCOME TAXES

Income taxes include both actual income taxes and deferred taxes. Actual and deferred tax income and tax expenses are to be recognised as a matter of principle if they are likely. The valuation is based on the tax provisions which apply or have been announced on the reporting date, provided that the announcement has the effect of an actual entry into force. If actual and deferred taxes are recognised, they must be disclosed as income or expenses unless they result from a transaction which is recognised outside the profit and loss account either in the other comprehensive income or in the equity or is related to a business combination. In the balance sheet actual tax income has, as a matter of principle, to be offset against actual tax expenses and deferred tax income against deferred tax expenses, if there is an enforceable right to offsetting of actual tax income against actual tax liabilities, there is an intention to carry it out and the tax income and tax expenses relate to income tax levied by the same tax authority. Actual tax income and tax expenses are to be measured with the amount of the expected payment or refund to or from the tax authority. They include both the current year and any expenses / income from previous years.

Deferred taxes are recognised for temporary differences between the carrying amounts in the consolidated balance sheet and the tax balance sheet as well as for tax loss carry-forwards and tax credits. By deviation from this principle no deferred taxes are recognised for temporary differences if they result from the initial recognition of assets or liabilities, neither the IFRS earnings (before taxes) nor the tax earnings are influenced and no business combinations are concerned. Moreover, no deferred tax liabilities are created in respect of temporary differences which are related to the initial accounting of a goodwill. Deferred tax liabilities in connection with temporary differences from shareholdings in subsidiaries, joint agreements and associated companies, are calculated as a matter of principle unless Serviceware is able to control the chronological sequence of the reversal of the temporary difference and the temporary differences will probably not reverse in the foreseeable future.

Principles of consolidation

Subsidiaries

Subsidiaries are companies which are directly or indirectly controlled by Serviceware. Control exists if and only if an investor disposes of the decision-making power, is exposed to variable returns or is entitled to rights concerning the returns or if based on the decision-making power he is able to influence the amount of the variable returns. The existence and impact of substantial potential voting rights which are currently exercised or can be converted, including potential voting rights held by other affiliated companies are taken into account when judging whether a company is controlled. All subsidiaries are included into the consolidated financial statements.

The income and expenses of a subsidiary are included into the consolidated financial statements from the time of its acquisition. The income and expenses of a subsidiary remain included in the consolidated financial statements until the control by the parent company ends. As far as necessary, the accounting concepts of subsidiaries are adapted to the accounting concepts of Serviceware which are uniform across the Group. Expenses and income, receivables and payables as well as the results between the companies included into the consolidated financial statements are eliminated. With the loss of the controlling influence a gain or loss from the derecognition of the subsidiary is disclosed in the consolidated profit and loss account in the amount of the difference between (i) the income from the disposal of the subsidiary, the fair value of the retained shares, the carrying amount of the non-controlling shares as well as the cumulated amounts accounted for by the subsidiaries in the other comprehensive income and (ii) the carrying amount of the disposed net assets of the subsidiary.

BUSINESS COMBINATIONS

A business combination exists if Serviceware obtains control over another company. All business combinations must be reported in accordance with the purchase method. The acquisition costs of an acquired subsidiary are measured on the basis of the fair value of the transferred return service, ie the sum of assets given up, debts taken over and equity instruments issued. Incidental acquisition costs are, as a matter of principle, recognised as expenses. The acquisition costs are distributed over the acquired assets, debts and contingent liabilities – regardless of the shareholding of Serviceware – to the full amount at the fair values. This is determined by the value ratios at the time when control over the subsidiary was obtained. The valuation of a possible goodwill is determined by the surplus of the sum from the acquisition costs, the value of the shares of other shareholders (non-controlling shares) and the fair value of the equity shares already held prior to the acquisition date by Serviceware (step acquisition) over the fair value of the acquired net assets. The difference from the revaluation of shares already held by Serviceware must be recognised with an effect on profit or loss.

For every business combination there is an option concerning the measurement of the non-controlling shares. These may be recognised either directly with the fair value (ie with the share of other shareholders in the total shareholder value of the acquired company) or with the share of the fair value of the acquired net assets accounted for by other shareholders. This means that in the first case, the minority shareholders also participate in the goodwill resulting from the business combination, whereas in the second case, the share of the other shareholders in the revalued assets and liabilities remains restricted and the goodwill is only recognised in the amount of the share accounted for by Serviceware. Transactions concerning the further purchase or sale of equity shares with other shareholders which do not affect the controlling influence of Serviceware do not result in any change in goodwill. The difference between the fair value of the transferred or obtained return service (ie the purchase price of the shares) and the carrying amount of the equity accounted for by the corresponding non-controlling shares is to be offset against the consolidated equity with a neutral effect in terms of profit or loss in the capital reserve and / or increases the latter.

The option to recognise the part of the goodwill accounted for by minorities was not exercised.

CHANGES IN THE SCOPE OF CONSOLIDATION AND OTHER TRANSACTIONS

During fiscal 2018/2019 the following transactions were carried out within the Serviceware Group which had an impact on the scope of consolidation. Other changes to the scope of consolidation – not reported here – did not have any material significance for the consolidated financial statements of the Serviceware Group.

Acquisition of cubus AG, Herrenberg (cubus)

Effective 5 June 2019 100 percent of the shares in cubus AG; Herrenberg, were acquired by helpLine CLM AG, CH-6340 Baar/Switzerland. cubus AG in turn is the 100 percent shareholder of cubus Schweiz GmbH, CH-8050 Zurich/Switzerland.

cubus is a leading provider of software in the field of Corporate Performance Management / Business Intelligence ("CPM" / "BI"). The cubus software allows companies and individual profit centres to analyse their financial KPIs and to prepare on that basis, amongst others, viable planning, forecasts and simulations for the future development of the balance sheet, profit and loss account as well as the cashflow statement. With the cubus software Serviceware combines the Financial Management of its own Enterprise Service Management (ESM) platform – where Serviceware holds already an extremely strong market position with the software solution anafee – with the Corporate Finance area of companies. Decision makers in companies hence have a reliable basis to manage the company or the profit centre.

The purchase price includes a fixed and a variable component ("earn out"); the fixed acquisition costs including incidental acquisition costs amounted to around kEUR 11.299. The variable component of the purchase price (earn out) is measured against the achievement of certain recurring sales revenues and is in this case due as subsequent purchase price payments. The estimated fair value of the earn out at the time of acquisition amounts to kEUR 1,500. The fair value of the earn out has not changed until the reporting date.

Furthermore, the payment of a retention bonus in three equal instalments totalling kEUR 360 was agreed as another variable purchase price component which is linked to the retention of certain body members in their respective function. The first instalment of the retention bonus of kEUR 120 was due as a result of the fulfilment of the bonus payment criteria on the closing date and has been paid accordingly. The fair value of the retention bonus on the balance sheet date still amounted to kEUR 240.

For the above mentioned purchase price the following assets and liabilities of cubus AG and cubus Schweiz GmbH were taken over at fair value on the acquisition date on a consolidated basis:

Assets and Liabilities cubus AG, Herrenberg and cubus Schweiz GmbH, Zurich / Switzerland	kEUR
Current assets	
Cash on hand and at banks	2,325
Trade receivables	757
Other assets	274
Non-current assets	
Intangible assets	7,379
Property, plant and equipment	38
Current liabilities	
Trade payables	54
Other liabilities	1,341
Provisions	323
Deferred taxes	2,208
Non-current liabilities	
Bank debt	0
Other liabilities	0
Assets	**6,847**
Purchase price	**13,159**
Goodwill	**6,312**

Within the framework of the purchase price allocation the equity of cubus was revalued. Intangible assets were disclosed which are capitalised in the consolidated financial statements of the Serviceware Group. This concerns the trademark “cubus” which was measured at kEUR 2,111 at the time of acquisition and for which a useful life of 20 years is estimated as well as a customer base which is valued at kEUR 5,248 at the time of acquisition and also has an estimated useful life of 20 years. The remaining difference resulting after the disclosure of the intangible assets was capitalised as goodwill and amounts to kEUR 6,312.

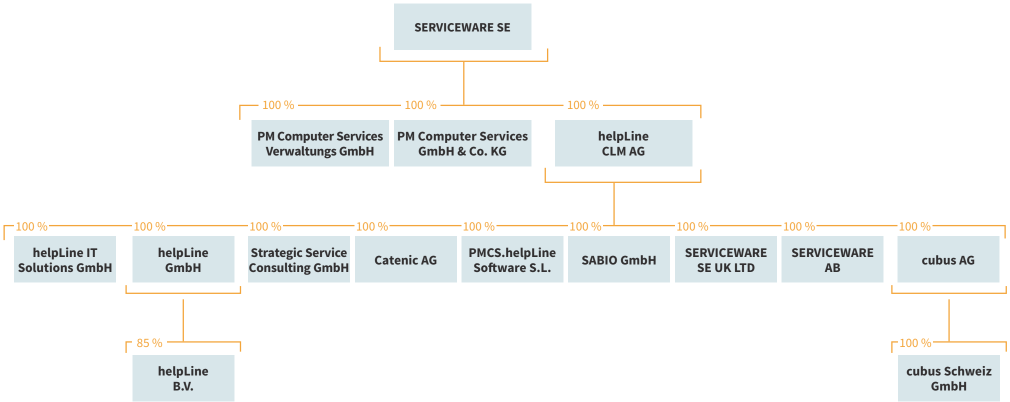
If cubus had been part of the Group since the beginning of the fiscal year, the sales revenues of the Group would increase by approximately kEUR 2,236 and the net result for the year would decrease by kEUR 150. Moreover, an additional expenditure of kEUR 184 would have been incurred for the amortisation of the trademark “cubus” and the customer base.

