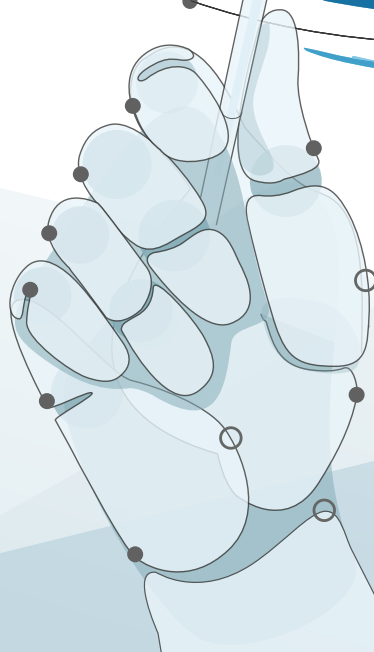
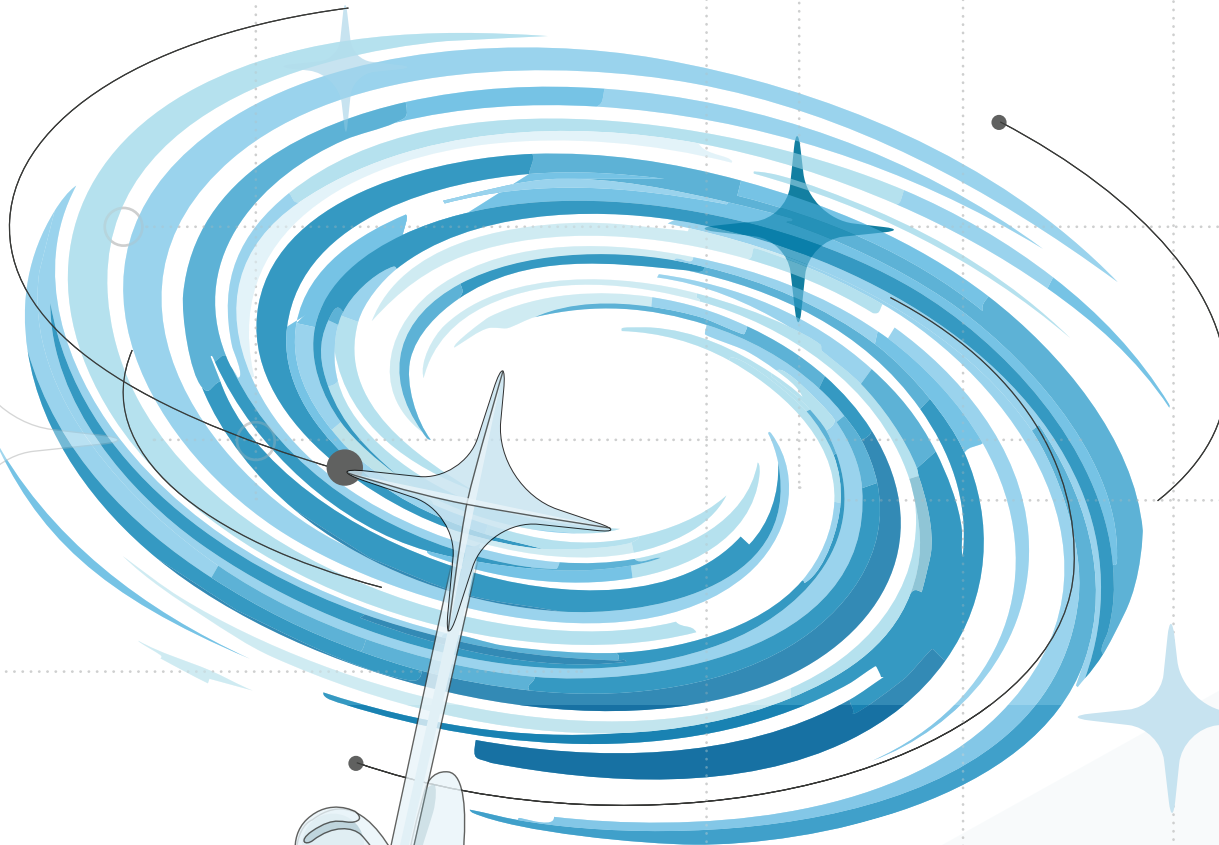




Annual Report
2023/2024





Ratios

Ratios of the IFRS Financial Statements

in EUR million	2023/2024	2022/2023
Profit and loss account		
Sales revenues	103.3	91.5
- thereof SaaS/Service	69.9	57.3
EBITDA	3.2	0.2
EBIT	-0.3	-4.0
Earnings before taxes	-0.1	-3.9
Earnings after taxes	-0.1	-3.9
Balance sheet		
Cash and cash equivalents*	33.6	28.2
Equity	46.4	46.3
Contract liabilities (order backlog)	80.6	55.4
Borrowings	108.7	78.5
Balance sheet total	155.1	124.7

Information about the share

ISIN / Ticker symbol	DE000A2G8X31 / SJJ
Segment / Stock exchange	Prime Standard (Regulated Market) / Xetra
Outstanding shares	10.5 million
Free float	ca. 37.2 percent
Xetra year-end price (on 30.12.2024)	EUR 12.50
Market capitalization on 31.12.2024	EUR 131.3 million

Further information

Fiscal year	December 1 to November 30
Head office	Idstein
Headcount (on 30 November 2024)	472
Reporting	IFRS

* The item cash and cash equivalents includes the balance sheet items of liquid funds and non-current financial assets.



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Dear Shareholders,

Serviceware can look back on an excellent fiscal year 2023/2024. We have grown dynamically and exceeded the EUR 100 million revenue mark for the first time. We have reliably achieved our growth forecast, which was specified during the fiscal year at a minimum 10 percent revenue increase. As a result, we were able to report – yet again – a record year and have grown profitably. A significant driver was our excellent positioning in the field of Artificial Intelligence (AI), which gives Serviceware an extremely strong competitive edge.

We have further strengthened our international market position and expanded into new markets. We have bolstered our innovative, unique ESM Platform with releases for almost all of our modules, thereby implementing our consistent focus on AI. We are also making very good progress in transforming our business model from a license-based to a SaaS business model. Our Platform strategy constitutes the foundation for continuing our success story and makes us optimistic about our development in the current fiscal year and beyond.



Dr. Alexander Becker, COO

Dirk K. Martin, CEO

Harald Popp, CFO

Serviceware generated sales revenues of EUR 103.3 million in 2023/2024, versus EUR 91.5 million in the prior year. This represents an increase by 12.8 percent. The SaaS/Service segment once again grew at a significantly disproportionate rate. In this segment, sales revenues rose by 22.1 percent from EUR 57.3 million to EUR 69.9 million. The share of SaaS/Service revenues in total sales revenues at the end of the fiscal year was thus 67.7 percent (prior year: 62.6 percent). Contract liabilities, which consist primarily of the residual values of existing SaaS contracts and represent already fixed future sales revenues, increased within the year from EUR 55.4 million to EUR 80.6 million. EBITDA according to IFRS amounted to EUR 3.2 million, compared to EUR 0.2 million in the prior year. The result for the period after taxes also improved quite considerably and totaled EUR -0.07million, almost in the black (prior year: EUR -3.9 million).

The customer service revolution is advancing rapidly through Artificial Intelligence (AI). AI offers companies enormous potential for savings and automation, while at the same time providing numerous opportunities to serve customer needs even more precisely and to improve the entire customer journey. We at Serviceware anticipated the enormous potential of AI as a game changer in service processes at an early stage. Already in 2019, we founded the AI Competence Center in Darmstadt, which celebrated its 5th anniversary in February 2024. Since then, the Competence Center has made a significant contribution to our corporate success. By deciding in favor of AI at an early stage, Serviceware has created an

excellent position for itself on the market. AI is now used throughout the processes and modules of the ESM Platform and is a central factor in our corporate strategy. With the new AI Process Engine, our Platform has a new core based on Artificial Intelligence. Our revolutionary approach was the complete redevelopment of the AI Process Engine with the clear goal of creating a completely new engine for AI capabilities and functionalities. This pioneering process modeling software allows companies to build their own processes without expert knowledge, create workflows or design dialogs, among other things. New service processes can be defined and described more easily and efficiently, and the degree of automation of service processes is significantly increased at all levels (see also in this Annual Report the chapter “Dawn of a new era: how Serviceware is revolutionizing service processes with AI”). During the reporting period, our powerful solution portfolio once again resulted in numerous new customers and new projects that we have acquired.

We have also successfully pursued our international growth strategy and expanded our sales activities in North America, the largest software market in the world. We have entered into a partnership with the leading consulting firm Maryville Consulting in the area of IT financial management. By interlinking our range of

services with that of Maryville, we offer companies a broad product range and significant added value, enabling them to further strengthen their competitiveness. We have already concluded the first contracts under the partnership launched in May 2024. A large US food group will use the ESM Platform with the Serviceware Financial and Serviceware Performance modules. During the reporting period, we also successfully entered the Asian market and acquired a Fortune Global 500 company in the oil industry as a customer.

Demand for our software solutions remains at a high level. With our unique ESM Platform and a strong international market position, we are excellently positioned for further growth. For the current fiscal year, we expect an increase in sales of between 5 and 15 percent versus the previous year. EBIT and EBITDA are expected to rise further.

We would like to thank our shareholders, customers and business partners for their trust. We look forward to your ongoing support as we continue to grow. Special thanks go to our employees, without whose expertise and commitment our success would not be possible.

Sincerely yours



Dirk K. Martin – CEO



Harald Popp – CFO



Dr. Alexander Becker – COO



The Serviceware Vision

Serviceware enables
people to achieve
their ambitions in the
service economy –
revolutionized by AI





» *Serviceware impresses with a high level of technological expertise in the area of cyber security and excellent service, and has thus become one of CrowdStrike's most successful partners in the DACH region.* «

Alessandra Puglisi

Assistant Manager
Member Engagement & Customer
Service, Lufthansa
Miles & More

» *Thanks to Serviceware's knowledge management, we were able to make our service processes faster and more efficient.* «

Jens Pälmer

Director Channel &
Alliances Central-
Eastern Europe,
CrowdStrike

» *With the Serviceware Platform, we have achieved a higher level of consistency in customer service. Our customers receive the same quality of support, regardless of the employee they deal with.* «

Marie-Luise Prillwitz

Senior Learning & Development
Manager, Otto

Efficiency enhancement and cost control through AI transformation

With innovations from the Serviceware portfolio, companies can now significantly improve their digital processes in the service and finance sector. In this context, Artificial Intelligence (AI) is the decisive lever for boosting efficiency and competitiveness.

Serviceware addresses the needs of companies in search of solutions for agile business and service processes, cost control, analysis and planning based on flexible and secure IT.

Serviceware supports its customers in the strategic consulting for the AI transformation, the elaboration of the service strategy through to the introduction of the Serviceware Platform. In addition, the company offers secure and reliable infrastructure solutions and managed services. Serviceware is Europe's leading partner of the cyber resilience provider CrowdStrike.





The core of the Serviceware portfolio is its own AI-native software platform. The Serviceware Platform is based on state-of-the-art technologies, in particular sophisticated AI and Machine Learning (ML) functions.

The AI-native platform solutions are used primarily in the following areas:

- › IT and Enterprise Service Management – process design, management and automation of processes in IT as well as corporate processes of all kinds
- › Customer & Employee Experience Management – knowledge management, self-service and chatbot solutions for efficient services and an optimal experience of customers and employees
- › Technology Business Management – Planning, budgeting, forecasting and controlling for financial management in IT and other business processes on the basis of Serviceware's own Digital Value Model (DVM)

In this way, platform users increase the value of the services for their customers and minimize the costs of service provision.

Digitize, automate, control, and optimize all service processes with the AI-native Serviceware Platform

» *The calculation was our aha-moment: Thanks to Serviceware's configuration options, we are able to feed the system with a lot of complex data. This speeds up our processes and the actual work can be done with great efficiency.* «

Mag. Margot Maticske

Controlling for the Head of IT, Communications and Medical Technology, Landeskrankenanstalten-Betriebsgesellschaft – KABEG

Serviceware Platform



How to make the customer happy:

- › Fast request solution
- › Great customer experience
- › Low effort



How to make the CXO happy:

- › High efficiency and automation level
- › Optimal resource input
- › Value transparency and cost saving





HIGHLIGHTS 2024

JAN

Serviceware SE
Growth Partner of the Year 2023, Germany

VECTRA SERVICEWARE

Award: Serviceware wins Growth Partner Award at Vectra AI

FEB

Anniversary: Congratulations by the Hessian Minister for Digital Affairs on five years of AI Competence Center

SEP

Online Events: The 1,000th participant at a Serviceware Webinar in 2024

AUG

Perspectives: Apprentices familiarize themselves with career opportunities at Serviceware

OCT

Efficiency: Introduction of an AI-based travel expense process at Serviceware

NOV

IT Symposium/Xpo™: Serviceware at the leading trade fair for CIOs 2024 in Barcelona

APR

Asia: Serviceware wins Fortune Global 500 company as first major customer in Asia

JUN

Customer Congress: More than 200 customers take part in the Serviceware Forum in Wiesbaden

DEC

Serviceware receives the commitment of the first US customer via partner Maryville

MAY

Market entry USA: Serviceware enters into a partnership with Maryville Consulting

MAY

Come together: The Serviceware team meets at Phantasialand Brühl

DEC

Launch: The ESM Platform becomes AI-native



Dawn of a new era: How Serviceware is revolutionizing service processes with AI



The fast-paced digital transformation in the world of work offers companies numerous new growth opportunities. With effective Enterprise Service Management (ESM), companies can position themselves in a future-proof manner, create a modern working environment for employees and at the same time meet the increasing needs of customers. Artificial Intelligence is the driving force for sustainable corporate success. AI is already at the heart of the Serviceware Platform. With the new AI Process Engine, the platform has been provided with an AI-native core with which Serviceware is elevating the automation of service processes to a new level. It can be used to massively increase efficiency in companies and optimize and quickly implement service processes, while at the same time significantly improving the customer journey. With the Serviceware Platform, companies are already benefiting from the AI potential in Enterprise Service Management today and will continue to do so in the future.

What is ESM?

Enterprise Service Management (ESM) is the strategic approach to digitalizing, automating, and optimizing business processes across different departments to ensure more efficient workflows, higher service quality, and a better customer experience for external and internal customers.