Merger of helpLine rd GmbH with helpLine GmbH

On the reporting date 1 December 2018 helpline rd GmbH, Hürth/Nordrhein-Westfalen transferred its assets as a whole to helpLine GmbH, Bad Camberg/Hessen, and has hence merged with the latter. This is an intra-Group transaction.

On the balance sheet date the following shareholdings exist:

Name	Founded/ Acquired on	Registered Office	Share capital	Shareholding
PM Computer Services Verwaltungs GmbH (PMCS Verwaltungs GmbH)	03.06.2005	Carl-Zeiss-Str. 16, 65520 Bad Camberg / Germany	EUR 25,600	100 %
PM Computer Services GmbH & Co. KG (PMCS GmbH & Co. KG)	29.06.2004	Carl-Zeiss-Str. 16, 65520 Bad Camberg / Germany	EUR 250,000	100 %
helpLine CLM AG	01.12.2003	Haldenstrasse 5, 6340 Baar / Switzerland	CHF 610,000	100 %
helpLine IT solutions GmbH	06.07.2004	Karl-Farkas-Gasse 22, 1030 Wien / Austria	EUR 35,000	100 %
helpLine GmbH	02.12.2003	Carl-Zeiss-Str. 16, 65520 Bad Camberg / Germany	EUR 50,000	100 %
Strategic Service Consulting GmbH	22.11.2011	Friedrichstraße 95, 10117 Berlin / Germany	EUR 25,000	100 %
helpLine BV	05.06.2002	Dellaertweg 9, 2316 WZ Leiden / The Netherlands	EUR 28,409	85 %
CATENIC AG	14.11.2014	Hauptstraße 1, 82008 Unterhaching / Germany	EUR 328,778	100 %
PMCS. HelpLine Software S.L.	07.06.2017	Gremi de Sabaters 21, 07009 Palma, Illes Balears / Spain	EUR 3,000	100 %
SABIO GmbH	30.07.2018	Schützenstraße 5, 22761 Hamburg / Germany	EUR 43,576	100 %
Serviceware SE UK Ltd.	22.08.2018	282 Farnborough Road, Abbey House, Farnborough, Hampshire, GU14 7NA	GBP 100	100 %
Serviceware AB	22.08.2018	Vasagatan 7, 11120 Stockholm / Sweden	SK 50,0000	100 %
cubus AG	05.06.2019	Bahnhofstraße 29, 71083 Herrenberg / Germany	EUR 400,000	100 %
cubus Schweiz GmbH	05.06.2019	Leutschenbachstraße 95, CH-8050 Zürich / Switzerland	CHF 50,000	100 %



Foreign currency translation

Transactions in foreign currency are translated into the functional currency with the exchange rate on the day of the transaction. The timing of the transaction for the purpose of the determination of the exchange rate is the initial measurement of the non-monetary asset from the advance payment or the non-monetary liability from the deferred income. On the reporting date monetary items are translated based on the exchange rate on the reporting date; non-monetary items are translated with the exchange rate on the day of the transaction. Exchange differences are recognised with an effect on profit or loss. The assets and liabilities of the affiliated companies whose functional currency is not the euro, are translated from the respective country currency into euro based on the middle rates applying on the reporting date. The profit and loss account of the foreign affiliated companies whose functional currency is not the euro are translated like the corresponding annual results on the basis of monthly average exchange rates of the reporting period. The differences occurring as a result of the application of the two exchange rates are recognised with no effect on profit or loss.

The exchange rates of currencies which are important for the Serviceware Group varied versus the euro as follows:

	Exchange rate on the reporting date		Average exchange rate	
	30.11.2019	30.11.2018	2018/2019	2017/2018
Switzerland	1.100	1.134	1.116	1.158
United Kingdom	0.852	0.891	0.882	0.884
Sweden	10.500	10.320	10.570	10.388

Notes to the Balance Sheet

1. Goodwill and Other Intangible Assets

in kEUR	30.11.19	30.11.18
Goodwill	14,048	7,736
Tradenark "SABIO"	1,650	1,739
Trademark "cubus"	2,059	0
Customer base SABIO	2,712	2,857
Customer base cubus	5,117	0
Internally generated intangible assets	545	807
Intangible assets under construction	0	36
IT software	91	34
Industrial property rights	4	4
Total	**26,226**	**13,213**

Trademarks

Within the framework of the acquisition of all shares in SABIO GmbH, Hamburg (SABIO) in 2018, the acquired trademark "SABIO" was identified as an intangible asset and recognised at the time of acquisition in the amount of kEUR 1,768. The trademark "SABIO" is amortised on a straight-line basis over an estimated economic useful life of 20 years. The amortisation amount in 2018/2019 amounted to kEUR 88 (PY: kEUR 29), so that the carrying amount on the balance sheet date 30.11.2019 amounts to kEUR 1,650 (PY: 1,739).

Within the framework of the acquisition of all shares in cubus AG, Herrenberg (cubus) in 2019, the acquired trademark "cubus" was identified as an intangible asset and recognised at the time of acquisition in the amount of kEUR 2,111. The trademark "cubus" is amortised on a straight-line basis over an estimated economic useful life of 20 years. The amortisation amount in 2018/2019 amounted to kEUR 53, so that the carrying amount on the balance sheet date 30.11.2019 amounts to kEUR 2,059.

Customer base

Within the framework of the acquisition of all shares in SABIO in 2018 acquired customer bases were identified as intangible assets and recognised at the time of initial valuation with a value of kEUR 2,905. The customer bases are amortised over a probable useful life of 20 years. The amortisation amount in 2018/2019 amounted to kEUR 145 (PY: kEUR 48) so that the carrying amount on 30.11.2019 amounts to kEUR 2,712 (PY: kEUR 2,857).

Within the framework of the acquisition of all shares in cubus in 2019, acquired customer bases were identified as intangible assets and recognised at the time of initial recognition with a value of kEUR 5,248. The customer bases are amortised over a probable useful life of 20 years. The amortisation amount in 2018/2019 amounted to kEUR 131 so that the carrying amount on 30.11.2019 amounts to kEUR 5,117.

Development services

The recognised development services (carrying amount at the time of acquisition: kEUR 894) acquired within the framework of the acquisition of SABIO are amortised on schedule over a residual useful life of three years from the time of marketing. The amortisation effective in 2018/2019 amounted to kEUR 262 (PY: 87). The residual carrying amount on the balance sheet date amounts to kEUR 545 (PY: kEUR 807).

Goodwill

The goodwill as at 30 November 2019 is distributed over the following companies:

in kEUR	2018/2019	2017/2018
cubus AG	6,312	-
SABIO GmbH	4,928	4,928
Helpline BV	2,291	2,291
Catenic AG	517	517
Total	**14,048**	**7,736**

For the review of the recoverability of goodwill in accordance with IAS 36 the value in use of the unit was calculated and compared to the carrying amount. If the carrying amount is above the value in use, a write-off is carried out. The value in use results from the discounted operating cash flows of the planning period, by a WACC derived by means of a peer group analysis. An indicative control was carried out by means of the income capitalisation approach.

In conformity with IFRS 13, the following Level 3 parameters were selected for the impairment test as basic assumptions:

Assumptions impairment test	2018/2019	2017/2018
Risk-free base rate	0.10 %	1.25 %
Market risk premium	7.00 %	6.25 %
Beta factor	1.07 %	0.87 %
WACC	8.18 %	6.68 %

The impairment test based on the value in use was made for all four companies on the basis of the following assumptions:

- Based on 2019, increasing sales revenues are expected until 2024.
- For the planning variables of 2025 (terminal value) a growth reduction of 1 percent was assumed.

The impairment test did not result in any impairment on the reporting date. The managing directors use past experience as the basis for their assumptions concerning forecasts underlying the determination of the value in use.

2. Property, Plant and Equipment

in kEUR	30.11.19	30.11.18
Furniture and fixtures	649	578
Fixtures	97	124
Office equipment	74	82
Cars	11	18
Total	**831**	**802**

3. Trade Receivables

2019				
in kEUR	Gross	Specific valuation allowance	Collective specific valuation allowance	Net
Trade receivables *thereof*	18,971	29	229	18,713
Not due	14,810	0	0	14,810
Due up to 90 days	3,002	0	0	3,002
Due between 90 days and 12 months	1,040	0	139	901
Due between 12 months and three years	119	29	90	0

2018				
in kEUR	Gross	Specific valuation allowance	Collective specific valuation allowance	Net
Trade receivables *thereof*	14,789	16	138	14,635
Not due	10,477	0	0	10,477
Due up to 90 days	2,883	0	0	2,883
Due between 90 days and 12 months	1,197	0	0	1,197
Due between 12 months and three years	232	16	138	78

Trade receivables are not bearing interest and are as a rule due within 7 – 30 days. Doubtful accounts receivable from the sale of goods and services in the amount of kEUR 258 (prior year: kEUR 154) were written off. This corresponds to a default rate of 1.4 percent (prior year: 1.0 percent).

The Company grants terms of payment which are usual in the industry and country. As far as the trade receivables which are neither impaired nor past due are concerned, there are no indications on the reporting date that the debtors will not meet their payment obligations.

The valuation allowances on trade receivables developed as follows:

Development of the valuation allowances on trade receivables

in kEUR	
Status on 01.12.2018	154
+ / - Exchange differences consolidation	0
- Utilisation	0
- Reversal	-28
+ Additions (expenses for valuation adjustments)	132
Valuation adjustments as at 30.11.2019	258

The expenses from the immediate derecognition of trade receivables amount to kEUR 44 (prior year: kEUR 27). Income from the receipt of payments in connection with derecognised receivables exist only in a non-substantial amount. The trade receivables are allocated for the information according to IFRS 7 allocated depending on the maturity pattern to the classes “Current trade receivables” kEUR 18,713) and possibly “Non-current trade receivables” (kEUR 0).

4. Other Current and Non-Current Assets

current in kEUR	30.11.19	30.11.18	Variation absolute
Prepaid expenses and deferred charges for customer maintenance contracts	6,515	7,742	-1,227
VAT receivables	997	9	988
Tax receivables	883	617	266
Supplier bonuses	289	281	8
Deposits	223	211	12
Others	553	310	243
Total	**9,459**	**9,170**	**-289**

non-current in kEUR	30.11.19	30.11.18	Variation absolute
Prepaid expenses and deferred charges for customer maintenance contracts	3,455	2,960	495
Total	**3,455**	**2,960**	**-495**

The other assets of the Company are not collateralised and do not bear any interest. Consequently, the Company bears the risk that there may be bad debt losses in the amount of the carrying amounts.

The financial instruments included in the other current assets are due within periods of up to one year on the respective reporting date.

5. Deferred Income Tax Assets

The deferred income tax assets in the amount of kEUR 2,703 (prior year: kEUR 1,342) include kEUR 665 IPO costs from the IPO carried out in fiscal 2017/2018 which reduced the capital without effect on income (equity reduction through IPO costs kEUR 2,331), the deferred taxes (kEUR 409) calculated on the basis of the loss carried forward of Serviceware SE which includes essentially the not directly allocable IPO costs of fiscal 2017/2018 hence to be recognised with an effect on the profit and loss account as well as the current net result for the year of Serviceware SE as well as losses carried forward which can be used for tax purposes of the other affiliated companies (kEUR 1,629).

Compared to prior year, the deferred income tax assets developed as follows:

in kEUR	30.11.19	30.11.18	Variation absolute
directly allocable IPO costs (without effect on income)	665	665	0
Deferred tax on loss carried forward and net income for the year of Serviceware SE	409	264	145
Losses carried forward of other affiliated companies	1,629	413	1,216
Total	**2,703**	**1,342**	**1,361**

6. Cash and Cash Equivalents

in kEUR	30.11.2019	30.11.2018	Variation absolute
Cash in banks	41,096	53,693	-12,597
Cash on hand	101	2	99
Total	**41,197**	**53,695**	**-12,498**

Cash in banks is partly bearing interest on the basis of variable interest rates on balances due daily. The fair value of the liquid funds amounts to kEUR 41,197 (prior year: kEUR 53,695).

Cash and cash equivalents are allocated for the information according to IFRS 7, as in the previous year, in the full amount to the class “Cash and cash equivalents”. Due to the very short terms and the creditworthiness of our contracting partners, there is no impairment based on expected credit losses.

7. Subscribed Capital

The subscribed capital of the Serviceware Group amounts on the balance sheet day to EUR 10,500,000.00 (prior year: EUR 10,500,000.00).

Within the framework of the IPO on 20 April 2018 another 2,500,000 no par value shares were issued with a nominal value of EUR 1,00 each in the wake of a capital increase. This results in a total of 10,500,000 no par value shares, with a nominal value of EUR 1,00 each. They constitute the share capital in the amount of EUR 10,500,000,00 since the IPO.

Authorised Capital

In accordance with Clause 8.3 of the statutes of Serviceware SE the Administrative Board is empowered to increase the share capital of the Company during the period up to 13 March 2023 by a total of up to EUR 4,000,000.00 through a single or multiple issuing of up to 4,000,000 new no par value shares against cash and / or non-cash contributions (Authorised Capital 2018 in accordance with the resolution of the general meeting of 14 March 2018). The shareholders have, as a matter of principle, a subscription right.

The Administrative Board is empowered to exclude the subscription right of the shareholders as a whole or in part.

The Administrative Board is empowered to lay down the further content of the share rights and the further details of the capital increase and its implementation. The Administrative Board is empowered to determine that the fresh shares in accordance with § 186 Para 5 AktG (German Stock Corporation Act) are to be taken over by a bank or a company operating in accordance with § 53 Para 1 Sentence 1 or § 53b Para 1 Sentence 1 or Para 7 KWG (German Banking Act) with the obligation to offer it to the shareholders for subscription.

The Administrative Board is empowered to amend the version of the statutes in accordance with the respective scope of the share capital increase from the Authorised Capital.

Contingent Capital

On 4 April 2018 the general meeting adopted a contingent capital (“Contingent Capital 2018”) of up to EUR 4,000,000.

8. Reserves

The reserves developed in accordance with the values disclosed in the statement of changes in equity.

In the consolidated balance sheet there is, furthermore, a reserve for currency adjustments within the equity. This item serves for reporting differences due to the currency translation of the financial statements of the foreign subsidiaries.

9. Financial Liabilities

The financial liabilities include the liabilities to financial institutions which are as follows:

in kEUR	2018/2019	2017/2018
Non-current		
collateralised	6,388	2,592
Current		
collateralised	2,260	1,082
Total	**8,648**	**3,674**
< 1 year	2,260	1,082
1-3 years	4,388	2,066
> 3 years	2,000	526
	8,648	**3,674**

The interests amount to 0,9 percent to 6,3 percent. The loans are collateralised as follows:

a) by personal guarantees of the managing directors Harald Popp and Dirk Martin up to a maximum amount of kEUR 408,
b) life assurances of the managing directors Harald Popp and Dirk Martin up to a maximum amount of kEUR 200
c) as well as receivables from two subsidiaries
d) Lien under the Standard Terms and Conditions for deposits in the amount of 50 percent of the outstanding loan amount until the loan granted for the acquisition of cubus (on the balance sheet date kEUR 3,000)

10. Contract Liabilities

Based on the transition to IFRS 15 kEUR 17,627 were reclassified into contract liabilities as at 1 December 2018. These result essentially from the sales revenues still deferred in deferrals on 30 November 2018. The carrying value of the current and non-current contract liabilities continued to develop until the end of the fiscal year 2018/2019 to kEUR 18,476. Further information on the new accounting standards can be found in the section “Standards, interpretations and amendments to standards to be applied for the first time during the fiscal year”. The takeover of cubus AG contributed to the increase of the balance of the contract liabilities by kEUR 1,152.

Out of the total amount of the contract liabilities kEUR 14,980 (status 1 December 2018: kEUR 13,668) are due within one year and are reported as sales revenues during the following fiscal year.

11. Other Current and Non-Current Liabilities

The other current and non-current liabilities include:

in kEUR	2018/2019	2017/2018
current		
Other accruals	4,035	2,983
Liabilities earn out from company acquisition	2,100	1,200
VAT liabilities	1,615	891
Liabilities wage and church tax	615	354
Retention Bonus	240	0
Others	419	142
Total	**9,024**	**5,570**

The liabilities from earn out concern the acquisition of SABIO in 2018 as well as the acquisition of the cubus AG in 2019. In accordance with the contractual agreements, subsequent purchase price payments are due in each case if certain recurring sales revenues are achieved.

The liabilities Retention Bonus result from the purchase price agreements entered into in connection with the acquisition of cubus.

The other accruals disclosed in other liabilities concern essentially liabilities from outstanding purchase invoices and personnel-related liabilities (e.g. performance bonuses).