» The best thing about AI in my daily working life is creating structure. You don't know about a topic yet? AI will give you an overview and a good structure, may it be a new training, a brainstorming or anything else. «

Armin Schäfthaler
Service Manager Education
Management

Antonio Celia
Software Developer

» AI helps me a lot to manage tons of technical documentation and find example use cases of our development tools and platforms, find issues and test pieces of code. «

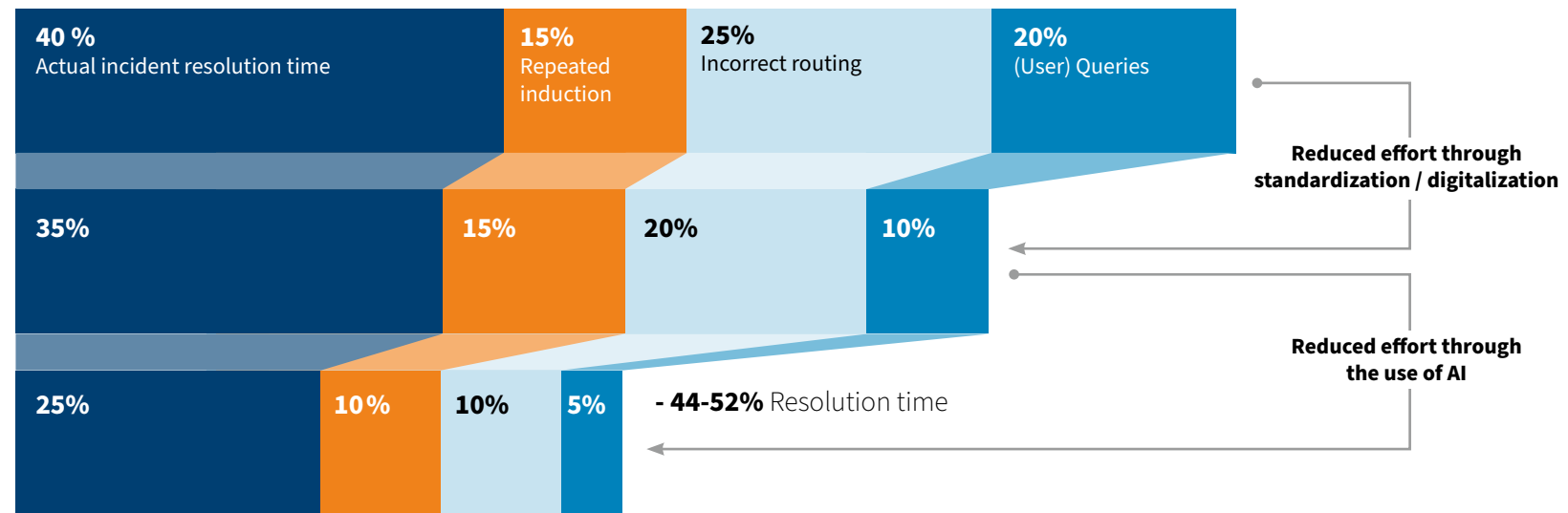
AI: The solution for growing challenges in ESM

Many companies are facing ever greater and more complex challenges in the field of Enterprise Service Management. In today's world of work, different departments often still work in isolation from each other and with their own digital solutions. Processes often run across different departments and encounter obstacles at the departmental boundaries. However, legacy solutions on the market are difficult to adapt to individual needs and processes and require a lot of resources as soon as new requirements arise. Because the effort involved is too high compared to the benefits, many processes are not digitalized at all. This makes it impossible for companies to respond quickly and flexibly to changes.

The consequences are a lack of efficiency, poor service quality and declining competitiveness. Companies that do not exploit the efficiency potential of AI fall behind because they can no longer provide the service quality demanded by the market at competitive costs.

With Artificial Intelligence, service processes can be created and implemented quickly and easily. AI supports companies in all facets of internal and external customer service, even after the successful go-live of the processes.

Practical example: Using AI in incident management to resolve IT issues faster and more efficiently ¹



¹ When implementing the complete Serviceware Platform

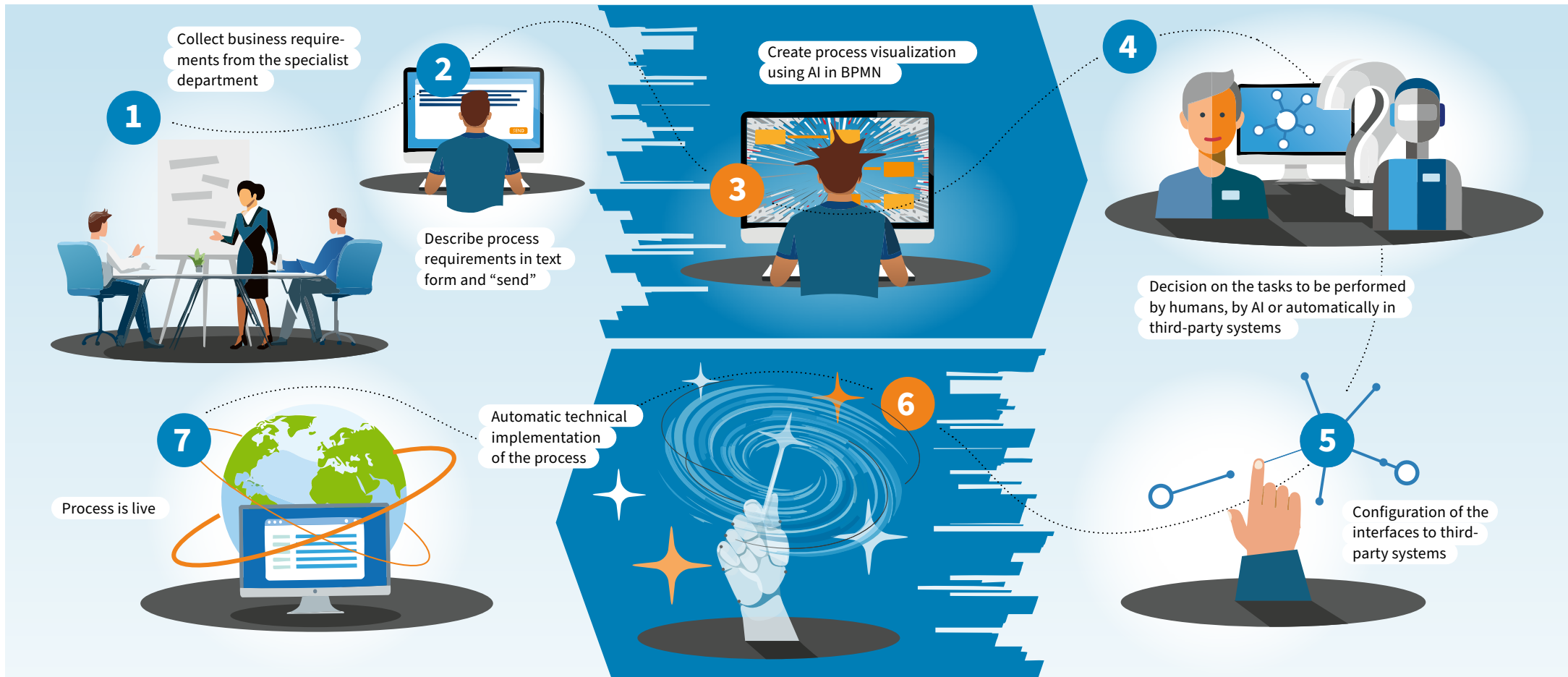
Efficient service processes are crucial to a company's success. They must be designed and implemented in such a way that they simultaneously meet the requirements of the company's business units and help to improve internal and external customer service. The Serviceware Platform and the use of Artificial Intelligence massively accelerate the creation and implementation of service processes. What used to take hours or even days can now be done in a few minutes with the Serviceware Platform.

Benefits:

- › Efficient digitalization and automation
- › Short time to value
- › Fast implementation from the idea to the operational process
- › No programming knowledge required
- › Significant increase in the company-wide level of digitalization. Digitalization of a large number of service processes is possible, the implementation of which would have been too costly in the past

With AI in process modeling,

→ | days become minutes | ←





Numerous modules and intelligent tools, as well as analysis functions with Artificial Intelligence, support companies in practice in automating service processes and implementing them even faster and with a consistently high quality. Using the Serviceware Platform with AI, considerable efficiency gains and cost reductions can be realized.

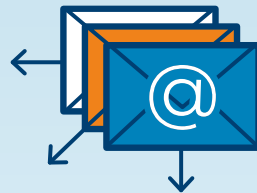
» *AI helps me as a software developer to constantly improve my work. It can automate time-consuming tasks such as creating tests and fosters my creativity and innovative thinking.* «

Birgit Reidt
Software Developer

AI as a smart helper in the service process



Enquiries / ticket avoidance (deflection): AI recognizes the facts in incoming enquiries and automatically compares them with the FAQ database in Serviceware Knowledge Management. It provides suitable solutions or refers to relevant self-help resources. This reduces the number of incoming tickets, relieves the support team and ensures faster solutions and higher customer satisfaction



Automatic classification and assignment: AI analyzes incoming emails, automatically classifies them according to the type of transaction, priority and urgency, and automatically assigns the transaction to the right specialist or department. This ensures that suggestions and complaints are quickly and correctly assigned and that processing times are significantly reduced.



AI image recognition and autofill: The Serviceware Platform relies on innovative AI-based image recognition, which significantly simplifies the process of reporting service cases. By simply uploading an image to the service portal, AI automatically recognizes the incident - such as a dropped printer or a broken part of a coffee machine - and then creates a precise description. This significantly reduces the workload for users in self-service, speeds up the processing of the request and reduces the susceptibility to errors when entering data.



Proactive proposals for solutions: AI automatically provides the person in charge with relevant proposals for solutions based on similar previous cases. With the help of AI, texts are shortened, translated, simplified or expanded. This helps employees to respond more efficiently and precisely to suggestions and complaints. AI also determines individual solution proposals from the knowledge pool and can proactively send these to the customer. This shortens the processing time and increases customer satisfaction.

» *By automating repetitive tasks AI makes my workday more efficient.* «

Tim Wozniak
Apprentice, IT,
Cloud & SaaS Operations

» *For me, extracting a summary from lengthy white papers or presentations that we can use for marketing communication is one of the best things about using AI.* «

Kim van Os
Senior Web Manager



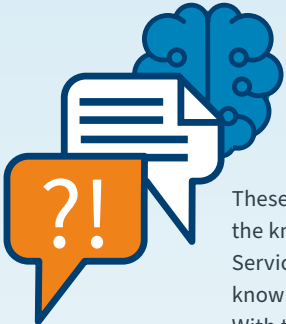
Analysis of customer satisfaction: AI analyzes incoming suggestions and complaints and uses keywords and the tone of voice to identify how satisfied or

dissatisfied the customer is. Based on this analysis, AI provides the processor with recommendations for de-escalation or improvement, e.g. through special offers or a more personalized approach.



Automatic device exchange: For a maximum degree of automation, a variety of third-party systems can be linked to the service

processes. In the ERP system, AI automatically triggers, for instance, the automated shipping of a replacement device as soon as an authorized customer request has been recorded, qualified and processed. This saves time and reduces susceptibility to errors of manual interventions.



Knowledge management: The person in charge can propose own content, which was developed in the suggestion or complaint, as general knowledge directly from the process.

These suggestions are then processed in the knowledge management module of the Serviceware Platform to ensure that relevant knowledge is shared quickly and easily. With the help of AI, the Serviceware Platform can efficiently process the submitted proposals for solutions and ensures that the knowledge module always contains up-to-date and relevant information.



AI-based chatbot:

The chatbot uses validated knowledge from the Serviceware Platform to answer customer queries precisely and comprehensibly. During the interaction with the

customer, AI-based intent recognition is used to recognize the customer's request. The AI then guides the customer through the relevant process and only asks for the necessary information. If requested, the chatbot can also search for complete entries from the knowledge database and send them to the customer. This ensures fast processing and a high level of ticket avoidance.

Benefits

- › Many service requests are resolved by the chatbot or FAQ before they are passed on to an employee. This increases efficiency and reduces throughput times.
- › Significantly faster processing of the remaining requests
- › Higher solution and service quality through consistent use of validated knowledge.
- › Higher customer satisfaction through better and more targeted communication.

The Serviceware Platform with its innovative AI components helps companies to automate their service processes and to make processes for customer enquiries more efficient, transparent and dynamic. Only Artificial Intelligence enables the maximum consistent use of all efficiency and quality potential in the digitalization and automation of service processes. Automatic process design, proactive customer care and rapid problem detection ensure a noticeable improvement in service quality with faster processing, and thus a significant increase in customer satisfaction.

Interjection: Commonalities between a pleasant movie night and good customer service



Are you planning for a cozy evening, streaming a movie on Netflix tonight? You won't be alone. Artificial Intelligence (AI) will be there as a silent guest to further personalize and enhance your viewing pleasure. Or do you have the time and inclination to fight your way through all the movies that might be of interest to you? Artificial Intelligence will do that for you. Thanks to it, streaming services, online shops and virtual assistants such as Siri and Alexa sometimes even know our tastes better than we do ourselves. And even if it doesn't always work perfectly, Artificial Intelligence has long been omnipresent in our private lives and makes our daily lives "better". Or at least easier. Otherwise, the next private movie night might be hours late. In the world of work, on the other hand, the use of AI is still in its infancy in many areas.

Artificial Intelligence is already used in isolated cases in the healthcare sector for medical diagnostic purposes, in the financial world for analyzing market trends, and in the transport sector for optimizing traffic flows. However, Artificial Intelligence is still an alien concept in other sectors. This is because creative professions such as musicians, artists, and writers will continue to depend heavily on human intuition and creativity in the future. Artificial Intelligence does not yet make any contribution to hairdressing. Make-up artists are still the ones applying cosmetics, and when it comes to working out, we must still do our own pedaling at the gym. However, AI is slowly finding its way into this area as well, in the form of intelligent devices that create customized, dynamically adapted workouts. These don't make you sweat any less, but they do give you better fitness results.



» *AI is useful to proof-read or evaluate documentation or communications from different points of view and as different recipients.* «

Harald Krämer
Technical Lead
SaaS Operations

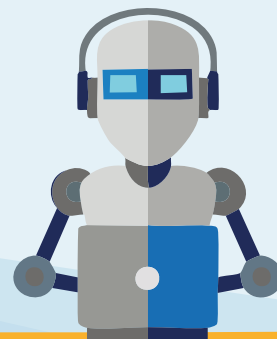
» *AI doesn't replace creativity, it amplifies it. By taking care of the groundwork, it gives me more time to focus on user-centric designs.* «

Maryam Rasouli
UX/UI Designer

What is right for crosstrainers and proper for Netflix also offers enormous potential in customer service. AI is a game changer in this area. After all, you have better things to do than spend hours on the customer hotline just to ask about the new cell phone rates or click endlessly through confusing websites to complain about your broken laptop. Just as Artificial Intelligence analyzes movie fans' viewing behavior to provide customized recommendations, AI-powered customer service systems take into account customer interactions and preferences. The result is individually optimized solutions. The automation of processes as well as repetitive and time-consuming tasks enables drastic efficiency increases and an even better adaptation of services to individual needs. This saves companies costs and gives employees more time for strategic and creative activities.

By using AI, chatbots are becoming more and more intuitive and effective in their interactions with customers. AI-powered chatbots and virtual assistants can handle increasingly complex requests, provide relevant information, and offer personalized experiences. Both Netflix's recommendation algorithms and AI-powered customer service solutions continuously learn from interactions. They improve over time by analyzing feedback from users and customers and adjusting their models accordingly. Predictive Analytics with AI helps to anticipate individual customer needs and desires and proactively offer solutions.

But in view of these developments, which are making our daily lives more convenient and our working lives more efficient, will employees still be needed in the future? Definitely! But their role and range of tasks will change. While AI will take over routine tasks, human employees can focus on creative and strategic topics. Human employees are also needed to monitor and optimize AI systems. This requires a deep understanding of the tasks that AI will take over. In an increasingly digitalized world, people will continue to play an important role, especially in areas that require creativity, empathy and complex problem solving. No AI in the world will be able to replace the human need for contact and interaction. Despite human-sounding names like Alexa and Siri. And of course, a film recommendation from a human friend is sometimes much more inspiring than a digital suggestion from a streaming algorithm.