12. Deferred Tax Liabilities

The deferred tax liabilities in the amount of kEUR 3,461 (prior year: kEUR 1,379) result from the acquisition of SABIO in 2018 and the acquisition of cubus in 2019 and the respective capitalisation of the trademark "SABIO" and "cubus " as well as the customer bases SABIO and cubus as intangible assets in this connection.

The deferred tax liabilities have developed as follows versus prior year:

in kEUR	30.11.2019	30.11.2018	Variation absolute
Deferred taxes SABIO	1,309	1,378	-70
Deferred taxes cubus	2,153	0	2,153
Total	**3,461**	**1,378**	**2,083**

Notes to the Profits and Loss Account

13. Sales Revenues

in kEUR	2018/2019	2017/2018	Variation absolute
Germany	54,209	44,343	9,866
Austria	5,599	5,582	17
Switzerland	3,246	1,433	1,813
Others	3,517	3,820	-303
Total	**66,571**	**55,178**	**11,393**
SaaS/Service	24,293	16,299	7,994
Licences	20,491	19,577	914
Maintenance	21,787	19,302	2,485
Total	**66,571**	**55,178**	**11,393**

14. Other Operating Income

The other operating income is made up as follows:

in kEUR	2018/2019	2017/2018	Variation absolute
Price gains	1,281	310	971
Non-period income	600	0	600
Motor vehicle use	438	343	95
Advertising allowances	222	114	108
Others	450	302	148
Total	**2,991**	**1,070**	**1,922**

The non-period income includes income from the elimination of the earn-out liability from the acquisition of SABIO in the amount of kEUR 600. The amount of kEUR 938 relates to currency gains from a short-term loan of Serviceware SE to a subsidiary which are taken into account in the rate gains.

15. Cost of Materials

The cost of materials is made up as follows:

in kEUR	2018/2019	2017/2018	Variation absolute
Purchased services	26,957	25,089	1,868
Rebates	-496	-971	475
Others	60	-797	857
Total	**26,521**	**23,321**	**3,200**

16. Personnel Expenses

in kEUR	2018/2019	2017/2018	Variation absolute
Wages and salaries	27,785	18,304	9,481
Social security contributions including pension scheme provision	4,349	2,820	1,529
Total	**32,134**	**21,124**	**11,010**

17. Other Operating Expenses

The other operating expenses include the following items:

in kEUR	2018/2019	2017/2018	Variation absolute
Administrative expenses *	4,158	3,566	592
Distribution costs	3,479	2,265	1,214
Rental expenses	1,634	1,184	450
Vehicle expenses	1,357	1,034	323
Price losses	868	202	666
Insurances, contributions, fees	163	247	-84
Repairs	40	34	6
Others	386	51	335
Total	**12,085**	**8,583**	**3,502**

* The administrative expenses included in other operating expenses are made up as follows:

in kEUR	2018/2019	2017/2018	Variation absolute
Software support costs	1,332	1,010	322
Closing, auditing as well as consulting costs	1,209	1,264	-55
Recruitment costs	536	470	66
Training costs	282	320	-38
Telephone	197	150	47
Others	602	351	251
Total	**4,158**	**3,566**	**592**

18. Income Taxes

The main components of the income tax expenses for fiscal 2018/2019 and 2017/2018 are made up as follows:

in kEUR	2018/2019	2017/2018	Variation absolute
Income taxes	145	1,028	-883
Deferred taxes	-1,483	-677	-806
Stated tax amount	**-1,338**	**351**	**-1,689**

The tax rates to be applied to the individual subsidiaries are:

Name	Ertragsteuersatz
Serviceware SE	29.1 %
SABIO GmbH	29.1 %
cubus AG	29.1 %
cubus Schweiz GmbH	11,5 % – 14,25 %
PM Computer Services GmbH & Co. KG	13.3 %
PM Computer Services Verwaltungs-GmbH	29.1 %
helpLine GmbH	29.1 %
Strategic Service Consulting GmbH	30.2 %
Catenic AG	26.2 %
helpLine IT solutions GmbH	25.0 %
helpLine B.V.	20 % – 25 %
helpLine CLM AG	11.5 % – 14.25 %
PMCS. HELPLINE SOFTWARE Empresa S.L.	25.0 %
Serviceware SE UK Ltd.	19.0 %
Serviceware AB	22.0 %

The reconciliation between the income tax expenses and the product of the reported result for the period and the Group tax rate to be applied for fiscal 2018/2019 and 2017/2018 is made up as follows:

in kEUR	2018/2019	2017/2018
Earnings before taxes	-2,488	2,465
Income tax rate 29.125 % (prior year 29.125 %)	-725	718
Effects of tax rates from other tax jurisdictions	110	264
Tax expenses / tax income from previous years	-18	3,202
Non-deductible operating expenses	31	69
Write-up / addition of deferred tax assets to losses carried forward	-408	0
Earn-out components	-180	-413
Others	-147	-287
Actual tax expenses / tax refunds	1,338	3,553

During the reporting year deferred taxes on the level of the individual companies were netted as during the previous year.

The income taxes for 2018/2019 and 2017/2018 include corporation tax, trade earnings tax, solidarity surcharge and the corresponding foreign taxes. In the Federal Republic of Germany, the corporation tax rate for distributed and retained profits amounts to 15 percent. Furthermore, a solidarity surcharge is levied on the corporation tax in the amount of 5.5 percent. The trade tax was calculated on the basis of the rate of assessment of the competent municipality.

The estimated tax losses carried forward for domestic affiliated companies do not lapse apart from the exception mentioned below and amount to kEUR 10,258 (prior year: kEUR 7,149) concerning the corporation tax and kEUR 5,422 (prior year : kEUR 5,644) concerning the trade tax.

In fiscal 2019 a tax income in a total amount of kEUR 1,338 versus tax expenses of kEUR 3,553 during the previous year are reported.

The losses carried forward of helpline B.V. Leiden, Netherlands, in the total amount of kEUR 1,373 (prior year: kEUR 1,266) have the following time limits as far as corporation tax is concerned:

- kEUR 251 until 2019/2020,
- kEUR 31 until 2023/2024,
- kEUR 325 until 2024/2025,
- kEUR 360 until 2026/2027.
- kEUR 406 until 2027/2028

19. Profit / Loss for the Period

in kEUR	2018/2019	2017/2018	Variation absolute
Period earnings before taxes	-2,488	2,465	-4,953
Income tax	1,338	-3,553	4,891
Profit / Loss for the period	**-1,150**	**-1,088**	**-62**

20. Earnings per Share

When calculating the undiluted earnings per share, the earnings allocable to the holders of ordinary shares of the parent company are divided by the weighted average number of ordinary shares outstanding during the year.

The following table includes the amounts used for the calculation of the undiluted earnings per share:

in EUR, unless otherwise stated	2018/2019	2017/2018
Earnings of the shareholders	-1,149,942	-1,087,945
Weighted average of shares outstanding (undiluted)	10,500,000	7,264,167
Earnings per share (undiluted)	-0.11	-0.15

The average number of shares was determined on the basis of the time-weighted average according to their respective issuing.

Other Information

21. Notes to the Statement of Cash Flow

Serviceware discloses the cash flow from current business activity in conformity with IAS 7 “Statement of Cash Flow” in accordance with the indirect method based on which the profit or loss of the period is adjusted by the impact of non-cash transactions, accruals or deferrals of the cash inflows or outflows from current business activity in the past or in future and earnings or expense items in conjunction with the cashflow from investing and financing activities. The reconciliation is made starting from earnings before taxes; tax payments are disclosed within the operating cash flow, interest received as part of the cash flow from investing activity and interest paid as part of the cash flow from financing activity. The cash flows from financing activity are almost exclusively caused by payments. Changes in fair value are of absolutely subordinate significance. Changes of cash and cash equivalents caused by exchange rates concern, more particularly, the translation of cash positions in foreign currencies.

The acquisition of cubus had an influence on the change in cash and cash equivalents insofar as cash totalling kEUR 2,325 was taken over.

The cash and cash equivalents are defined in accordance with the cash management of the Company. They include cash funds and demand deposits at banks:

in kEUR	30.11.2019	30.11.2018	Variation absolute
Cash in banks	41,096	53,963	-12,867
Cash on hand	101	2	99
Total	**41,197**	**53,695**	**-12,498**

22. Notes to the Statement of Changes in Equity

The Company distributed kEUR 0 in fiscal 2018/2019 (prior year: kEUR 1,928). Further distributions are not planned for the fiscal year.

23. Further Information on Financial Instruments in accordance with IFRS 7

According to IFRS 13 it must be stated for all financial instruments, whose fair value is disclosed or which are recognised at their fair value on which parameters the measurement is based. The measurement techniques are categorised into the following three levels:

Level 1:
Measurement with quoted (non-adjusted) prices in active markets for identical assets or liabilities.

Level 2:
Measurement for the asset or liability is made either directly or indirectly on the basis of observable input data, which do not represent a quoted price in accordance with Level 1.

Level 3:
Measurement on the basis of models with input parameters which are unobservable on the market.

Liabilities from acquisitions are conditional, subsequent purchase price payments (earn outs) for acquisitions made (IFRS 3.58). The fair value is determined by means of the DCF method. Apart from the planning of the business development of the unit taken over, a discount rate to the end of the respective terms was used. On the reporting date the fair value corresponds to the contractual amount to be paid when due. The biggest influencing factor for the fair value is the planning of the business course which is based on result-driven ratios. In the event of a reduction of the goal achievement to around 90 percent of the goal achievement assumed upon acquisition, liabilities from acquisitions are reduced by around 50 percent; in the event of a rise to 110 percent of the goal achievement assumed upon acquisition, liabilities rise by 50 percent.

The fair values of the time deposits, long-term borrowings, loans as well as long term receivables, leasing receivables and trade payables correspond to the cash value of the cashflow taking into account the risk weighted interest rates with matching maturities plus a creditworthiness adjustment.

For all current financial assets and liabilities, the carrying amount corresponds to the fair value. This includes the current trade receivables, leasing receivables, securities and trade payables, the other financial assets, cash and cash equivalents and other financial liabilities.

During the reporting period ending on 30.11.2019 there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications into or from measurements at fair value of Level 3.

The financial assets and financial liabilities were made up as follows on the balance sheet date 30.11.2018 versus prior year:

30.11.2019				Fair value		
in kEUR	Carrying value	Loans granted and receivables	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Trade receivables*	18,713	18,713				
Cash and cash equivalents*	41,197					
Total	**59,911**	**18,713**				
Financial liabilities						
Trade payables*	2,880		2,880			
Liabilities to banks	8,647		8,647			8,647
Other liabilities	6,093		6,093			6,093
Total	**17,621**		**17,621**			

* without fair value disclosure, since the carrying amount corresponds approximately to the fair value (IFRS 7.29)

30.11.2018				Fair value		
in kEUR	Carrying value	Loans granted and receivables	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Trade receivables*	14,636	14,636				
Other assets	1,552	1,552				1,552
Cash and cash equivalents*	53,695		53,695			
Total	**69,883**	**16,188**	**53,695**			
Financial liabilities						
Trade payables*	3,759		3,759			
Liabilities to banks	3,675		3,675			3,675
Other liabilities	8,902		8,902			8,902
Total	**16,336**		**16,336**			

* without fair value disclosure, since the carrying amount corresponds approximately to the fair value (IFRS 7.29)

24. Contingent Liabilities and Other Financial Obligations

Apart from customary rent guarantees of a subordinate amount, there are no contingent liabilities to which the Company is exposed.

Furthermore, there are financial obligations from the renting of office spaces and office equipment, the leasing of fixed assets, cars as well as office technology. The lease and leasing agreements have an average term of between three and 10 years and partly include extension options. No obligations are imposed on the lessee upon the conclusion of these leasing agreements.

The resulting other financial obligations are as follows:

in kEUR	2019/2020	2020 to 2023	from 2024
Building rent	1,336	3,731	280
Car leasing	262	80	0
Renting of fixed assets	0	0	0
Total	**1,598**	**3,811**	**280**

25. Segment Reporting

The identification of operating segments presupposes that for essential corporate components the earnings position is reviewed and measured by a key decision maker as a basis for the resource allocation and the performance measurement, the corporate segment generates earnings and makes expenses during its business activity and financial information is available for this entity. Several segments can be combined in one segment if the type of products and services, the production processes, the customers for whom the products and services are intended as well as the sales methods applied are similar and / or the quantitative threshold values which are relevant for the formation of segments are not reached.

The Serviceware Group has only one uniform business segment within the meaning of IFRS 8 which includes the sale and implementation of software solutions with a view to an efficient provision of services.

Serviceware is an innovative developer and provider of software solutions for business service management, more particularly in the field of Enterprise Service Management (ESM). Serviceware offers its customers an integrated software platform and further support with a view to the automation and standardisation of workflows and service processes within a company.

The Serviceware Plattform includes the software solutions Serviceware Processes (helpLine), Serviceware Financial (anafee), Serviceware Resources (Careware), Serviceware Knowledge (SABIO) and Serviceware Performance (cubus). All solutions can be used in an integrated manner, but also independently from one another.

In accordance with the strategy of the Company as a provider of integrated ESM solutions, IT infrastructure, software licences, maintenance services and services are offered in an integrated manner for customers and are comparable in respect of their risk structure. The software solutions are used for small and medium-sized companies on the SME market as well as for customers of the upper Mittelstand and large accounts. The selection of the software solution depends essentially on the specific technical and professional requirements of the respective customer. Only with a view to the distribution approach a distinction is made between the targeting of the SME and the premium market. For this reason, the Administrative Board manages the Company on the basis of ratios concerning the overall business. There is no segmentation of the business for that reason. The Group does not prepare any segment reporting.

The sales revenues generated by the companies from the services provided and products sold can be taken from the Notes concerning the sales revenues both in terms of type and according to the geographical regions in which these sales revenues were generated.

26. Transactions Between Related Parties

Transactions with persons or companies which can be influenced by the Serviceware Group or which can influence the Serviceware Group must be disclosed if the corresponding transactions have not yet been covered by inclusion of consolidated companies into the consolidated financial statements.
Apart from the members of the Administrative Board, the following persons have to be considered as related parties:

Name	Relationships with the Group
Dirk K. Martin, Wiesbaden	Managing Director of Serviceware SE
	Shareholder of Serviceware SE
	In addition, Managing Director / Member of the Management Board of subsidiaries of Serviceware SE
Harald Popp, Wiesbaden	Managing Director of Serviceware SE
	Member of the Supervisory Board of Catenic AG and cubus AG
	Shareholder of Serviceware SE
Dr. Alexander Christoph Becker, Hünstetten	Managing Director of Serviceware SE
	In addition, Managing Director / Member of the Management Board of subsidiaries of Serviceware SE
Ingo Bollhöfer, Wiesbaden	Member of the Supervisory Board of Catenic AG and cubus AG
	Shareholder of Serviceware SE
Jean Christoph Debus, Bad Homburg	Chairman of the Administrative Board of Serviceware SE

The managing directors of the subsidiaries included in the consolidated financial statements must likewise be considered as related parties.

The following transactions were made with persons and companies which belong to the Serviceware Group as related persons or companies:

Managing Directors

Dirk K. Martin, Wiesbaden
Harald Popp, Wiesbaden
Dr. Alexander Becker, Hünstetten

The Managing Directors received altogether during the past fiscal year a fixed compensation of kEUR 1,197 (PY: kEUR 1,061) and a variable compensation of kEUR 414 (PY: kEUR 398). Since the Managing Directors Dirk K. Martin and Harald Popp received during the previous year only from 1 February 2018 onwards a fixed and variable compensation for their activity as Managing Directors, a full comparability with the prior year numbers does not exist.

On 30 January 2018 Dirk K. Martin took over the position of CEO. He receives a fixed annual compensation and has a variable target component. In the event of a change in control he is entitled to a non-recurring payment under certain circumstances.

As at 31 January 2018 Mr Harald Popp took over the position of CFO. He receives a fixed annual compensation and has a variable target component. In the event of a change in control he is entitled to a non-recurring payment under certain circumstances.

Mr Dirk K. Martin sold during the past fiscal year indirectly through a related company advertising media and consumer goods to the company in an amount of around kEUR 23.

The managing directors of the subsidiaries have not conducted any business with the Group apart from their activities with the corresponding bodies for which they have received corresponding compensation.

Administrative Board
The company refunds for each member of the Administrative Board any expenses incurred by him when exercising his office in an adequate and proven amount as well as the possibly arising value added tax for the compensation. The non-managing members of the Administrative Board, Ingo Bollhöfer and Christoph Debus, received during the past fiscal year a fixed compensation of kEUR 94 (PY: kEUR 108) and a variable compensation of kEUR 105 (PY: kEUR 122).

27. Financial Risk Management

Risk management for financial instruments
The Group is exposed through its operations and the use of financial instruments to financial risks. The management of these financial risks has been set up in order to ensure that reasonable resources are available at all times for the development of the Group by monitoring the credit risk, the liquidity risk, the interest risk and the market risks. The Group is guided by clearly defined processes which have been adopted by the Administrative Board and secure the effectiveness of the financial risk management.

The essential risks result from default, liquidity, exchange rate, interest rate and fair value risks. Other price risks from financial instruments do not exist.

Default risk
The carrying amount of the financial assets corresponds to the maximum default risk. Except for retentions of title customary in the industry for all trade receivables there are no collaterals. Insofar as default risks are identifiable for the financial assets, these risks are covered by value adjustments. The Serviceware Group provides its creditors without almost no exception with no collaterals.