Moving forward together: living sustainability at Serviceware



Economic success and sustainable acting are no longer contradictions – today they are closely interlinked. For Serviceware, sustainability is one of the guiding principles which has a decisive influence on acting and growth. Serviceware has always based its corporate strategy on sustainability in the areas of environment, social and governance (ESG). With its Sustainability Strategy 2030 Serviceware has created the basis for the entrepreneurial acting of its employees and the long-term success of the company. Ambitions and targets in the individual areas are made transparent by the Sustainability Strategy 2030 and serve as an orientation for decisions and actions within Serviceware. Leading global sustainability studies such as the three-pillar model of sustainability from the Brundtland Report of the World Commission on Environment and Development of the United Nations are incorporated into the Serviceware strategy. Serviceware has significantly expanded the measures and initiatives as part of its sustainability strategy in recent years and has also made important progress in fiscal 2023/2024.

Significant further improvement in carbon footprint

The possible negative effects on the climate and the environment should be kept as low as possible in all activities. Serviceware is constantly working to improve its own carbon footprint, conserve resources and reduce costs. Code Gaia, a provider of ESG software solutions for corporate sustainability management, calculated that Serviceware emitted 2,758 tons of CO₂ in the 2022/2023 fiscal year for areas directly influenced by the company. In the prior year, emissions were still around 3,000 tons. In addition, Serviceware has been successfully certified by EcoVadis, a leading global provider of sustainability assessments for companies, for its sustainability measures. Heat and electricity emissions at Serviceware locations were significantly reduced from around 570 tons in the previous year to 428 tons of CO₂.



Serviceware employees have the option of using a job bike or job ticket for public transportation or can use a Bahncard 100 rail card instead of a company car. According to Serviceware's travel policy, domestic flights are only permitted in exceptional cases. Serviceware has continued to convert its vehicle fleet to alternative drive technologies. The share of electric and hybrid vehicles in the vehicle fleet was 27 percent at the end of 2024, six percentage points more than in the previous year and almost double the figure for 2022. Serviceware also places a high value on sustainability when equipping office space. As part of the downsizing of the Hamburg office, most of the furniture used there was delivered to the company's headquarters in Idstein. The furniture is being reused in the new office areas there.

Employee participation: joint decision-making for better decision-making

A healthy work culture and a work environment in which employees feel comfortable and can deliver optimal performance have top priority for Serviceware. The working group "my.Serviceware" founded by employees has also launched numerous initiatives and implemented projects in 2024, which have further improved the working atmosphere. In order to further optimize the corporate culture and to strengthen employee retention, commitment and well-being, Serviceware has introduced the people enablement platform "Leapsome" within the company.



ENVIRONMENT

The sustainable use of our environment and all its resources is in line with our philosophy.

A climate- and resource-friendly future is our goal, and we act accordingly.



SOCIAL

People are at the center of our success, as team members and business partners.

Mutual respect and appreciation are the building blocks for fair and excellent collaboration with our business partners and team members.



ECONOMY & GOVERNANCE

Ethical conduct is the basis of our economic activity.

Since our foundation in 1998, adherence to the principle of legality and acting responsibly and fairly in our business dealings have always been and will always be the cornerstone of Serviceware's corporate values.

Leapsome digitalizes and simplifies the preparation and execution of the annual feedback and development meetings with all Serviceware employees. This is the basis for further developing each team member even better based on personal strengths and personal development goals, thus sustainably supporting the sustainability focus topic of "education and training". This not only strengthens employer branding but also the long-term competitiveness of Ser-

viceware. In addition, extensive and transparent feedback processes on decision-making at Serviceware ensure that unconscious bias is reduced, which contributes to a more inclusive corporate culture. In this context, Serviceware has introduced the position of Equal Opportunity Ambassador. If employees feel discriminated against or harassed, they can turn to the Equal Opportunity Ambassador first. In his role as mediator between the company and the employee, he



offers personal support and, if necessary, initiates measures. The Equal Opportunity Ambassador always has direct access to the executive management and the HR management and maintains absolute confidentiality with regard to third parties in the course of his activities.

Another new product introduced by Serviceware is “Yokoy”, a platform for automated travel expense management. Automated approval workflows and complete transparency of expenses ensure that all employees can get their expenses reimbursed faster and manage their expenses efficiently. Automating financial processes allows employees to focus on strategic tasks and enables managers to efficiently control the financial processes of their teams. This increases productivity and avoids inaccurate billing.

Very good HR data compared to the rest of Germany underpin high employee satisfaction

The fact that the measures initiated by Serviceware during the past years are successful is demonstrated by the high employee satisfaction within the company. The fluctuation rate serves as a good indicator of employee satisfaction. It improved again in 2024 and stood at 14.0 percent (PY 15.7 percent). According to the latest figures from leading economic research institutes, the fluctuation rate in Germany was recently over 30 percent. Serviceware employees were on sick leave for an average of 7.0 days (previous year: 8.3 days). According to a study by the health insurance fund DAK-Gesundheit, the national average for people in employment in 2024 was 19.7 sick days. The share of women at Serviceware was 26.6 percent in 2024 (PY: 24.8 percent) and thus significantly higher than the average share of women of around 15 percent in the German ITC industry.

Safety training: helping people to help themselves

Serviceware has also further expanded its company-wide e-learning platform. It offers employees at all national and international locations extensive learning resources, training opportunities and training in areas such as occupational safety and compliance. During the annual event on data protection training “Organizational Data: What to do if you suspect a breach”, more than 430 participants were presented with the latest developments in cybersecurity and information on how they can protect themselves against criminal activities on the internet. Serviceware promotes through e-learning the continuous further training and qualification of employees and their sustainable growth, which improves satisfaction and the long-term employee-employer relationship. Regular and documented training on compliance and occupational safety reduces the risk of expensive and image-damaging violations of the law and minimizes the risk of accidents. Automated and scalable digital content also enables an effective distribution of knowledge. Furthermore, costs are significantly reduced, ecological resources are conserved, and CO₂ emissions are lowered due to less travel.

During the reporting period, the migration and dismantling of the Hürth data center to Idstein was completed. For Serviceware, the consolidation of the data centers is accompanied by a simplification of administration and the transformation of the data centers into highly modern and scalable platforms for IT infrastructure and data.

In 2025, Serviceware will prepare the implementation of the CSRD Directive depending on the progress of the implementation of the directive into German law.

» As a Solution Engineer in Sales, I want to present our solutions to our customers with use cases in which they can relate to their own way of working. AI always provides me with good examples of how to best address our customers with creative, individual and well-fitting workflows.«

Verena Meier
Senior Solution Engineer



The Serviceware Share in 2024

Stock markets nationally and globally

The most important stock indices in Germany showed a mixed picture in 2024. The German Stock Index (DAX) performed very well, rising at times to a new record of more than 20,000 points and ending the year up 18.8 percent. The technology stocks index TecDAX, which includes the 30 largest German technology companies, was also up. It rose by 2.3 percent in 2024. By contrast, the MDAX and SDAX small-cap indices performed negatively. They lost 5.7 percent and 1.8 percent in value, respectively. The US S&P 500 index performed even better than the DAX, rising by 23.3 percent. The pan-European EURO STOXX 50 also saw a noticeable plus of 8.3 percent.

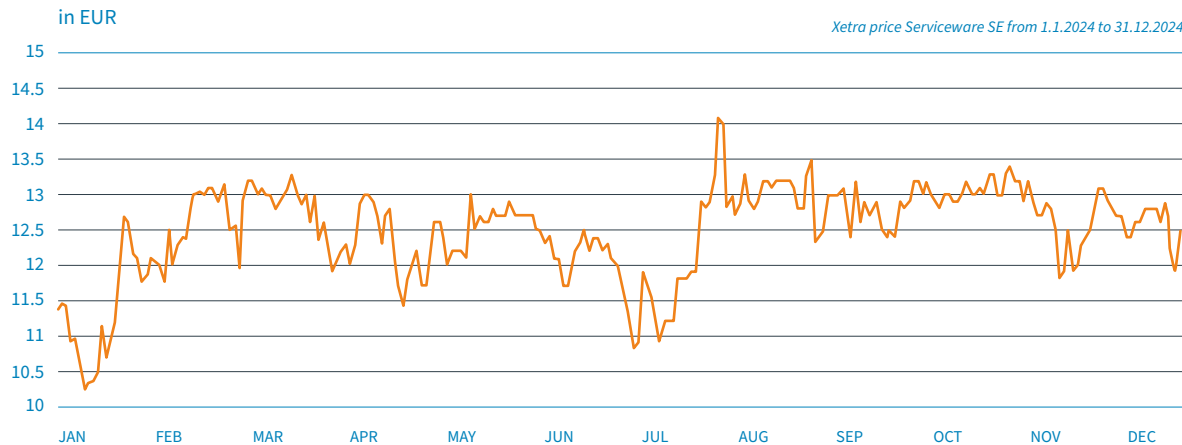
In particular, the interest rate cuts by central banks around the world and investors' continued interest in technology companies, especially in the field of Artificial Intelligence, provided a tailwind for the capital markets. The re-election of Donald Trump as US President and the trend towards reindustrialization were further positive factors for the financial markets.

Share price of Serviceware SE

The Serviceware share started the 2024 stock market year with an opening price of EUR 11.40 and performed well overall within the year. The share reached its annual high of EUR 14.20 on August 5. The annual low of EUR 10.05 was reached on January 11. At the end of 2024, the Serviceware share was trading at EUR 12.50, compared to a closing price of EUR 11.45 in 2023. This means that the increase in value in 2024 amounted to 9.2 percent. The market capitalization of Serviceware SE amounted to EUR 131.25 million as at December 31.

Stock exchange activity 2024

A total of around 1.47 million Serviceware shares were traded on all German stock exchanges in 2024, thereof around 0.87 million shares on Xetra. On average, 5,770 shares of Serviceware were traded daily on all stock exchanges. On Xetra, an average of 3,741 shares were traded daily. The resulting average trading volume per trading day was EUR 64,201 (Xetra: EUR 46,511).



Source: > <https://www.ariva.de/aktien/serviceware-se-aktie/chart/chartanalyse>



Analyst coverage

The business and share performance of Serviceware is currently covered by the research houses Montega AG and Quirin Privatbank AG in regular analyst studies. Both research houses recommend the Serviceware share as a buy. At the time of compiling this Annual Report (Q1 2025), the analysts' assessment is as follows:

Bank	Last update of	Recommendation	Upside target
Montega	24.02.2025	Buy	EUR 21.00
Quirin Privatbank	21.02.2025	Buy	EUR 25.50

Compared to the share price at the end of February 2025, this represents an upside potential of 45 percent and 76 percent, respectively.

Investor Relations activities

Serviceware meets the highest transparency requirements with its listing in the Prime Standard of the Frankfurt Stock Exchange. Serviceware maintains an ongoing and transparent dialog with its investors and the financial press and provides information about current events in the company through corporate news and ad hoc disclosures. In addition, Serviceware publishes interim reports for each quarter and annual reports for the fiscal year. On the corporate website www.serviceware-se.com, the company provides detailed information about the share, the product range and current developments in German, English and partly in Dutch.

In fiscal 2023/2024, Serviceware participated in a total of four capital market conferences, including the German Equity Forum in Frankfurt am Main. In company presentations and numerous individual and group discussions, the management explained the business model and the business development to existing and potential investors. In addition, the Managing Directors entered into a dialog with investors and interested parties during roadshows and other investor meetings.

Stock market 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 percent
Xetra opening price on January 2, 2024	EUR 11.40
Annual high	EUR 14.20
Annual low	EUR 10.05
Xetra year-end price on December 30, 2024	EUR 12.50
Market capitalization on December 31, 2024	kEUR 131,250
Designated Sponsor	ICF Bank
Analyst coverage	Montega, Quirin Privatbank



Dear Madam or Sir,

Serviceware was able to further improve its sales revenues and earnings significantly during fiscal 2023/2024 despite a challenging economic environment.

Guidance for the past fiscal year, which was even narrowed down to the upper range in terms of growth at the end of the year, was achieved.

The Administrative Board is therefore satisfied with the overall result, particularly in view of the economic challenges in the core markets of Germany and Austria.

The Administrative Board expects the positive revenue and earnings development to continue in the future.

The past fiscal year was marked, on the one hand, by the consistent implementation of the Serviceware AI-first strategy and, on the other hand, by the gaining of further renowned new international customers and the tapping into additional global markets.

Artificial Intelligence has become the core of the Serviceware Platform. The AI Process Engine elevates the use of AI in the digitalization and automation of service processes to a new level. Artificial Intelligence no longer only supports the increase of process efficiency and service experience but is able to model and automate service processes itself on the basis of technical descriptions. This enables previously unknown levels of automation because service processes whose automation would have been too costly in the past, can now also be digitalized and automated. The Serviceware AI Competence Center in Darmstadt as the nucleus of the successful Serviceware AI strategy celebrated its 5th anniversary in the past fiscal year.

On the international level, renowned customers such as a leading global company for construction solutions, an Asian Fortune Global 500 company or another Fortune 500 Europe company were won with multi-year SaaS contracts, which will materialize in the income statement in subsequent years.

The partnership with the consulting firm Maryville marks the company's active entry into the US market. The successful joint pipeline development is bearing its first fruit, which materialized immediately after the end of the last fiscal year with the conclusion of the first customer project.

Activities of the Administrative Board

The Administrative Board fulfilled in fiscal 2023/2024 the tasks and obligations to be accomplished in accordance with the law, the articles of association and the internal regulations with greatest care and regularly supervised the work of the Managing Directors. In this connection the body convinced itself at all times of the lawfulness and regularity of the executive management. We have constantly been available for the Managing Directors in an advisory capacity in our function and have jointly developed the management of the company with the goals set in an ongoing dialog with the Managing Directors. The Administrative Board was at all times involved in all decisions which were of direct relevance for Serviceware. This was achieved more particularly through a transparent management by the Managing Directors.



Meetings of the Administrative Board

In five ordinary meetings of the Administrative Board, the Managing Directors regularly reported comprehensively in writing and orally about the current and the economic situation of Serviceware SE and, moreover, informed about all important aspects and business transactions of the company. All three members of the Administrative Board attended all Administrative Board meetings in the 2023/2024 fiscal year.

The meeting of the Administrative Board on December 6, 2023 was held as a conference call. All other meetings were held in person. The Chairman of the Administrative Board joined the meetings on February 2, 2024 and March 20, 2024 by video conference. The member of the Administrative Board Ingo Bollhöfer joined the meeting on September 18, 2024 by video conference. Otherwise, all members of the Administrative Board were present in person at all face-to-face meetings.

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. They were able to submit suggestions without any problems. The reports on the position and on the development possibilities of the company were discussed constructively by the Administrative Board and the Managing Directors.

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

The meetings of the Administrative Board on December 6, 2023, February 2, 2024, March 20, 2024, June 19, 2024 and September 18, 2024 focused on the following topics, among others:

Focus of the deliberations at the Administrative Board

The implementation of the Serviceware AI-first strategy was a key topic that the Administrative Board accompanied and supported throughout the entire fiscal year.