The default risk is permanently controlled through implemented processes. In the event of a material default risk the corresponding facts are investigated separately. In this way it is ensured that the reported financial assets are recognised with their realisable value. The Group uses ageing structure analysis in order to monitor the default risk of the financial assets.

The Group has no material default risk in respect of a single contracting party.

Interest rate risk
The fair value risk concerns the risk that the fair value of the future financial cashflows which result from the financial instruments of the Group fluctuate, eg due to changes of the interest rates quoted on the market. The loan raised by Serviceware SE in fiscal 2018/2019 for the acquisition of cubus is subject to a variable interest rate. Against the backdrop of the conclusion of an interest cap agreement during the same time and over the same amount, a fixed interest rate has to be paid for the loan in the overall consideration. All other loans taken up by the Group are completely subject to fixed interest rates and, therefore, not exposed to any significant interest rate risks.

Foreign exchange risk
The Group prepares its financial statements in EUR so that both the result and the net assets position of business transactions conducted outside Germany are exposed to a foreign currency risk due to the translation to EUR. Any increase or decrease of the euro by 10 percent vis a vis the essential currencies would have an effect on the result not exceeding kEUR 25 (prior year: kEUR 223).

In the event of increases or decreases of the euro vis a vis the relevant currencies by 10 percent the translation of the statements of the subsidiaries in foreign currencies would increase or decrease by a maximum of kEUR 109 (prior year: kEUR 38) by means of the modified reporting date method of the currency adjustment items in equity.

Liquidity risk

The liquidity risk concerns the risk that the Group is not able to meet its financial obligations due to an excessively low availability of liquid funds upon maturity. In order to prevent this risk, the Group has always a certain amount of cash and cash equivalents available which according to the managing directors is sufficient to meet all obligations due.

As at 30 November 2019 the financial liabilities of the Group have the following maturities. The information is provided on the basis of the contractual non-discounted payment obligations.

in kEUR	Due within 1 year	Due 1 to 5 years	Due over 5 years	30.11.2019 Total
Interest bearing loans	2,260	5,388	1,000	8,648
Trade payables	2,880			2,880
Other financial liabilities	6,093			6,093
Total	**11,233**	**5,388**	**1,000**	**17,621**

in kEUR	Due within 1 year	Due 1 to 5 years	Due over 5 years	30.11.2018 Total
Interest bearing loans	1,083	2,515	77	3,675
Trade payables	3,759			3,759
Other financial liabilities	8,902			8,902
Total	**13,744**	**2,515**	**77**	**16,336**

Fair value of the financial instruments

The carrying amount of the current receivables, liabilities, cash and cash equivalents as well as loans corresponds essentially to their fair value against the backdrop of the short-term nature of this financial instrument and the immaterial discounting effect.

Fair value hierarchies

The Group does not recognise any financial instruments which are measured at fair value.

Capital control

The priority goal of capital control of the Company is:

- Securing of a positive continuation forecast for the Group
- Securing of stability and further growth of the Group
- Make available capital to manage the Group risks

The Group controls its capital by means of the capital structure. In this way it is to be ensured that an optimum capital structure is maintained which guarantees the benefits for the shareholders, whereby the future capital requirements of the Group and how the capital can be used effectively are taken into account. The Group has no formal dividend policy.

The assets of the Group which are classified and controlled as capital, present themselves as follows:

in kEUR	2019	2018
Cash and cash equivalents	41,197	53,695
Trade receivables	18,713	14,636
	59,910	**68,331**

Further Notes based on the Provisions of HGB (German Commercial Code)

Managing Directors

Name	Function
Dirk K. Martin	CEO
Harald Popp	CFO
Dr. Alexander Becker	COO

Dirk K. Martin is responsible as CEO for Strategy, Sales & Marketing as well as Research & Development.

Harald Popp has been appointed as CFO. He is in charge of Finance, Investor Relations, Human Resources and Legal.

Dr. Alexander Becker has been appointed as COO; he is responsible for the internal and external services and operational processes.

Administrative Board

Name	Position on the Administrative Board	Memberships in statutory supervisory or similar German and foreign control bodies
Jean Christoph Debus	Chairman	Condor Flugdienst GmbH, Frankfurt; Managing Director Condor Lufttransport 1 GmbH, Frankfurt; Managing Director Thomas Cook GmbH, Oberursel; Supervisory Board member (until December 2019) Thomas Cook Airlines UK Ltd., Manchester, UK; Managing Director (until September 2019) Thomas Cook Group Airlines Ltd., London, UK; CEO (until September 2019) Thomas Cook Scandinavia A/S, Copenhagen, Denmark; Chairman of the Board (until October 2019)
Harald Popp	Deputy Chairman	dreifff Management GmbH, Bad Camberg; Managing Director Catenic AG, München, Chairman of the Supervisory Board cubus AG, Chairman of the Supervisory Board
Ingo Bollhöfer	Member	Catenic AG, Munich, member of the Supervisory Board cubus AG, member of the Supervisory Board

Employees

Serviceware employs 481 persons on the reporting date 30 November 2019; this corresponds to a net growth by 103 employees. Of the 481 employees, 394 employees work in Germany, 27 employees in the Netherlands, 26 employees in Spain, 13 employees in Austria, 7 employees in the United Kingdom, 7 employees in Bulgaria, 5 employees in Switzerland and 2 employees in Sweden. In functional terms the company has on the reporting date 30 November 2019 in Sales & Marketing 104 employees (PY: + 26.8 percent), in Service & Support 209 employees (PY: +22.2 percent), in Software Development 107 employees (PY: +46.6 percent) and in Administration 68 employees (PY: +17.3 percent).

On an annual average, the Serviceware Group employed 428 employees, including 22 apprentices. On the annual average 348 employees were employed in Germany, 27 in the Netherlands, 21 employees in Austria including the legally independent branch establishment in Bulgaria, 21 employees in Spain, 5 employees in Switzerland, 5 employees in the United Kingdom and one employee in Sweden.

Auditor's Fees

in kEUR	2018/2019	2017/2018
Annual audit	105	178*
Other audit-related services	0	30*
Tax consultancy services	0	0
Other services	0	0
Total	**105**	**208***

* Includes fees for the auditing of the financial statements 2015/2016 and 2016/2017, as well as other audits in connection with the IPO. The fee for the audit of the financial statements 2017/2018 amounted to kEUR 95.

The auditing fees for the external audit include the audit of the single entity financial statements of Serviceware SE according to HGB (German Commercial Code), the Serviceware consolidated financial statements according to IFRS as well as the main domestic subsidiaries of Serviceware SE according to HGB. The external auditor has audited the financial statements for Serviceware SE for the first time in 2018, starting with the consolidated financial statements of the fiscal years from 2014/2015 onwards and the interim financial report of Serviceware SE as at 15 February 2018.

Waiver of disclosure according to § 264b HGB

PM Computer Services GmbH & Co. KG, Bad Camberg, exercises the option in accordance with § 264 b HGB concerning the preparation, audit and publication of the financial statements as well as the management report. It is included in these consolidated financial statements.

Ban on distribution

For amounts totalling kEUR 387 there is a ban on distribution according to § 268 Para 8 HGB on the level of SABIO GmbH.

Corporate Governance

The company has submitted the declaration of conformity in accordance with § 161 AktG (German Stock Corporation Act) and has made it permanently accessible on the website of the company.

Events after the balance sheet date

At the time of the drafting of this Annual Report, the situation concerning the spreading of the coronavirus (SARS-CoV-2) is still unclear. First indications suggest, however, that the rapid propagation of the virus may lead to the revenue, earnings and assets position of Serviceware SE being negatively impacted.

Declaration by the legal representatives

"We declare that to the best of our knowledge and in accordance with the applicable accounting principles for reporting, the consolidated financial statements provide a true and fair view of the net assets, financial and earnings position of the Group and that in the combined management report / consolidated management report the course of business including the business result and the situation of the Group are presented in such a way that a true and fair view is conveyed with a description of the main opportunities and risks of the probable development of the Group."

Bad Camberg, 16 March 2020

Dirk K. Martin
CEO

Harald Popp
CFO

Dr. Alexander Becker
COO

Independent auditor's report

To Serviceware SE, Bad Camberg

Statement about the audit of the consolidated financial statements and the combined management report and consolidated management report

Audit Opinion

We have audited the consolidated financial statements of Serviceware SE and its subsidiaries (the Group) – including the consolidated balance sheet as at 30 November 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflow for the fiscal year from 1 December 2018 to 30 November 2019 as well as the consolidated notes, including a summary of significant accounting methods. Furthermore, we have audited the consolidated management report of Serviceware SE which is combined with the management report of the Company for the fiscal year from 1 December 2018 to 30 November 2019. The explanatory notes by the management have not been audited in terms of content in conformity with the German statutory provisions.