The goal “Everything that creates added value and can be made more efficient and effective with AI is implemented with AI” applies not only to the Serviceware solution portfolio, but also to the internal workflows of Serviceware.

In particular, the new development of the AI Process Engine as the new core of the Serviceware Platform was discussed with milestones such as the presentation at the annual Serviceware customer event in May 2024 and the planned general customer availability in December 2024. The Product Lead in charge reported, amongst others, on the progress of the implementation during the meeting of the Administrative Board on June 19, 2024.

Another focus of the meetings of the Administrative Board was the regular risk analysis in the relevant dimensions. As a technology company, Serviceware pays particular attention to IT risk management, so that the Administrative Board had the person in charge of IT risk management report on this at the meeting of the Administrative Board on February 2, 2024.

During the meeting of the Administrative Board of March 20, 2024, after the report by the attending auditor, the financial statements of Serviceware SE and the combined consolidated management report for fiscal 2022/2023 and the consolidated financial statements of the Serviceware Group and the combined consolidated management report for fiscal 2022/2023 were adopted and hence approved.



Moreover, the agenda for the annual meeting on May 16, 2024 was approved.

The market entry in the USA was discussed intensively by the Administrative Board. While at the beginning of the fiscal year the focus was on the right market entry strategy, the further course of action was to select the right partner, the necessary partner enablement and the joint market development activities with the new US partner Maryville.

The review of the measures to improve earnings was another focus of the deliberations of the Administrative Board in the past fiscal year, which regularly followed the CFO's report.

As a result of these measures, the Administrative Board was able to adjust the forecast for the fiscal year on October 7, 2024, narrowing the range for revenue growth to between 10 and 15 percent.

Committees of the Administrative Board

The Administrative Board, consisting of the statutory number of three members, also acts as the Audit Committee. There are currently no other Board committees. All topics were covered together and within the meaning of the highest possible efficiency by the entire body.

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

Mr Debus was last re-elected to the Administrative Board by the ordinary general meeting on May 6, 2021.

The other members were all re-elected by the ordinary general meeting of May 12, 2022.

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 February 3, 2025. ServiceWare SE meets the overwhelming part of the recommendations of the Code. The few deviations are explained in the Declaration of Conformity under <https://serviceware-se.com/en/company/investor-relations/corporate-governance>.



Adoption of the financial statements

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

Nexia GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Düsseldorf (“Nexia GmbH”), that was elected by the General Meeting on May 16, 2024 as the external auditor of the financial statements for the fiscal year 2023/2024, has audited the financial statements and the consolidated financial statements of Serviceware SE as well as the management report and consolidated management report for fiscal 2023/2024 and issued an unqualified audit certificate.

During the meeting of the Administrative Board on March 17, 2025 deliberations took place with the Managing Directors in the presence of the external auditor who reported about the main findings 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 entirely to the result of the external auditor. The financial statements of Serviceware SE as well as the consolidated financial statements were approved at the meeting of the Administrative Board on March 19, 2025. This also applies to the consolidated management report and the management report submitted.

The financial statements are hence adopted.

The Administrative Board thanks the customers for their trust and all employees of Serviceware SE and the Managing Directors Dirk K. Martin, Harald Popp and Dr. Alexander Becker for their high commitment and constructive co-operation during fiscal 2023/2024.

Idstein, March 2025

Christoph Debus
(Chairman of the Administrative Board)



Combined Management and Consolidated Management Report 2023/2024

Serviceware SE, Idstein

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1 Combined Management and Consolidated Management Report

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

The 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

According to the first preliminary calculation by the Federal Statistical Office, the price-adjusted gross domestic product (GDP) turned out to be 0.2 percent lower in 2024 than in the previous year. Cyclical and structural pressures stood in the way of a better economic development. These included increasing international competition for the German export economy, high energy costs and an interest level that remained high. To make matters worse, the economic and political outlook is uncertain. After the German economy had already declined by 0.3 percent in the previous year, this is the second consecutive year of negative growth.¹

Over the course of the year 2024, the development showed an inconsistent picture. After the German economy started the year with a seasonally and calendar-adjusted growth of 0.2 percent, economic performance fell by 0.3 percent in the second quarter. During the third quarter, however, minimal growth of 0.1 percent was achieved. In the fourth quarter, the development turned around again and was minus 0.2 percent.² In 2024, the development of gross value added varied across the individual economic sectors: manufacturing (excluding construction) declined significantly by 3.0 percent versus prior year. In particular, the dominant mechanical engineering and automotive industries produced significantly less. The value added by energy-intensive industries such as chemicals and metals remained at a low level following the substantial decline in the prior year. By contrast, economic output in the services sector increased again. The largest price-adjusted increase was recorded in the information and communication sector, at 2.5 percent. Private consumption provided only weak momentum in 2024, with an increase of 0.3 percent. The weakening of inflation and wage increases for many workers only partially boosted purchases.¹

1 https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_019_811.html

2 https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_039_811.html

The lackluster economic development and geopolitical challenges also posed significant challenges for the federal government's budget planning, which ultimately caused the governing coalition to break up. Although tax revenues were up 5.3 percent, expenditure also increased by 3.7 percent. At EUR 33.3 billion, net borrowing was below the planned figure of EUR 39.0 billion. However, it should be noted that, due to the failure of the governing coalition, cost-intensive projects such as the establishment of the generational capital, for which EUR 12.0 billion had been planned, were not implemented.³

The inflation rate fell again in 2024 to 2.2 percent, which was significantly lower than in 2023 and 2022, when the inflation rate was 5.9 percent and 6.9 percent, respectively. The price development of energy products, which were 3.2 percent below prior year, had a dampening effect. By contrast, prices for services rose at an above-average rate of 3.8 percent. The monthly inflation rate – measured as the change in the consumer price index compared to the same month of the previous year – reached their lowest level in September at 1.6 percent. At the end of the year, this figure was again at 2.6 percent in December.⁴

The business climate remained at a low level in 2024. At the beginning of the year, the ifo business climate index stood at 85.4 points and initially rose to 89.0 points in April. However, the values subsequently fell again, reaching their lowest level of the year at 84.7 points in December. The German economy thus remains pessimistic.⁵ The business climate in the digital industry remains at a significantly higher level than in other sectors of the economy.⁶

So far, however, the economic development has had relatively little impact on the labor market. At around 46.0 million, the number of people in employment in December 2024 was at a comparable level to that of the previous year.⁷ However, different developments can be observed within the labor market. The service sector, for example, saw an increase in employment, while the number of people employed in the manufacturing and construction industries declined.⁸ The unemployment rate rose slightly to 6.0 percent in December 2024, 0.3 percentage points above the previous year's figure of 5.7 percent.⁹

3 <https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2025/01/2025-01-20-vorlaeufiger-jahresabschluss-bhh-2024.html>

4 https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_020_611.html

5 <https://www.ifo.de/pressemitteilung/2024-12-17/ifo-geschaeftsklimaindex-gesunken-dezember-2024>

6 <https://www.bitkom.org/Digitalindex>

7 https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_041_132.html

8 <https://www.destatis.de/DE/Themen/Arbeit/Arbeitsmarkt/Erwerbstaetigkeit/Tabellen/arbeitnehmer-wirtschaftsbereiche.html>

9 <https://www.destatis.de/DE/Themen/Wirtschaft/Konjunkturindikatoren/Arbeitsmarkt/arb210a.html>

1.2 Sector Development

The German digital industry remained stable and was able to grow again in 2024, bucking the overall economic trend. At 3.3 percent, growth in information technology, telecommunications and consumer electronics was even higher than in the prior year (2.4 percent). The information technology sector was able to increase by 4.4 percent. Within IT, the software sector showed the strongest growth with a rise of 9.5 percent.¹⁰

The outlook for the current year 2025 remains positive. The industry association Bitkom expects a rise in growth to 4.6 percent. However, the Bitkom-Ifo Digital Index fell slightly at the end of 2024, although it remains well above the general business climate.⁶

The use of Artificial Intelligence is increasingly becoming the focus of the German economy. For 2025, a growth of 43 percent to EUR 2.3 billion is expected for the business with AI platforms on which AI applications can be developed, trained and operated.¹¹ In a representative Bitkom study from October 2024, more than half of the companies surveyed stated that they were working with AI for the first time. AI is already in use in 20 percent of companies. A year earlier, this figure was only 15 percent. At the same time, 78 percent of companies currently see opportunities for their business in AI; a year ago, it was 68 percent. “There is a great deal of openness towards AI in Germany, as well as great expectations for AI, both in the business community and among the population. AI is reshuffling the cards in many areas. For Germany, this means that we don’t just want to play along, we want to win,” comments Bitkom President Dr. Ralf Wintergerst.¹²

The number of people employed in the digital industry rose by another 9,000 last year. A further 20,000 new jobs for IT specialists are expected by 2025.¹¹ Companies will also have to use AI to counter the shortage of IT specialists. “Artificial intelligence cannot replace an IT department. But AI can support IT specialists in a wide range of tasks and, for example, often provide just as good support as a human support agent when problems arise or questions are asked by the team,” says Bitkom CEO Dr. Bernhard Rohleder.¹³

According to a study by analyst firm Gartner, global corporate IT spending will have increased by 7.7 percent by 2024. In addition to general price increases, capital expenditure on data centers for operating AI models is driving spending. This trend is expected to continue in 2025, with growth of 9.8 percent.¹⁴

¹⁰ ITC market figures as at December 2024 to be found under: <https://www.bitkom.org/Marktdaten/ITK-Konjunktur/ITK-Markt-Deutschland>

¹¹ <https://www.bitkom.org/Presse/Presseinformation/Lichtblick-Rezession-Digitalbranche-waechst>

¹² <https://www.bitkom.org/Presse/Presseinformation/Erstmals-beschaefigt-Haelfte-Unternehmen-KI#item-20452-close>

¹³ <https://www.bitkom.org/Presse/Presseinformation/IT-Fachkraeftemangel-Unternehmen-setzen-auf-KI>

¹⁴ <https://www.gartner.com/en/newsroom/press-releases/2025-01-21-gartner-forecasts-worldwide-it-spending-to-grow-9-point-8-percent-in-2025>



1.3 Business Development

Serviceware ratios of the financial statements for fiscal 2023/2024 from December 1, 2023 to November 30, 2024

December 1 to November 30				
In kEUR	2023/2024	2022/2023	Variation	%**
Sales revenues	103,290	91,529	11,761	12.8
- thereof SaaS/Service	69,937	57,281	12,655	22.1
EBITDA	3,223	169	3,054	>100
EBIT	-315	-3,980	3,665	92.1
Financial result	183	119	64	53.3
Result for the period before taxes	-132	-3,861	3,728	96.6
Income tax	61	-83	144	>100
Result for the period after taxes	-72	-3,944	3,872	98.2
30.11.2024 30.11.2023				
Churn rate (maintenance & SaaS)	3.2%	3.1%	0.1%	4.6
Recurring revenues share	77.8%	70.9%	6.9%	9.7
Cash and cash equivalents*	33,611	28,245	5,365	19.0
Equity	46,371	46,254	117	0.3
Contract liabilities (order backlog)	80,598	55,447	25,151	45.4
Total liabilities	108,683	78,486	30,198	38.5
Balance sheet total	155,054	124,740	30,314	24.3

Please note: All figures have been rounded to the nearest thousand in accordance with commercial practice. This may result in rounding differences when totals are calculated. The relative change is calculated on the unrounded values.

* The cash and cash equivalents item includes the balance sheet item liquid funds and the item non-current financial assets.

** In the case of relative changes of more than 100 %, in particular due to small absolute initial values, the change is indicated in simplified form as „>100 %“.

During the past fiscal year 2023/2024, Serviceware was able to increase sales revenues significantly and achieved a growth rate of 12.8 percent compared to the previous year. With sales revenues of EUR 103.3 million, the company reached a record level and exceeded the EUR 100 million mark for the first time. The strategically important SaaS/Service segment recorded the strongest growth at 22.1 percent. This also led to an increase in the share of recurring revenues by 6.9 percentage points to 77.8 percent of total sales revenues. This development offers a high degree of planning security, especially in economically uncertain times. The churn rate for SaaS and maintenance revenues remained at a low level of 3.2 percent in the past fiscal year (PY: 3.1 percent).

The positive revenue development in fiscal 2023/2024 is also reflected by an increase in earnings. For the full year, EBITDA amounted to a surplus of kEUR 3,223, significantly higher than the prior year's result of kEUR 169. At the EBIT level, earnings also rose significantly from kEUR -3,980 in the prior year to kEUR -315.

Serviceware has continued its strategic expansion course, unfazed by economic developments. The ESM platform was expanded, with a particular focus on the use of Artificial Intelligence. With the newly developed AI Process Engine, the Serviceware platform received a “new” core based on Artificial Intelligence for the creation of workflows, data modelling and the design of dialogs. To strengthen its international presence, Serviceware concluded a partnership in the area of IT financial management with the Maryville Consulting Group from St. Louis, Missouri, which specializes in technology and innovation management. As a result of this partnership, a leading US food group with sales in the billion US dollar range was already won over in January 2025 for the use of the Serviceware ESM Platform with the modules Serviceware Financial and Serviceware Performance for IT cost management.

Serviceware's cash and cash equivalents increased by kEUR 5,365 (+19.0 percent) to kEUR 33,611 versus prior year. Thereof kEUR 26,708 are liquid funds (PY: kEUR 25,016) and kEUR 6,902 are non-current financial assets (PY: kEUR 3,229) which are held in government bonds and bonds of government institutions with a very good credit rating. The non-current and current financial liabilities were repaid as planned during the reporting period by kEUR 1,075.

As at the reporting date of November 30, 2024, Serviceware employed a total of 472 employees. By comparison, there were 479 employees at the same point in time in the prior year. This reduction in the number of employees was part of planned process-related and organizational optimization measures which have further increased the efficiency of Serviceware and will have a positive impact on future profitability. The personnel changes were implemented for the most part through natural fluctuation.

1.4 Situation of the Group

The Managing Directors assess the current development and the situation of the Serviceware Group as being in line with expectations. As far as sales revenues are concerned, the growth path was continued at an increased pace, and profitability was stepped up. At the EBITDA level, earnings were up kEUR 3,054 on the prior year at kEUR 3,223. EBIT also increased significantly by kEUR 3,665 to kEUR -315. The forecasts from the previous year in terms of revenues, EBIT and EBITDA were hence all reached in fiscal 2023/2024.

1.4.1 Sales Revenue Development

During the past fiscal year 2023/2024, ServiceWare was able to increase sales revenues significantly and reported a growth rate of 12.8 percent compared to the previous year. The company thus exceeded the growth of the previous year, which amounted to 10.0 percent. With sales revenues of EUR 103.3 million, ServiceWare reached a record level. The SaaS/Service segment again made the largest contribution to growth and achieved a significant improvement of 22.1 percent versus prior year. As a result, SaaS/Service sales revenues now account for 67.7 percent of ServiceWare's total sales revenues, compared to 62.6 percent in the previous year. License revenues increased by 5.7 percent during the reporting period, while maintenance revenues were 10.3 percent below the previous year's figures. This shows a continuous shift towards SaaS/Service business, which leads to a shift in revenues into the future, but with greater planning security and recurring revenues. Sales revenues are distributed as follows:

In kEUR	2023/2024	2022/2023	Variation in %
Revenues SaaS/Service	69,937	57,281	22.1
Revenues Licenses	17,440	16,504	5.7
Revenues Maintenance	15,913	17,743	-10.3
Total	103,290	91,529	12.8

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 SaaS and maintenance contracts. This concerns contract liabilities for a period of up to 60 months. Given the binding nature of the contracts, contract liabilities constitute already fixed future revenues of ServiceWare. Revenues from SaaS and maintenance from contracts running for several years are recognized over time. Compared to existing contract liabilities for SaaS and maintenance contracts on November 30, 2023, the number increased by 45.4 percent from EUR 55.4 million to EUR 80.6 million by November 30, 2024. The proportion of renewal¹⁵ of SaaS and maintenance contracts of 96.8% continued to remain on a very high level (PY: 96.9 percent).

1.4.3 Operating Result (EBITDA/EBIT)

The consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) for the 2023/2024 fiscal year amounted to kEUR 3,223, which is kEUR 3,054 higher than the prior-year figure of kEUR 169. The result was relieved by the capitalization of internally generated intangible assets that meet the capitalization criteria in accordance with IAS 38 „Intangible Assets“ and must be capitalized accordingly in the amount of kEUR 1,703 (PY: kEUR 749). Internally generated intangible assets that do not fulfil the capitalization criteria in accordance with IAS 38 continue to be recognized as an expense in the period in which they incurred. In subsequent periods significant capitalized internally generated intangible assets are no longer to be expected.

¹⁵ Proportion of contract renewals corresponds to (1 – churn rate (Maintenance & SaaS))

The transformation of the business model from one-off license billing to a SaaS business model with monthly recurring revenues continues to have an inhibiting impact on earnings. The trend towards SaaS/Service business means that sales revenues are only recognized with a delay and over a period of several years, while in particular the selling expenses for identifying and processing leads in particular are fully realized in the current reporting period. This effect is particularly significant for Enterprise customers and international projects. However, the earnings trend shows that the progress made in transforming the business model is increasingly reflected in the business figures. In addition, Serviceware has taken a number of measures to increase profitability, which have taken effect during the reporting period.

Consolidated earnings before interest and taxes (EBIT) amounted to kEUR -315 and were thus kEUR 3,665 above the result of the prior year period of kEUR -3,980. Depreciation and amortization amounted to kEUR 3,539 and were kEUR 610 below the value of the previous year. kEUR 322 thereof were due to reduced amortization of the recognized value of the acquired trademark "SABIO" due to the declining amortization method and kEUR 212 were due to the reduced amortization of rights of use for rented premises and motor vehicles in accordance with IFRS 16.

1.4.4 Financial Result and Earnings before Taxes for the Period

The financial result essentially includes interest accrued on lease liabilities in accordance with IFRS 16, interest expenses from the discounting of trade receivables and interest expenses for the long-term financing of the most recent company acquisition. This is offset by interest on deposits. The financial result amounted to kEUR 183 and was thus kEUR 64 higher than in the previous year (kEUR 119).

The earnings before taxes (EBT) for the period totaled kEUR -132 (PY: kEUR -3,861), which corresponds to an improvement of kEUR 3,728 versus prior year.

1.4.5 Income Taxes and Earnings after Taxes for the Period

The total tax expense of Serviceware results from the sum of the tax expenses of the individual companies. Positive results in individual companies give rise to tax expenses, which are partly offset by tax income from deferred taxes in companies with negative results. Furthermore, tax liabilities arise from foreign withholding taxes. At group level, tax expenses and tax income from deferred taxes amount to an income tax relief of kEUR 61 (prior year income tax liability of kEUR 83)

After taking taxes into account, the consolidated earnings for the fiscal year 2023/2024 amounted to kEUR -72 (PY: kEUR -3,944).

1.5 Capital Expenditure

During the 2023/2024 fiscal year, capital expenditure totaled kEUR 3,851 (PY: kEUR 2,935). In the area of intangible assets, kEUR 1,315 are accounted for by additions to right-of-use assets for leased premises (PY: kEUR 1,255) in accordance with IFRS 16 due to extensions or new leases. A further kEUR 496 (PY: kEUR 732) are attributable to right-of-use assets from vehicle lease. As a result of the capitalization of internally generated intangible assets that meet the criteria of IAS 38 "Intangible Assets" and must be capitalized accordingly, internally generated intangible assets in the amount of kEUR 1,703 were recognized (PY: kEUR 749). Capital expenditure for office and business equipment amounted to kEUR 323 (PY: kEUR 169).

1.6 Financial Situation and Capital Structure

The financial situation and capital structure of ServiceWare have changed compared to the previous year primarily due to the growth in sales revenues and the associated balance sheet recognition, especially of maintenance and SaaS contracts. The balance sheet total as at November 30, 2024 was kEUR 155,055 (November 30, 2023: kEUR 124,740). Equity totaled kEUR 46,371 as at the balance sheet date (PY: kEUR 46,254). The equity ratio thus amounted to 29.9 percent and decreased by around 7.2 percentage points versus November 30, 2023. The increase in the balance sheet total is driven by the successful business development, particularly in the strategically important SaaS/Service segment.

The non-current assets increased by 21.9 percent to kEUR 62,071. Other intangible assets rose by kEUR 72. This includes the capitalization of internally generated intangible assets in the amount of kEUR 1,703 (PY: kEUR 749) and the amortization of intangible assets in the amount of kEUR 1,192 (PY: kEUR 1,514), which are mainly attributable to the “SABIO” and “cubus” trademarks acquired in 2018 and 2019 and the associated customer bases. In addition, there are changes in the rights of use for leased assets, which are recognized in the balance sheet under intangible assets in accordance with IFRS 16 (“Leases”). kEUR 6,902 (PY: 3,229) are accounted for by non-current financial assets. Prepaid expenses for customer maintenance and SaaS contracts (contract receivables) mainly include payments on account for maintenance and SaaS agreements with a remaining term of more than 12 months (non-current assets) or less than 12 months (current assets). Altogether, prepaid expenses for customer maintenance and SaaS contracts (contract receivables) increased by 47.8 percent.

Trade receivables are 21.2 percent above the previous year at kEUR 29,244. 90.0 percent (prior year: 79.6 percent) of the trade receivables were not yet due as at the balance sheet date. Compared to the previous year, liquid funds increased to kEUR 26,708, which corresponds to a growth of kEUR 1,692 (+6.8 percent). Overall, current assets increased by kEUR 19,180 (+26.0 percent).

As in the previous year, subscribed capital amounted to EUR 10.5 million and includes 10.5 million shares with a nominal value of EUR 1.00 each. Reserves remained almost unchanged at kEUR 50,142 (PY: 50,047). In the cumulated other equity, which increased by kEUR 93, effects with no effect on income, which included during the past fiscal year mainly currency and measurement effects, are reflected.

Non-current liabilities increased by kEUR 8,916 to kEUR 35,419 in the 2023/2024 fiscal year versus November 30, 2023. The main driver here is non-current contract liabilities, which increased by kEUR 9,917 to kEUR 31,297. The balance sheet items concerning non-current and current contract liabilities essentially represent payments received for maintenance and SaaS contracts. These are contractual liabilities for a period of up to twelve or 60 months. Due to binding contracts, contract liabilities represent already fixed future sales revenues of ServiceWare. Other non-current liabilities, under which obligations from long-term rental and lease agreements are recognized in accordance with IFRS 16, fell by kEUR 214 to kEUR 1,574 compared to the previous year’s reporting date. Non-current financial liabilities were repaid in full during the reporting period due to the scheduled repayment of bank loans (PY: kEUR 999).

Current liabilities increased by kEUR 21,282 to kEUR 73,265 as at the balance sheet date versus prior year. A major contribution to this increase is the rise in current contract liabilities by kEUR 15,234 to kEUR 49,300. Overall, the current and non-current contract liabilities have increased by kEUR 25,151 (45.4 percent), which secures the long-term sales revenues of ServiceWare.

The current income tax liability amounted on November 30, 2024 to kEUR 181 (PY: kEUR 98).

1.7 Presentation of the situation of Serviceware SE (financial statements according to HGB (German Commercial Code))

The balance sheet total of Serviceware SE amounts to kEUR 69,118, with the largest part being accounted for by liquid funds and investment securities (kEUR 11,272), as well as shares, borrowings and shareholdings in affiliated companies (kEUR 15,880 and kEUR 40,837, respectively). Financing is carried out in the amount of kEUR 58,917 primarily through equity. Due to the favorable interest environment, a bank loan was raised in the amount of kEUR 6,000 in 2019, which is redeemed on schedule and showed a balance of kEUR 1,000 on the balance sheet day.

Serviceware SE reported a net loss of kEUR 1,840 at the end of the fiscal year. The company generates revenues primarily by charging management services to its affiliated companies. In addition, major international customers from countries in which Serviceware SE has no subsidiaries are usually settled by Serviceware SE. Expenses arise mainly from the remuneration of salaried employees, the charging of management services and the expenses for purchased goods from the affiliated companies to Serviceware SE as well as from the measures associated with the listing of the company on the stock exchange. In the medium term, income from investments is expected, which, however, could not be realized in the fiscal year 2023/2024. No significant increase in investment income is expected for the 2024/2025 fiscal year either.

1.8 Consolidated cash flow statement

The liquid funds of Serviceware increased by 6.8 percent to kEUR 26,708 as at November 30, 2024 versus November 30, 2023. Operating activities resulted in an inflow of liquid funds of kEUR 9.890 in fiscal 2023/2024 (PY: kEUR 1,272). Investing activities resulted in a cash outflow of kEUR 4,989 (PY: kEUR 2,027), which is made up of investments in intangible assets and property, plant and equipment (kEUR 337), investments in capitalized internally generated intangible assets (kEUR 1,703), proceeds from disposals (kEUR 2,028) and payments for the acquisition (kEUR 5,555) of non-current financial assets and interest received on credit balances (kEUR 578). Financing activities resulted in a cash outflow of kEUR 3,221 (PY: kEUR 3,303), which was mainly due to the scheduled repayment of non-current and current financial liabilities as well as the repayment of lease liabilities (kEUR 2,067). In addition, there was an exchange rate-related increase in liquid funds of kEUR 12 (PY: kEUR 1), which resulted from the effects of cash and cash equivalents held in foreign currencies.

1.9 Employees

Serviceware employed a total of 472 employees on the reporting date November 30, 2024, which corresponds to a net reduction of 7 employees compared to the prior-year reporting date. There are 375 employees in Germany, 36 in Spain, 25 in the Netherlands, 13 in Bulgaria, 10 in the United Kingdom, 9 in Austria, 2 in Switzerland and 2 in Poland.



The 472 employees break down functionally as follows: 100 employees in Sales and Marketing (PY: 97 employees), 185 employees in Service & Support (PY: 197 employees), 128 employees in Software Development (PY: 131 employees) and 59 employees in Administration (PY: 54 employees).

The reduction in the number of employees was accompanied by planned process-related and organizational optimization measures, which have further increased Serviceware's efficiency and will have a positive impact on future profitability. The implementation of the personnel changes was largely realized through natural fluctuation. In fiscal 2023/2024, the fluctuation rate was 14.0 percent after 15.7 percent during the previous year and thus remained at a low level compared to the rest of the industry.

In order to obtain an overall picture of the development of our employees, we not only analyze a large number of quantitative key figures, but also record how our employees develop in terms of their specialist skills.

Filling positions in the IT sector is a major challenge for all companies. Thanks to a targeted recruitment and training strategy, we have succeeded in filling open positions and further increasing the quality of our workforce.

1.10 Research and Development

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

Serviceware has recognized the potential of AI very early on and has been offering its customers AI-driven services and innovations for six years. Since both the technological change and the speed of business transformation are progressing exponentially, Serviceware presented a new, AI-native technological basis as the core of its platform in 2024.

To further expand Serviceware's capabilities in the field of Artificial Intelligence, a cooperation agreement for joint practice-oriented research is in place with the Technical University of Darmstadt, a leading research institution in this field. The aim of the cooperation is to develop new AI solutions and implement them in the Enterprise Service Management Platform.



Based on customer feedback, industry and technology trends, the functionality and technology of our standard products are constantly expanded and updated.

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 prioritization of decisions. At the end of the past fiscal year, we employed 128 employees (PY: 131 employees) in software development.

Within the framework of the development activities, internally generated intangible assets that meet the capitalization criteria in accordance with IAS 38 “Intangible Assets” and must be capitalized accordingly, were recognized in the amount of kEUR 1,703 (PY: kEUR 749). Internally generated intangible assets that do not meet the capitalization criteria in accordance with IAS 38 are still recognized as expenses in the period in which they are incurred.

2 Opportunities and Risks

Serviceware SE is currently focusing on a large number of opportunities which are to be seized in the future and some of which have already been seized. The first and foremost of these are the diverse and comprehensive changes associated with the use of Artificial Intelligence, which Serviceware sees as a great opportunity to be even more successful in the future.

However, many future opportunities are also accompanied by risks, which will be explained in more detail in this section. In order to be able to better assess the risks and bring more transparency to the risks and opportunities explained, we will categorize the risks and opportunities, as last year, in the following scheme:

1. Likelihood of occurrence:

- high	over 90 percent
- possible	between 10 percent and 90 percent
- unlikely	less than 10 percent

2. Level of financial impact:

- significant	material impact
- moderate	moderate impact
- low	low impact

The risk policy of Serviceware SE is oriented in a conservative manner. This means that in principle we only enter into risks which are assessed as unavoidable within the framework of the business activity and the business model, but which appear to be controllable. At the same time, Serviceware SE always keeps an eye on opportunities to further develop the business model and business activities. The opportunities and risks of Serviceware SE do not fundamentally differ from those of the Serviceware Group. Therefore, the opportunities and risks are presented below from the overall perspective of the Group and apply equally to Serviceware SE.

In order to regularly assess the risks and also evaluate new opportunities and risks, a company-wide risk management system has been implemented at Serviceware and this is continuously developed and adapted according to the latest findings. Serviceware regularly reviews business objectives, business processes and risk control measures with the help of the controlling systems, procedures and reporting standards used.

In addition, 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 likelihood of occurring and the impact on the continued existence of the company. Furthermore, existing measures are assessed and new measures to be introduced are determined and implemented, if necessary. 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 material since they can have a major influence on the business as well as the assets, financial and earnings position.

2.1 Global Risks and Opportunities

A major opportunity for Serviceware lies in the development of international markets. According to current market analyses of large research companies, it is expected that the relevant markets for Serviceware will witness a double-digit growth in the coming years. This increased market penetration and market growth will have a positive impact on the financial position, revenue, and financial performance of Serviceware. We consider the likelihood of occurrence to be possible and the possible effects would be significant.

Another opportunity for Serviceware results from the worldwide trend towards progressive digitalization as well as the increasing use of Artificial Intelligence. The consistent use of Artificial Intelligence in our software solutions and in our business operations, coupled with the increasing demand for our products as a result of digitalization, could have a positive impact on our financial position, revenue, and financial performance. We see the likelihood of occurrence as possible and the effects would be significant.