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

- the enclosed consolidated financial statements correspond in all material respects to the IFRS, as they have to be applied in the EU and the German statutory provisions to be applied in addition in accordance with § 315e Para 1 HGB (German Commercial Code) and taking into account these provisions gives a true and fair view of the assets and financial position of the Group as at 30 November 2019 as well as its income situation for the fiscal year from 1 December 2018 to 30 November 2019 and

- the enclosed consolidated management report gives altogether an appropriate view of the situation of the Group. This consolidated management report is in all material respects in conformity with the consolidated financial statements, corresponds to the German statutory provisions and constitutes an adequate representation of the opportunities and risks concerning the future development. Our audit opinion on the consolidated management report does not cover the content of the above- mentioned declaration by the management.

In accordance with § 322 Para 3 Sentence 1 HGB we hereby declare that our audit has not resulted in any objections concerning the regularity of the consolidated financial statements and the consolidated management report.

Basis for the audit opinion

We have carried out our audit of the consolidated financial statements and the consolidated management report in conformity with § 317 HGB and the EU Statutory Audit Regulation (No. 537/2014; hereinafter referred to as "EU Audit Regulation" (EU-AR) taking into account the German generally accepted audit principles defined by the German Institute of Chartered Accountants (IDW). Our responsibility under these provisions and principles is described in the section "Responsibility of the auditor for the audit of the consolidated financial statements and the consolidated management report" of our Independent Auditor's Report in more detail. We are independent from the affiliated companies in conformity with the European as well as German provisions under commercial and professional law and have fulfilled our other German professional obligations in conformity with these requirements. Furthermore, we declare in accordance with Article 10 Para 2 letter f) EU-AR that we have not provided any prohibited non-audit services referred to in Article 5 (1) EU-AR. We are of the opinion that the audit evidence obtained by us is sufficient and appropriate to serve as a basis for our audit opinion on the consolidated financial statements and the consolidated management report.

Particularly significant audit items in the auditing of the consolidated financial statements

Particularly significant audit items are items with which in accordance with our reasonable discretion were most essential in our audit of the consolidated financial statements for the fiscal year from 1 December 2018 to 30 November 2019. These items were taken into account in connection with our audit of the consolidated financial statements as a whole and in our corresponding audit opinion; we do not issue any separate audit opinion on these items.

From our point of view the following circumstances were most relevant in our audit:

- Recoverability of the goodwill
- Acquisition of the shares in cubus AG
- Sales revenues from licence and maintenance sales

We have structured our presentation of these particularly important audit items as follows:

1. Facts and issues
2. Audit approach and findings
3. Reference to further information

We now present the particularly significant audit items:

Goodwill

1. In the consolidated financial statements of Serviceware SE the balance sheet item “intangible assets” shows goodwill in the amount of kEUR 14,048 (24% of the consolidated equity). The Company allocates the goodwill to the relevant groups of cash generating units. The goodwill is on an annual basis on the balance sheet date or on specific occasions subject to an impairment test by the company. In this connection the determined value in use is compared to the carrying amounts of the corresponding group of cash generating units. The basis for these measurements is regularly the cash value of future cash flows of the cash generating unit to which the respective goodwill is allocable. The measurements are based on the budgetary accounting of the individual cash generating units which are based on financial plans approved by the management. Discounting is based on the weighted average cost of capital of the respective cash generating unit. The result of this measurement is to a large extent dependent on the assessment of the future cash inflows by the statutory representatives of the company as well as the discount rate used and hence involves a considerable uncertainty so that these circumstances are particularly relevant within the framework of our audit.

2. In order to address this risk we have critically challenged the assumptions and estimates by the management and carried out, more particularly, the following audit activities:
   - We have reproduced the methodological approach concerning the conduct of the impairment test and assessed the determination of the weighted average cost of capital.
   - We have convinced ourselves that the future cash inflows and the discount rates used underlying the measurements constitute altogether an appropriate basis for the impairment tests of the individual cash generating units.
   - In our assessment we have based ourselves, amongst other things, on a comparison with general and industry specific market expectations as well as comprehensive explanatory notes by the management on the essential value drivers of the planning.

- Being aware that already comparatively small changes of the discount rate can have a material impact on the value in use determined in this way, we have dealt with the parameters used for the determination of the discount rate used including the weighted average cost of capital and obtained an understanding of the calculation scheme of the company.
- Moreover, we have carried out in addition own sensitivity analyses in order to be able to assess a possible impairment risk for a change in respect of a material assumption of the measurement considered as possible. The selection based on qualitative aspects and the amount of surplus cover of the respective carrying amount by the value in use.

We have determined that the goodwill to be disclosed in each case and the carrying amounts of the relevant groups of cash generating units are covered by the discounted future cashflows on the balance sheet date.

3. The information of the Company on the goodwill in the consolidated financial statements is included in the section ”Notes to the balance sheet” in the Notes.

Acquisition of the shares in cubus AG

1. By purchase agreement of 5 June 2019 100 % of the shares in cubus AG, Herrenberg, were acquired by helpline CLM AG, Baar/Switzerland, a direct subsidiary of Serviceware SE. cubus AG is a provider in the field of Corporate Performance Management / Business Intelligence (“CPM” / “BI”). The goal of the acquisition of cubus AG was the perspective to connect the Financial Management of the own Enterprise Service Management (ESM) platform, in which the Serviceware SE Group offers already a product with the software solution anafee, to the Corporate Finance functions of companies.

   The purchase price was composed of a fixed and a variable component (“earn out”), whereby the acquisition costs amounted to kEUR 11,419. The purchase prices is increased by an additional variable component of the purchase price (earn out), which is determined by the achievement of certain recurring sales revenues and is due upon the achievement of the targets as a subsequent purchase price payment. The estimated fair value of the earn out at the time of acquisition amounts to kEUR 1,500. The fair value has not changed by the balance sheet date. Taking into account net assets taken over on the first consolidation date, the goodwill amounts to kEUR 6,312. As a result of the altogether essential quantitative impact of the company acquisition on the assets, financial and earnings position of the Group and given the complexity of the measurement of the company acquisition, this was of particular relevance within the framework of our audit.

2. In order to address this risk, we have questioned the assumptions and estimates of the management critically and have carried out, more particularly, the following audit activities:
   - Inspection of the contractual agreements and obtaining an understanding for the company acquisition, assessment of the estimate on the anticipated earn out payment when achieving certain parameters as well as reconciliation of the purchase price paid by way of consideration for the shares received with the evidence about payments made submitted to us.
   - Assessment of the revaluation carried out by an external expert of the assets of Cubus AG within the framework of a purchase price allocation with a view to their recoverability.
   - Analysis of the valuation carried out by the Company in respect of certain intangible assets.
   - Obtaining an understanding for the starting data underlying the measurements and the assumptions made and / or used.
   - Assessment of the opening balance sheet values and audit of the first consolidation of Cubus AG on the first consolidation date on the basis of the purchase price allocation.

   Our analysis did not result in any restrictions concerning the use of the calculations. Altogether we were able to convince ourselves on the basis of the audit activities presented and additional ones, that the acquisition of the operations of Cubus AG is sufficiently documented and appropriately disclosed.

3. The information of the company about the business combination is included in the section “Change in the scope of consolidation” in the notes.

Revenue recognition from licence and maintenance sales

1. A material object of the companies of the Serviceware SE Group is the production, trade in and sale of software as well as the maintenance of these services. The accounting of licence sales in combination with maintenance services is in our view an area with a significant risk of essentially wrong presentations (including the possible risk that managers bypass controls) and therefore a particularly significant audit item, because in particular the maintenance services which are period-limited services must be delimited across the maintenance period. The presentation of the maintenance services and licence revenues is subject to discretion in mixed contracts which can result in a deferred revenue recognition and hence to a misstatement of the sales revenues.

2. In order to address this risk, we have critically challenged the assumptions and estimates of the management, and carried out, amongst others, the following audit activities:

   - Within the framework of our audit we have dealt with the internally defined methods, processes and control mechanisms of project management in the billing and settlement phase of sales structures as projects. Furthermore we have assessed the structuring and effectiveness of accounting-based internal controls by reproducing order-specific transactions from their initiation to their presentation in the consolidated financial statements as well as by testing controls.
   - On the basis of spot checks selected in a risk-oriented manner we have assessed the delimitations and assumptions made by the statutory representatives within the framework of single-case audits. Our audit activities included the review of the contractual basis as well as contractual terms and conditions including contractually agreed provisions concerning partial deliveries or services, termination rights, default and contractual penalties as well as damage claims. For the selected projects we dealt for the assessment of the determination of revenues on an accrual basis also with the sales revenues chargeable on the cut-off date and analysed the presentation of the relevant balance sheet positions in the balance sheet.
   - Furthermore, we have interviewed the statutory representatives on the representation of the projects and possible order risks.

   Our audit activities have not resulted in any objections concerning the sales revenue recognition from licence and maintenance sales.

3. The information provided by the Company concerning the accounting and valuation basis within the framework of the accounting of licence and maintenance income is included under the explanatory notes on the sales revenues in the presentation of the “Accounting Policies” in the Notes.