As a result of increasing global digitalization, the use of virtual communication solutions has soared. This has given Serviceware the opportunity to make sales channels and cooperation more efficient without having to rely on physical on-site visits. And it makes it easier and more efficient to meet in an international environment. As a result, cross-border deals are easier to execute, which has already had a positive impact on our financial position, revenue, and financial performance and could continue to do so.

At this point, we would like to emphasize that we at Serviceware continue to regard and actively promote personal contacts with our customers and among our employees as the preferred form of cooperation. At the same time, the increasing use of virtual formats boosts efficiency and the likelihood of international success. We estimate the likelihood of occurrence as high and the impacts would be moderate.

Cooperation with international partners offers the opportunity to increase our presence in the markets relevant for us and to raise the likelihood of success in the case of deals which would have a positive impact on our financial position, revenue, and financial performance. The likelihood of occurrence is to be assessed as possible, the effects would be moderate.

The provision of our software as a Cloud service and the offering of Software-as-a-Service models opens up the possibility for Serviceware to make our software available worldwide in an uncomplicated manner. The related use by a globally larger group of customers could have a positive impact on our financial position, revenue, and financial performance in the long term. We consider the likelihood of occurrence to be high and the impact to be significant.

However, there are also risks that we have to take into account. A central risk is the worldwide increase in tensions and military conflicts, which result in political instability and trade disputes. This could have a detrimental effect on international trade and adversely affect our financial position, revenue, and financial performance. To counter this risk, we are focusing our sales markets on politically stable regions with open trade. We consider the likelihood of occurrence to be possible and the impact would be significant.

In addition, economic risks, such as a global economic downturn, pose a threat that could have a negative impact on our financial position, revenue, and financial performance. Here, too, we estimate the likelihood of occurrence to be possible, and the impact would also be significant.

With the increasing internationalization, there is also the risk that political or regulatory changes in the various markets could have a significant impact on day-to-day business. To counter this risk, Serviceware bases its decisions and business processes on comprehensive advice from internal and external experts. We consider the likelihood of occurrence to be possible and the effects would be moderate.

We monitor the relevant trends very closely to identify the dynamics of social, political, macroeconomic and regulatory developments at an early stage and manage them in a targeted manner. Since these influencing factors are largely outside our direct sphere of influence, the countermeasures are naturally limited.

Another risk is posed by different data protection laws and compliance requirements in different countries, which could lead to legal problems and financial burdens. This would have a negative impact on our financial position, revenue, and financial performance. To minimize this risk, we work closely with external experts. We estimate the likelihood of occurrence to be low and the impact to be moderate.

As a provider of cloud-based services, we are also exposed to the risk of cybercrime, which could temporarily impair our business operations. This would have a negative impact on our financial position, revenue, and financial performance. To counter this risk, we protect our infrastructure using state-of-the-art technology and regularly train our employees about the dangers of cybercrime. In addition, the topic of IT risk management receives special attention from the Administrative Board, and regular reports are made about protective measures, particularly with regard to Artificial Intelligence. We estimate the likelihood of occurrence as possible and the impact as significant.

2.2 Strategic Opportunities and Risks

We see our ESM Platform strategy, which aims to offer our customers tailored software modules for every aspect of the digital service, as a significant opportunity. This strategy enables our customers to integrate their data seamlessly and to use their software easily. Over the years, we have the opportunity to expand our platform with our customers and to exploit the potential for upselling and cross-selling. Our customers can thereby continuously increase the value of their initial investment, which could have a positive impact on the financial position, revenue, and financial performance of Serveware in the medium and long term. We estimate the likelihood of occurrence as possible and the impact as significant.

We pursue the strategy of offering our ESM software modules worldwide. This international expansion opens up the possibility of acquiring new customers and creating international references, which in turn would attract further international customers. This makes us a little more independent of regional economic developments. This development could have a significant impact on sales revenues and earnings. We consider the likelihood of occurrence to be possible, the effects would be significant.

In product development, we have opted for an agile approach for many years. This enables us to incorporate market trends and customer feedback into the development of new products at short notice. We can thus ensure that our software versions meet our customers' expectations and offer a high level of benefit. This practice could increase the demand for our products and have a positive impact on the financial position, revenue, and financial performance of Serveware. The likelihood of occurrence is possible, and the effects would be significant.

We see a further potential in the strong customer retention and the high loyalty which our customers have for Serveware. The trust in our long-term performance is reflected by a low churn rate. This stable basis gives us the opportunity to offer our existing customers additional products and to further improve our revenue and financial performance. The effects are significant, and we estimate the likelihood of occurrence as possible.

However, the above-mentioned strategic opportunities must also be seen within the context of strategic risks, which we explain in more detail below and show how we deal with these risks in order to minimize their impact.

Our products and services are highly dependent on technological progress. The rapid development of new technologies could cause existing products or services to become outdated and lose their importance. We counter this risk by remaining agile in product development and obtaining feedback from our customers at an early stage to develop competitive products. We estimate the likelihood of occurrence of this risk as possible and the impact as significant.

A further risk arises from our strategic approach of further focusing on the SaaS business with its recurring revenues. This means that we do not recognize our revenues immediately, but continuously over the contract terms. This focus could lead to a shift in earnings and revenue potential into the future and dampen the short-term revenue and earnings development. On the other hand, this strategy offers the opportunity to make our business model more profitable and resilient in the long term. We estimate the likelihood of occurrence of this risk as possible and the impact as significant.

In order to further accelerate our growth, we continuously examine potential inorganic growth options alongside organic growth. There is a risk that companies or parts of companies which we acquire or have acquired develop financially worse than expected, which could have a negative impact on the financial position, revenue and financial performance of ServiceWare. For this reason, we conduct careful due diligence before each acquisition of companies or parts of companies, in which we consult both internal and external experts in order to be able to realistically assess the future development and possible risks of the object of purchase.

On the other hand, inorganic growth offers the opportunity to positively manage the transformation pressure and the fast pace of innovation in our markets and to strengthen the financial position, revenue and financial performance of ServiceWare. We assess the impact of this risk and the associated opportunity as moderate and consider the likelihood of occurrence to be low.

2.3 Personnel Management Opportunities and Risks

The use of Artificial Intelligence offers the possibility that in future a significant part of our work will be replaced by this technology. This development will increase our efficiency, both in software development and in all other activities required under our business model. This will have a positive impact on the financial position, revenue, and financial performance of ServiceWare. We consider the expected impact to be significant and we estimate the likelihood of occurrence to be high.

Despite or actually because of the use of Artificial Intelligence, highly qualified and motivated employees remain the basis for the long-term success of ServiceWare. Our success is therefore closely linked to the retention of experienced employees with high technical and social skills, particularly in the areas of software distribution, development and consulting. At the same time, it is important to continuously adapt employee know-how to the rapidly changing market requirements through targeted training measures.

Nevertheless, there is a risk for the future of intensive competition for qualified IT specialists, which might lead to a loss of employees or insufficient recruitment of new talents. The shortage of skilled labor as well as a generally increasing price level have an impact on wage costs, which entails the risk that the personnel expenses of ServiceWare increase.

In order to position ourselves as a modern and attractive employer, we rely not only on the development of an employer brand but also on a performance and success-based compensation model as well as on development programs for the training and further education of our employees. Our management culture is developed in such a way that our employees are offered long-term and interesting prospects at ServiceWare. In addition, we have introduced an internal reporting and key figure system which helps us to identify the points in the company where improvements are required for employee retention. To promote our corporate culture, we rely on personal exchange within the teams to strengthen innovation and team cohesion. In the future we want to continue to make optimum use of these opportunities and attract a sufficient number of highly qualified employees for ServiceWare. We consider the impact of this project to be significant and currently assess the likelihood of occurrence as possible, in particular in the short term.

2.4 Opportunities and Risks from Software Projects

The successful completion of a project can be seen as the biggest opportunity in software projects. This often leads to further license, SaaS or service contracts. Above all, it results in a high level of customer satisfaction, which leads to recommendations and thus increases the demand for further software projects. This development has a positive impact on the financial position, revenue, and financial performance of ServiceWare. We consider these effects to be significant and estimate the likelihood of occurrence to be high.

In addition, there is the opportunity to obtain valuable feedback from our customers in our numerous software projects. This feedback enables us to continuously improve our offering, which means that our products and services are constantly improving and our competitiveness is strengthened. This process can also have a positive impact on the financial position, revenue, and financial performance of ServiceWare. We consider the impact to be moderate and estimate the likelihood of occurrence as possible.

Successful software projects also contribute to increasing trust in our performance and strengthening the loyalty of our customers. This in turn has a positive influence on the financial position, revenue, and financial performance of ServiceWare. Here too, we consider the effects to be moderate and the likelihood of occurrence to be possible.

The more software projects we successfully complete, the greater the opportunity to increase our scalability and thus reduce project costs. This is possible because we can implement many phases more cost-effectively with a higher number of projects. This would have a positive impact on the financial position, revenue, and financial performance of ServiceWare. In this case, too, the effects are moderate and we estimate the likelihood of occurrence as possible.

The risks of software projects comprise both typical project risks and product risks which have to be minimized. The typical project risks include the possibility that a software project cannot be completed within the agreed time frame, in the agreed quality or within the agreed budget. This can have various causes, such as changes in requirements, dependence on key persons or staff shortages on all sides of the project participants.

In order to counter these risks, especially in the case of fixed-price projects, ServiceWare relies on standards for the calculation and approval for the performance of software implementation projects. In addition, active risk management is operated to avoid losses. Regular reporting by Project Controlling to the responsible Managing Director ensures that the development of software implementation projects is continuously monitored in order to identify deviations at an early stage and take countermeasures. Nevertheless, it may happen that some projects do not develop as planned, which could have an overall negative impact on the success of ServiceWare. We consider the impact to be moderate and estimate the likelihood of occurrence as possible.

Despite the utmost care, which includes a multi-stage quality assurance process, it cannot be avoided in software development that quality defects occur. In order to reduce the risk of defects in software development and in consultancy and implementation of customer solutions, our contracts include restrictions on liability in the event of warranty claims. In addition, a third-party liability insurance has been taken out to cover such risks. If necessary, provisions are set up for possible liability risks for reasons of commercial prudence. Inferior quality increases the risk that our services are not fully recognized and paid for, which could have a negative impact on the financial position, revenue, and financial performance of ServiceWare and could lead to a loss of reputation for ServiceWare. We consider the impact to be moderate and estimate the likelihood of occurrence as possible.

The risk of cybercrime and hacker attacks, which was described in Chapter 2.1, also exists when software projects are carried out.

2.5 Financial Opportunities and Risks

We define financial risks and opportunities as including, in particular, risks in the areas of financing and liquidity, as well as the risk of bad debt losses and insolvencies on the part of our customers. The assessment of these financial risks leads to the following results:

We see a significant financial opportunity in our high cash holdings. This provides us with the flexibility of responding quickly to business opportunities. To manage these holdings, we regularly monitor liquid funds at the group and subsidiary levels. Regular liquidity status reports and active receivables management ensure that liquidity is well secured and that our receivables are paid on time. We consider the impact of this factor to be moderate and the likelihood to be high.

We currently see an opportunity to invest our cash holdings at credit interest rates. However, we proceed with extreme caution and prioritize the security of the investment over potential returns. We consider the impact to be low and estimate the likelihood to be high.

Nevertheless, there is still a risk that the contracting party will default and that we will not recover some or all of the invested liquidity. To counter this risk, we primarily invest our liquidity in fixed-term deposits and financial instruments of debtors with very good credit ratings and ensure that the liquidity remains available at short notice. In addition, we diversify our investments across various financial institutions. We consider the impact of this risk to be moderate and estimate the likelihood of occurrence to be unlikely.

Despite rising interest rates, we are not exposed to any interest rate risk as the interest rates on our relatively small volume of financial liabilities are fixed until the end of the regular repayment period. We consider the impact of this risk to be low and the likelihood of its occurrence to be unlikely.

There is a risk that bad debt and insolvency among our customers could have a negative impact on our financial position, revenue, and financial performance. However, this risk is mitigated by the broad diversification of our financial receivables in terms of our customers' industries. In addition, our largest receivables from individual customers are so small in relation to our total portfolio that a default has not yet jeopardized our existence. We take care to maintain a balanced risk profile by focusing on industry diversification, assessing the creditworthiness of our business partners and limiting maximum claims. We hedge the majority of significant receivables with a payment term of more than 60 days with default insurance. Nevertheless, defaults can also occur in the case of large receivables, which could have negative consequences for the financial position, revenue and financial performance. We consider the impact to be moderate and the likelihood to be possible.

The internationalization of our business model and the increasing volume of business transacted in US dollars (USD) give rise to an exchange rate risk. We try to minimize this risk by largely passing on the opportunities and risks associated with exchange rate changes to our business partners. Payments in USD to suppliers are partially secured by payments in USD from our customers. We hedge excess USD positions for the most part by means of forward exchange transactions if these risks remain with us. Overall, there remain calculable opportunities and risks that are continuously monitored and hedged if necessary. We consider the impact of this risk to be low and the likelihood of occurrence to be possible.

2.6 Accounting-related Risk Management System and Internal Control System

The internal control and risk management system (ICS) in the Serviceware Group relates to all processes which have an impact on accounting as well as to all relevant risks and controls with regard to the consolidated financial statements. The objective of this system is to identify and assess risks which could have a material impact on the financial statements. On the basis of the identified risks, targeted measures are introduced and controls implemented to effectively monitor and control these risks, so that a set of financial statements that complies with the rules can be guaranteed.

Serviceware has a comprehensive internal control and risk management system for the group accounting process which comprises both suitable structures and processes and is rooted in the organization. This system is designed to ensure the timely, uniform and correct accounting of all business processes and transactions. It guarantees compliance with the relevant statutory standards and accounting rules for all companies included in the consolidated financial statements. Both the risk management system and the internal control system cover all material subsidiaries and include all processes relevant for the preparation of the financial statements. A centralized, uniform accounting process ensures that the subsidiaries prepare their financial statements in close coordination with the parent company. The relevant controls in the area of accounting focus in particular on avoiding material misstatements in financial reporting.

Misstatements are assessed based on their likelihood of occurrence and their financial impact on sales revenues and EBITDA. Changes in legislation, accounting standards and other pronouncements are continuously analyzed by internal and external specialists in terms of their relevance to and impact on the consolidated financial statements.

Key elements for risk management and control in accounting include the clear assignment of responsibilities and controls in the context of the preparation of the financial statements, appropriate access rules to IT systems relevant for the financial statements as well as the precise regulation of responsibilities when involving external specialists. The four-eyes principle and the segregation of duties constitute important control mechanisms in the accounting process.

The identified risks as well as the measures taken are regularly updated in the half-yearly reporting to the Administrative Board of Serviceware SE. Material changes or new risks are immediately communicated to the Administrative Board.

The assessment of the internal controls with regard to accounting is performed at least once a year, mainly within the framework of the process of preparing the financial statements. The identified risk areas currently have no impact, either individually or cumulatively, on the financial position, revenue, and financial performance that would jeopardize the continued existence as a going concern.