Other information

The statutory representatives are responsible for the other information. The other information includes:

- The Group declaration on corporate management,
- the other parts of the annual report except for the audited consolidated financial statements and the consolidated management report as well as our audit certificate,
- the Corporate Governance report according to No. 3.10 of the German Corporate Governance Code and
- the assurance in accordance with § 297 Para 2 Sentence 4 HGB on the consolidated financial statements and the assurance in accordance with § 315 Para 1 Sentence 5 HGB on the consolidated management report.

Our audit opinions on the consolidated financial statements and the consolidated management report do not cover the other information and consequently we do not make any audit assessment nor do we draw any form of audit conclusion.

In connection with our audit we have to read the other information and have to appreciate whether the other information

- presents material inconsistencies compared to the consolidated financial statements, the consolidated management report or our knowledge obtained during the audit or
- appears to be otherwise materially misstated.

Responsibility of the statutory representatives and the Administrative Board for the consolidated financial statements and the consolidated management report

The statutory representatives are responsible for the preparation of the consolidated financial statements, which must correspond in all material respects to the IFRS as they have to be applied in the EU and, in addition, § 315e Para 1 HGB concerning the German statutory provisions and for the consolidated financial statements giving a true and correct view of the assets, financial and earnings position of the Group taking into account these provisions. Moreover, the statutory representatives are responsible for the internal controls which they have defined as necessary in order to permit the preparation of consolidated financial statements free from intended or unintended material misstatements.

At the preparation of the consolidated financial statements the statutory representatives are responsible for assessing the ability of the Group to continue its corporate activities. Furthermore, they have the responsibility to disclose facts in connection with the continuation of the corporate activities, if relevant. In addition, they are responsible to account for the continuation of the corporate activities on the basis of the accounting principles unless there is an intention to wind up the Group or discontinue its business operations or if there is no realistic alternative to the latter.

Moreover, the statutory representatives are responsible for the preparation of the consolidated management report which altogether gives a true and correct view of the situation of the Group and is in conformity in all essential respects with the consolidated financial statements, corresponds to the German statutory provisions and presents the opportunities and risks of the future development appropriately. Furthermore, the statutory representatives are responsible for the precautions and measures (systems) which they have considered to be necessary in order to permit the preparation of a consolidated management report in conformity with the applicable German statutory provisions and in order to be able to provide sufficiently suited evidence for the statements in the consolidated management report.

The Administrative Board is responsible for the supervision of the accounting process of the Group in view of the preparation of the consolidated financial statements and the consolidated management report.

Responsibility of the auditor for the auditing of the consolidated financial statements and the consolidated management report

Our goal is to obtain sufficient certainty whether the consolidated financial statements as a whole are free from intended or unintended material misstatements, and whether the consolidated management report gives altogether a fair and true view of the situation of the Group and is in conformity in all material respects with the consolidated financial statements as well as with the findings obtained during the audit, corresponds to the German statutory provisions and is an appropriate presentation of the opportunities and risks of the future development as well as to issue an audit certificate which includes our audit opinions on the consolidated financial statements and the consolidated management report.

Sufficient certainty is a high degree of certainty but no guarantee that an audit carried out in accordance with § 317 HGB and the EU-AR taking into account the German Generally Accepted Auditing Principles as established by the Institute of Chartered Accountants (IDW) is always revealing a material misstatement. Misstatements may result from infringements or inaccuracies and are considered as material if it could be reasonably expected that they influence individually or altogether the economic decisions taken on the basis of these consolidated financial statements and the consolidated management report.

During the audit we exercise discretion in accordance with our duties and maintain a critical basic attitude. Moreover

- we identify and assess the risks of intended or unintended material misstatements in the consolidated financial statements and in the consolidated management report plan and conduct audit activities in response to these risks and obtain audit evidence which is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements are not revealed is higher in the event of infringements than in the event of inaccuracies, since infringements may involve fraudulent co-operation, adulteration, intended incompleteness, misleading presentations and / or the discontinuation of internal controls.
- We obtain an understanding of the relevant internal controlling system for the audit of the consolidated financial statements and the precautions and measures which are relevant for the audit of the consolidated management report, to plan audit activities which are appropriate under the given circumstances but not with the goal of issuing an audit opinion on the efficacy of these systems.
- We assess the appropriateness of the accounting methods applied by the statutory representatives and the acceptability of the estimated values presented by the statutory representatives and information in connection therewith.
- We draw conclusions about the appropriateness of the accounting principles applied by the statutory representatives concerning the continuation of the corporate activities as well as on the basis of the audit evidence obtained whether there is a material uncertainty in connection with the events or circumstances which could raise significant doubts concerning the ability of the Group to continue its corporate activities. If we reach the conclusion that there is a material uncertainty, we are obliged to draw attention in the audit report to the corresponding information in the consolidated financial statements and in the consolidated management report, or if these data are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained until the date of our audit report. Future events or circumstances may, however, result in the Group not being able to continue its corporate activities.
- We assess the overall presentation, the structure and the content of the consolidated financial statements including the information as well as whether the consolidated financial statements represent the underlying transactions and events in such a way that the consolidated financial statements, taking into account the IFRS as they have to be applied in the EU and the German statutory provisions to be applied on top in accordance with § 315e Para 1 HGB, give a true and fair view of the assets, financial and earnings position of the Group.
- We obtain sufficiently appropriate audit evidence for the accounting information of the companies or business activities within the Group in order to issue an audit opinion on the consolidated financial statements and the consolidated management report. We are responsible for the instructions, supervision and conduct of the audit of the consolidated financial statements. We alone are responsible for our audit opinions.
- We assess the conformity of the consolidated management report with the consolidated financial statements, the conformity with the laws as well as the view of the situation of the Group given.
- We conduct audit activities concerning the future-oriented information in the consolidated management report presented by the statutory representatives. Based on sufficiently appropriate audit evidence, we seek to understand, more particularly, the material assumptions of the statutory representatives underlying the future-oriented information and assess the appropriate deduction of the future-oriented information from these assumptions. We do not issue a separate audit opinion on the future-oriented information as well as the underlying assumptions. There is a considerable unavoidable risk that future events will deviate materially from the future-oriented information.

We discuss with those responsible for supervision, amongst others, the planned scope and time of the audit as well as material audit findings, including any defects concerning the internal control system which we detect during our audit.

We make a declaration vis a vis those responsible for supervision that we have complied with the relevant requirements as to independence and discuss with them all relationships and other facts of which it can be reasonably assumed that they have an impact on our independence and the corresponding protective measures taken.

We determine amongst the facts which we have discussed with those responsible for supervision the facts which were most relevant in the audit of the consolidated financial statements for the current reporting period and which are, therefore, particularly important audit findings. We describe these findings in the audit report, unless laws or other legal provisions exclude the public disclosure of the findings.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Other information in accordance with Article 10 EU-AR

We were appointed by resolution of the General Meeting of 15 May 2019 as statutory Group auditor on 20 December 2018. We were instructed by the Administrative Board on 25 November 2019. We have been acting as Group auditor for Serviceware SE since 2018.

We hereby declare that the audit opinions in our audit report are in conformity with the additional report to the Audit Committee in accordance with Article 11 EU-AR (Audit Report).

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Rainer Grote.

Düsseldorf, 16 March 2020

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hesse	Grote
Auditor	Auditor

1 Company Description

Serviceware is a leading provider of software solutions for the digitalisation and automation of service processes (Enterprise Service Management) with which companies can increase their service quality and manage their service costs efficiently.

The core of the portfolio is the Serviceware platform with the software solutions Serviceware Processes (helpLine), Serviceware Financial (anafee), Serviceware Resources (Careware), Serviceware Knowledge (SABIO) and Serviceware Performance (cubus outperform). All solutions can be used in an integrated manner, but also independently from one another.
Serviceware partners with customers from strategic consulting through the definition of the service strategy to the implementation of the Enterprise Service platform. Further components of the portfolio are safe and reliable infrastructure solutions as well as managed services.

Serviceware has more than 900 customers worldwide from various business sectors, including four of the seven largest German companies and 11 DAX 30 companies. The headquarters of Serviceware are in Bad Camberg, Germany. Serviceware employs more than 480 employees at 14 national and international sites.

For more information visit www.serviceware-se.com.

2 Contact

Serviceware SE
Carl-Zeiss-Str. 16
65520 Bad Camberg
Germany

serviceware@edicto.de
www.serviceware-se.com

Managing Directors
Dirk K. Martin (CEO)
Harald Popp (CFO)
Dr. Alexander Becker (COO)

Administrative Board
Christoph Debus (Chairman)
Harald Popp
Ingo Bollhöfer

Registration Court Local Court Limburg a.d. Lahn, Register number: HRB 5894

Concept and text:
edicto GmbH, Frankfurt

Serviceware SE
Carl-Zeiss-Str. 16
65520 Bad Camberg
Germany

www.serviceware-se.com