The financial policy of the group is determined by the Managing Directors. The primary objectives of financial management are to ensure liquidity and to limit financial risks.

With a view to possible exchange rate risks, in particular in the US dollar area, Serviceware actively hedges against exchange rate losses. This hedging is done by means of forward transactions which are concluded as and when required and exclusively in relation to underlying business contracts in order to ensure a fixed and hedged calculation base for multi-year invoices in US dollars. For subsequent purchase options which might be granted to our customers in US dollars, the use of currency options is conceivable as an additional instrument insofar as exchange rate fluctuations might have significant effects on the income from the underlying transaction.

Where necessary, the control of exchange rate risks is carried out centrally by Serviceware SE for all subsidiaries. When investing liquid funds, Serviceware pursues a conservative strategy and ensures that the funds required for operations are available at short notice. The company invests mainly in fixed-term deposits and in financial instruments of debtors with a very good credit rating. The control of the credit risks of the contracting partners is also carried out centrally by Serviceware SE for all subsidiaries. Interest rate hedging is carried out in parts. The primary objective of the group is not to generate returns from the liquidity reserve; however, possibilities to generate interest income by using time deposits and call accounts are continuously evaluated and used. During the past fiscal year, Serviceware started to invest liquid funds in government bonds and bonds of government institutions with a very good credit rating in order to further minimize the risk of liquidity losses.

The financing of the company is currently mainly based on a mix of equity and debt financing. In the long term, corporate financing is to be supported again to a greater extent by positive earnings from current business. During the past fiscal year, we were able to increase our liquid funds significantly again so that entrepreneurial decisions can be financed on a sound basis.

Financing is managed by Serviceware SE and involves all subsidiaries. Due to the existing liquidity, all bank accounts are to be maintained in credit, while financial liabilities are reduced on schedule.

All central management measures are regularly discussed at the meetings of the Managing Directors and at the Administrative Board and, if necessary, adjusted to relevant developments. These management measures are supported by key financial performance indicators such as sales revenues, EBIT and EBITDA, as well as by other key figures such as accruals and deferrals and cash flow. There are currently no significant non-financial performance indicators.

The Administrative Board considers the internal control system and the risk management system to be appropriate and effective.¹⁶

¹⁶ This is a disclosure required by the German Corporate Governance Code 2022, which is not part of the audit of the financial statements as it is not part of the management report.

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

1. Declaration of Conformity

The declaration of conformity in accordance with § 161 AktG is available on the website of the company under “Company”, “Investor Relations”, “Corporate Governance” in the section “Declarations of conformity”:

German:

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

English:

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

2. Compensation

The compensation report about the past fiscal year and the auditor’s statement in accordance with §162 AktG (German Stock Corporation Act) as well as the applicable compensation scheme in accordance with § 87a Para 1 and 2 Sentence 1 AktG and the last resolution on compensations in accordance with § 113 Para 3 AktG are available on the website of the company in the section “Company”, “Corporate Governance” under “Compensation Reports”:

German:

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

English:

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

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

Serviceware SE has implemented a company-wide risk management system which is continuously being developed further. The business goals, internal corporate processes and risk control measures are 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.

The executive management of the company complies with the applicable laws, the Statutes of Serviceware SE as well as the internal rules of procedure. There are no more extensive publicly accessible qualified corporate management practices.

4. Functioning of the Administrative Board and the Managing Directors

Serviceware SE has a monistic management and control structure. The monistic system is characterized in accordance with Art. 43-45 SE Regulation in conjunction with § 20 SEAG (SE Implementation Act) by the fact that the management of the SE is carried out by a uniform body, the Administrative Board. The Managing Directors are conducting the current operations of the company by implementing the base lines and targets laid down by the Administrative Board. Another body is the General Meeting.

4.1. Administrative Board

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 be elected by the General Meeting.

The Administrative Board appoints the Managing Directors and ensures long-term succession planning. This is discussed by the Administrative Board at least once a year. It ensures that the knowledge, skills and experience of all members of the Administrative Board and the Managing Directors are diverse and balanced.

A key component of long-term succession planning is the identification and development of internal candidates for future management tasks. The Managing Directors are responsible for identifying potential candidates at an early stage, who are to be systematically developed by taking on tasks with increasing responsibility and providing further training in line with requirements, so that internal candidates can ideally always be included in the shortlist when new appointments are made.

The current members of the Administrative Board are Mr. Christoph Debus (Chairman), Mr. Harald Popp and Mr. Ingo Bollhöfer.

Mr Debus was appointed with effect from the end of the general meeting on May 6, 2021 until the end of the general meeting which resolves on the discharge of the members of the Administrative Board for the fourth fiscal year after the beginning of the (new) term of office. The other members have been appointed with effect from the end of the general meeting on May 12, 2022. The term of office of Mr Popp ends with the end of the general meeting which resolves on the discharge of the members of the Administrative Board for the fourth fiscal year after the beginning of the (new) term of office. The term of office of Mr. Bollhöfer ends at the end of the general meeting which resolves on the discharge of the members of the Administrative Board for the second fiscal year after the beginning of the (new) term of office. The fiscal year in which the (new) term of office begins is not counted.



The Administrative Board analyzed its competencies in the 2023/2024 fiscal year and drew up a qualification matrix for the competencies of the Administrative Board. This can be summarized as follows:

	Christoph Debus	Harald Popp	Ingo Bollhöfer
Management of companies, associations and networks	✓	✓	
Knowledge of the software industry and the business area of research and development of software solutions		✓	✓
Finance, accounting, financial reporting, risk management, legal affairs & compliance	✓	✓	
Sustainability issues		✓	✓
Accounting/auditing including sustainability reporting	2	1	
Innovation, research & development & technology			✓
Digitalization, IT, business models & start-ups			✓
Human resources, society, communication, media		✓	
Economic sectors other than the software industry	✓		

1 Member with specialist knowledge and experience in the field of auditing, including the audit of sustainability reporting

2 Member with specialist knowledge and experience in the field of accounting, including sustainability reporting

The Administrative Board meets at least every three months to deliberate about the course of the business and its probable further development. The Administrative Board had five ordinary meetings in fiscal 2023/2024.

In accordance with the rules of procedure of the Administrative Board, the overall Administrative Board may instruct individual members of the Administrative Board with the implementation of the resolutions and the execution of measures and set up committees of the Administrative Board.

The Administrative Board which consists of the minimum number of three members acts at the same time as audit committee. Due to the fact that the Administrative Board and the Audit Committee have the same chair, the Committee is chaired by Mr Debus. Mr Debus has special expertise in the field of accounting due to his many years of work as CFO in various companies in the mobility industry. Mr. Popp has special expertise in the field of auditing due to his many years as CFO of Serviceware SE.

At present there are no other committees of the Administrative Board.

In the summer of 2024, the Administrative Board carried out a further self-assessment. This self-assessment was supported by a questionnaire drafted by a working group of the DGB Working Group on Co-determination under the auspices of the Hans Böckler Foundation. The result was positive and no need for action resulted from it.

4.2. Managing Directors

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 interest to the Administrative Board and to inform the other Managing Directors accordingly. They may only take over side-line 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 interest among the Managing Directors of Serviceware SE.

5. 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 are 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 zero percent was defined.

6. 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 are 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 System

The compensation system for the Managing Directors consists of a fixed basic compensation, payable on a monthly basis, which takes into account the tasks and performance of the respective Managing Directors, a short-term variable compensation in the form of an annual bonus, which depends on the achievement of the annual performance targets of the company, and a long-term compensation, which is directly linked to the value development of the company and is thus intended to create an incentive for a sustainable commitment in support of the company. The targets for the short- and long-term variable compensation are derived from the corporate strategy of Serviceware SE. The long-term variable compensation is granted partly in a cash-based form and partly share-based as stock options. The options may be exercised at the earliest four years after they have been granted, provided that the performance target has been achieved.

The members of the Administrative Board receive a fixed compensation in addition to a reimbursement of their expenses for the respective fiscal year. The Chairman of the Administrative Board may receive in addition a variable compensation in the form of an option to acquire shares in the company, provided that he is not also a Managing Director. The conditions of acquisition are to be based on the respectively applicable stock option plan for the Managing Directors.

As far as further details on the compensation scheme for Managing Directors and the Administrative Board are concerned, reference is made to the content of the compensation scheme approved by the general meeting of May 6, 2021, which is available on the website of the company in the section “Company”, subsection “Corporate Governance” under “Compensation Systems”.

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

As a listed company with registered office in Germany, Serviceware SE (the “Company”), 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 Consolidated 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 November 30, 2024 to EUR 10,500,000.00 and includes 10,500,000 no-par value bearer shares with a proportionate amount in the share capital of EUR 1.00. There are no different classes of shares. Since the beginning of the fiscal year 2023/2024 there has not been any change in the share capital. The shares are all fully entitled to dividend.

Restrictions concerning the voting rights or the transfer of shares

The shareholders of Serviceware SE are neither bound by German laws nor by the Statutes of the company with a view to their decision to buy or sell shares. The acquisition and sale of shares does not require the consent of the bodies of the company with a view to validity. No restrictions concerning the transferability of shares are known to the company.

Each share grants one vote in the general meeting. The voting right of the shareholders is not subject to any restrictions either in accordance with laws or the Statutes of the company. The voting rights are not limited to a certain number of shares or a certain number of votes. All shareholders who have registered in due time for the general meeting and have proven their entitlement to participate in the general meeting and exercise the voting right, are entitled to exercise the voting right under all shares held and registered by them. Statutory voting right restrictions (eg §136 AktG) apply exclusively.

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

On November 30, 2024 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, Idstein, Germany as well as
- b) Mr Harald Popp, held through dreiff Management GmbH, Ingelheim, 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 StatutesAppointment 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 of the Statutes. 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 Directors. The Administrative Board appoints the Managing Directors in accordance with § 12 Para 2 of the Statutes for a term not exceeding six years. The Managing Directors may be dismissed at any time by resolution of the Administrative Board. 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-Regulation 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 and Para 6 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. The amendment to the Statutes becomes effective in accordance with § 181 Para 3 AktG upon its entry in the commercial register.

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

Authorized capital 2022

By resolution of the general meeting of May 12, 2022 the Administrative Board was empowered to increase the share capital of the company during the period up to May 11, 2027 by a total of up to EUR 5,250,000 by a single or multiple issuing of up to 5,250,000 new no-par value shares against cash and / or non-cash contributions (Authorized Capital 2022).

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 shares issued do not exceed 10 percent of the share capital and the issuing price 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 within the meaning of §§ 203 Para 1 and 2, 186 Para 3 Sentence 4 AktG and all other additional possible prerequisites of § 186 Para 3 Sentence 4 AktG are met. 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 amount to be paid by a third party or the third parties if the new shares are taken over by an issuing intermediary with a simultaneous obligation for the intermediary to offer the new shares for acquisition to one or more third parties determined by the company, is considered to be the issuing amount or the issuing price;
- (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 licenses based thereon or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments;
- (iii) As far as necessary to grant the owners and / or creditors of the bonds with option or conversion rights and / or obligations, issued by the company or its affiliates, 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;
- (v) in other cases in which the exclusion of subscription rights is in the best interests of the company.

The entry of the Authorized Capital 2022 in the Commercial Register was made on February 14, 2023. The Authorized Capital 2022 exists in its full amount.

Empowerment to issue bonds

- a) By resolution of the general meeting of May 12, 2022 the Administrative Board was empowered to issue until May 11, 2027 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 80,000,000. The holders of the Bonds referred to in the above sentence may be granted conversion or subscription rights in respect of up to 4,830,000 no-par value bearer shares of the company with a proportionate amount in the share capital of a total of up to EUR 4,830,000. The conversion and subscription rights may be exercised from a contingent capital decided at this or future general meetings, from existing or future Authorized 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) to exclude fractions from the subscription right;
 - (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 recognized 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 recognized methods of financial mathematics and to the extent that the profit participation rights are merely similar to an option, i.e. 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 licenses 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 2022

By resolution of the general meeting of May 12, 2022 the share capital of the company was contingently increased by up to EUR 4,830,000 with the issuing of up to 4,830,000 new no-par value bearer shares with entitlement to profits from the beginning of the last fiscal year for which no resolution on the appropriation of profits has yet been adopted (Contingent Capital CB 2022). The Contingent Capital increase serves for the exercise of bonds which are issued by virtue of the empowerment resolution of the general meeting of May 12, 2022 under agenda item 8.

The Conditional Capital CB 2022 was entered in the Commercial Register on February 14, 2023. The Conditional Capital CB 2022 exists in full.

Empowerment to acquire and dispose of treasury shares

By resolution of the general meeting of May 12, 2022 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 May 12, 2022. 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 May 12, 2022 and applies until May 11, 2027. Effective November 30, 2024 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 May 12, 2022 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 May 12, 2022 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 May 12, 2022 apply.

Empowerment to issue stock options

By resolution of the annual meeting of May 6, 2021 the Administrative Board was empowered to issue up to May 5, 2026 up to a total of 420,000 options on one or more

occasions to current and future Managing Directors and employees of the company as well as to employees and members of the management bodies of current or future affiliated companies which entitle the acquirer in accordance with the terms and conditions of the options, to acquire new no-par value bearer shares of the company with a pro rata amount of the share capital of EUR 1.00 per share (Stock Option Plan 2021).

With a total volume of the maximum options available for issue of up to 420,000 shares, the group of beneficiaries is composed as follows:

- a) Current and future Managing Directors of the company are entitled to up to 264,346 options.
- b) No options are available to current and future employees of the company.
- c) Current and future members of the executive bodies and the current and future employees of current and future affiliated companies are entitled to up to 155,654 options.

In fiscal 2020/2021, the Administrative Board implemented a stock option plan 2021-D for up to 272,160 options and a stock option plan 2021-M for up to 147,840 options and offered a total of 420,000 options on this basis. Within the acceptance period, 398,400 options were accepted and subsequently issued. In fiscal 2023/2024 no other options were issued.

Contingent Capital SOP 2021

The share capital of the company is conditionally increased by EUR 420,000.00 by issuing up to 420,000 no-par value bearer shares with dividend rights from the beginning of the fiscal year in which they are issued (Contingent Capital SOP 2021). The contingent capital increase serves exclusively to fulfil options granted until May 5, 2026 on the basis of the empowerment of the general meeting of May 6, 2021 pursuant to agenda item 5 lit. a).

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 which 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 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

At the time of the preparation of this Annual Report, there were no significant events which would need to be mentioned in the Supplementary Report.

2.11 Outlook

Leading economic research institutes and institutions expect the German economy to return to slight growth in 2025. In its forecast published in December 2024, the Munich-based ifo Institute expects growth of merely 0.4 percent.¹⁷ The forecast has been revised downwards compared to the previous forecast from September, when growth of 0.9 percent was still expected.¹⁸ According to the ifo Institute, productivity growth remains weak because value added in highly productive industrial sectors is being replaced by value added in service sectors with low productivity growth, and no substantial structural changes are expected in 2025.¹⁷ In its World Economic Outlook published in January 2025, the International Monetary Fund forecasts slightly lower growth of 0.3 percent for the German economy.¹⁹

For the world economy, the International Monetary Fund is forecasting growth of 3.3 percent. Growth will be supported by a robust US economy, which is expected to grow by 2.7 percent, and by China (4.6 percent). Inflation continues to ease and is expected to be around 4.2 percent globally. Risks are seen primarily in possible economic policy decisions that could affect global trade and reignite inflation.¹⁹

The information technology market, which is important and relevant for Serviceware and consists of the segments IT hardware, software and IT services, is expected to generate sales revenues of EUR 158.5 billion (+5.9 percent versus 2024) in the calendar year 2025 according to information provided by the industry association Bitkom in December 2024. This is a further increase in the significant growth from 2024 (+4.4 percent). The industry association assumes that the IT hardware segment will generate sales revenues of EUR 53.7 billion (+3.3 percent versus 2024), the software segment will generate sales revenues of EUR 51.1 billion (+9.8 percent versus 2024) and the IT services segment will generate sales revenues of EUR 53.8 billion (+5.0 percent versus 2024) in 2025.²⁰

The focus on a successful digitalization strategy will continue to be highly relevant for companies and society in 2025. The topic of Artificial Intelligence will play an increasingly important role. A quote from Bitkom Association President Dr. Wintergerst makes it clear that Serviceware with its product portfolio is excellently positioned strategically: “Gone are the days when companies had to ask themselves whether generative AI can provide benefits for them. Today it is no longer a question of whether, it is only a question of how, when and where.”²¹

Serviceware anticipated the trend towards Artificial Intelligence at the time of its IPO in 2018 and acted consistently by establishing a dedicated Artificial Intelligence team in Darmstadt in 2019. We can now benefit from this and believe we are very well positioned in this area.

Leading analyst firms and Artificial Intelligence experts expect the impact to be significant, particularly in the area of digital services, as automation will continue to advance and result in potential for increases in efficiency. We see this as a major lever for increasing sales revenues and earnings in the service sector. At the same time, we are convinced that the consistent use of Artificial Intelligence in all areas of Serviceware can lead to efficiency increases and cost reductions.

¹⁷ <https://www.ifo.de/fakten/2024-12-12/ifo-konjunkturprognose-winter-2024-deutsche-wirtschaft-am-scheideweg>

¹⁸ <https://www.ifo.de/fakten/2024-09-05/ifo-konjunkturprognose-herbst-2024-deutsche-wirtschaft-steckt-in-krise-fest>

¹⁹ <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

²⁰ ITC market figures as at December 2024 to be found under: <https://www.bitkom.org/Marktdaten/ITK-Konjunktur/ITK-Markt-Deutschland>

²¹ <https://www.bitkom.org/Presse/Presseinformation/Erstmals-beschaefigt-Haelfte-Unternehmen-KI#item-20452-close>

Our business model is at an advanced stage of transformation, in which we are transitioning from comparatively high one-time sales revenues to lower, but recurring and, in the long term, more profitable revenue structures. A characteristic feature of this transition is that a large portion of the contractually agreed sales revenues will not be recognized in the income statement in the current fiscal year, but only in subsequent years. In addition, high one-time expenses usually arise at the beginning of the multi-year SaaS contracts, which initially place an additional burden on the earnings position. In the long term, this model, which is characterized by a high share of recurring revenues and a low churn rate, is to lead to higher profitability and a more sustainable business development, whereby the business model of Serviceware will become more resilient against short-term economic fluctuations.

Moreover, the numerous armed conflicts and economic turmoil are leading to considerable uncertainty with regard to business development forecasts. The risks described in detail further above also contribute to the fact that both the estimates for the current fiscal year and the medium-term business prospects are subject to increased volatility.

As previously presented in detail, the business environment remains challenging. Nevertheless, we are confident that we will be able to increase revenues by between 5 and 15 percent in the current fiscal year compared to the prior year. If we continue to succeed in acquiring new customers internationally, there is a higher probability that we will see a growth rate in sales revenues at the upper end of this range at the end of the fiscal year. Furthermore, we assume for the sales revenues forecast for the current fiscal year that in 2025 there will be no exogenous shocks which have a negative impact on the business activity of Serviceware. We are also confident for the following years to further push sales revenues and profit growth.

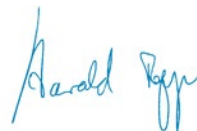
Since we no longer capitalize internally generated intangible assets since the beginning of the new fiscal year and have started to depreciate the internally generated intangible assets of the last two fiscal years as planned, this cost reduction of the two previous years no longer applies and has a negative impact on EBIT and EBITDA. Nevertheless, we expect that on the earnings side for the current fiscal year we will slightly improve the earnings on the EBITDA and EBIT level compared to the previous year.

We are entering the new fiscal year with optimistic expectations and are very confident that we will again achieve a record year in terms of sales revenues for the eighth year in a row. Furthermore, we expect to significantly increase the share of recurring revenues and thus make the business model more sustainable and resilient. In addition, we see the potential to make further progress in gaining international customers. This increasing internationalization supports, in particular, our business policy that the profitability of Serviceware should improve in the medium term.

Idstein, March 19, 2025



Dirk K. Martin



Harald Popp



Dr. Alexander Becker



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Serviceware SE, Idstein

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Consolidated balance sheet

as at November 30, 2024

in EUR	Notes	30.11.2024	30.11.2023
Assets			
Goodwill	1.	14,048,135	14,048,135
Other intangible assets	1.	12,576,499	12,504,537
Property, plant and equipment	2.	825,516	931,919
Prepaid expenses for customer maintenance agreements / SaaS agreements (contract receivables)	4.	22,032,893	15,642,978
Non-current financial assets		6,902,449	3,229,465
Deferred tax assets	5.	5,685,783	4,580,224
Non-current assets		62,071,275	50,937,258
Inventories		61,417	105,047
Trade receivables	3.	29,243,946	24,120,621
Other current receivables/assets	4.	3,031,762	2,332,389
Prepaid expenses for customer maintenance agreements / SaaS agreements (contract receivables)	4.	33,937,862	22,229,057
Cash and cash equivalents	6.	26,708,215	25,015,785
Current assets		92,983,201	73,802,899
Balance sheet total		155,054,476	124,740,157
Liabilities			
Subscribed capital	7.	10,500,000	10,500,000
Reserves	8.	50,141,727	50,046,627
Net accumulated losses		-13,399,758	-13,304,516
Accumulated other equity		-907,065	-1,000,316
Equity without non-controlling shares		46,334,903	46,241,795
Non-controlling shares		36,136	12,677
Equity		46,371,039	46,254,472
Deferred tax liabilities	12.	2,546,989	2,334,808
Non-current financial liabilities	9.	0	999,400
Non-current contract liabilities	10.	31,297,364	21,380,483
Other non-current liabilities	11.	1,574,327	1,788,428
Non-current liabilities		35,418,681	26,503,119
Current income tax liabilities		181,285	98,078
Current financial liabilities	9.	1,001,614	1,077,000
Trade payables		8,967,022	5,188,497
Current contract liabilities	10.	49,300,198	34,066,275
Other current liabilities	11.	13,814,636	11,552,717
Current liabilities		73,264,756	51,982,566
Balance sheet total		155,054,476	124,740,157



Consolidated statement of comprehensive income

for the period from December 1, 2023
to November 30, 2024

in EUR	Notes	Dec. 23 - Nov. 24	Dec. 22 - Nov. 23
Sales revenues	13.	103,290,019	91,528,757
Other operating income	14.	2,412,897	3,790,962
Other capitalized internally generated intangible assets	15.	1,703,126	748,862
Cost of materials	16.	-51,651,320	-44,856,038
Personnel expenses	17.	-41,902,821	-41,207,087
Other operating expenses	18.	-10,628,526	-9,836,351
Earnings before interest, taxes, depreciation and amortization (EBITDA)		3,223,374	169,104
Depreciation and amortization		-3,538,649	-4,149,086
Earnings before interest and taxes (EBIT)		-315,275	-3,979,982
Interest income		578,430	426,771
Interest expenses		-395,594	-307,467
Financial result		182,836	119,304
Earnings before taxes		-132,439	-3,860,678
Income tax	19.	60,656	-83,042
Period loss	20.	-71,784	-3,943,720
Items which may in future be reclassified in the P&L			
Balancing items from the currency translation of foreign subsidiaries		-52,290	216,354
Valuation of financial assets without effect on income		145,542	20,047
Other result		93,251	236,401
Comprehensive income		21,467	-3,707,318
Period loss			
thereof, shareholders of the ServiceWare SE Group		-95,243	-3,977,672
thereof, non-controlling shares		23,459	33,952
<i>Earnings per share</i>	21.	-0,01	-0,38
Comprehensive income			
thereof, shareholders of the ServiceWare SE Group		-1,991	-3,741,271
thereof, non-controlling shares		23,459	33,952



Consolidated cash flow statement

for the period from December 1, 2023
to November 30, 2024

in kEUR	Dec. 23 - Nov. 24	Dec. 22 - Nov. 23
Period loss	-71,784	-3,943,720
Depreciation and amortization of non-current assets	3,538,649	4,149,086
Tax expense	832,722	545,101
Change in non-current liabilities	9,916,881	11,696,026
Change in deferred taxes / deferred income	-893,377	-462,059
Financial result	-182,836	-119,304
Change in non-current assets	-6,389,915	-6,375,481
Change in items of current assets and current liabilities		
- Change in inventory	43,631	-30,345
- Change in receivables / other assets	-17,702,824	-13,875,668
- Change in liabilities	21,352,780	10,494,946
Income taxes paid	-553,828	-806,538
Cash inflow/outflow from current business activity	9,890,099	1,272,045
Capital expenditure on intangible assets and on property, plant and equipment	-337,061	-198,453
Investments in capitalized internally generated intangible assets	-1,703,126	-748,862
Proceeds from the disposal of financial assets	2,027,973	0
Payments for the acquisition of financial assets	-5,555,415	-1,506,905
Interest received	578,430	426,771
Cash inflow/outflow from investing activity	-4,989,199	-2,027,450
Interest paid	-79,435	-74,792
Repayment of non-current liabilities	-999,400	-1,165,761
Repayment of lease liabilities	-2,066,756	-2,061,961
Repayment of current liabilities	-75,386	0
Cash inflow/outflow from financing activity	-3,220,977	-3,302,514
Exchange rate-related change in cash and cash equivalents	12,507	-1,165
Change in cash and cash equivalents	1,692,430	-4,059,084
Cash and cash equivalents at the beginning of the period	25,015,785	29,074,869
Cash and cash equivalents at the end of the period	26,708,215	25,015,785



Consolidated statement of changes in equity

for the period from December 1, 2023 to November 30, 2024

in EUR	Subscribed capital	Reserve	Losses brought forward	Market valuation of financial instruments	Currency translation reserve	Non-controlling shares	Total
December 1, 2023	10,500,000	50,046,627	-13,304,516	-6,809	-993,507	12,677	46,254,473
Period result			-95,243			23,459	-71,784
Currency translation					-52,291		-52,291
Fair value measurement of financial assets				145,542			145,542
Comprehensive income			-95,243	145,542	-52,291	23,459	21,466
Change in capital reserve due to stock option plan		95,100					95,100
November 30, 2024	10,500,000	50,141,727	-13,399,758	138,733	-1,045,799	36,136	46,371,039

Consolidated statement of changes in equity

for the period from December 1, 2022 to November 30, 2023

in EUR	Subscribed capital	Reserve	Losses brought forward	Market valuation of financial instruments	Currency translation reserve	Non-controlling shares	Total
December 1, 2022	10.500.000	49.951.527	-9.326.844	-26.856	-1.209.861	-21.275	49.866.691
Period result			-3.977.672			33.952	-3.943.720
Currency translation					216.354		216.354
Fair value measurement of financial assets				20.047			20.047
Comprehensive income			-3.977.672	20.047	216.354	33.952	-3.707.318
Change in capital reserve due to stock option plan		95.100					95.100
November 30, 2023	10.500.000	50.046.627	-13.304.516	-6.809	-993.507	12.677	46.254.473



Statement of changes in fixed assets

for the fiscal year from December 1, 2023 to November 30, 2024

	Determination of the acquisition and production costs				Determination of the depreciations and amortizations				Carrying amounts	
In EUR	Status 01.12.2023	Additions	Reclassifications Disposals	Status 30.11.2024	Status 01.12.2023	Additions (Annual depreciation)	Reclassi- fications Disposals	Status 30.11.2024 (accumulated)	30.11.2024	30.11.2023
I. Goodwill										
Goodwill	14,048,135	0	0	14,048,135	0	0	0	0	14,048,135	14,048,135
Total Pos. I.	14,048,135	0	0	14,048,135	0	0	0	0	14,048,135	14,048,135
II. Intangible assets										
1. Industrial property rights	462,706	0	-1,226	463,931	388,926	28,191	0	417,116	46,815	73,780
2. IT software	386,783	0	0	386,783	181,159	62,071	0	243,230	143,553	205,624
3. Internally generated intangible assets	1,643,435	1,703,126	0	3,346,560	894,553	0	0	894,553	2,452,008	748,882
4. SABIO trademark	1,768,281	0	0	1,768,281	1,123,595	322,343	0	1,445,938	322,343	644,686
5. SABIO customer base	2,905,460	0	0	2,905,460	774,789	145,273	0	920,062	1,985,398	2,130,671
6. cubus trademark	2,111,447	0	0	2,111,447	1,649,568	461,879	0	2,111,447	0	461,879
7. cubus customer base	5,248,189	0	0	5,248,189	1,180,835	262,409	0	1,443,245	3,804,944	4,067,354
8. Right of use leased premises (IFRS16)	7,435,119	1,315,323	1,144,683	7,605,759	4,093,509	1,422,946	800,994	4,715,460	2,890,298	3,341,610
9. Right of use leased cars (IFRS16)	2,533,760	495,899	361,946	2,667,713	1,703,708	394,810	361,946	1,736,572	931,141	830,052
Total Pos. II.	24,495,179	3,514,348	1,505,404	26,504,124	11,990,642	3,099,922	1,162,940	13,927,624	12,576,499	12,504,537
III. Property, plant and equipment										
1. Cars	0	0	0	0	0	0	0	0	0	0
2. Furniture and fixtures	2,408,895	322,638	36,440	2,695,093	1,738,945	362,935	34,803	2,067,078	628,015	669,950
3. Office equipment	316,571	0	52,981	263,591	212,971	15,393	49,882	178,482	85,109	103,600
4. Fixtures	342,150	2,541	45,436	299,254	183,782	48,517	45,435	186,864	112,391	158,368
5. Low-cost assets	60,527	11,882	11,882	60,527	60,526	11,882	11,881	60,527	1	1
Total Pos. III.	3,128,144	337,061	146,739	3,318,466	2,196,225	438,727	142,002	2,492,950	825,515	931,919
Total Pos. I.-III.	41,671,458	3,851,409	1,652,143	43,870,724	14,186,867	3,538,649	1,304,942	16,420,574	27,450,150	27,484,591



Statement of changes in fixed assets

for the fiscal year from December 1, 2022 to November 30, 2023

	Determination of the acquisition and production costs				Determination of the depreciations and amortizations				Carrying amounts	
In EUR	Status 01.12.2022	Additions	Reclassifications Disposals	Status 30.11.2023	Status 01.12.2022	Additions (Annual depreciation)	Reclassi- fications Disposals	Status 30.11.2023 (accumulated)	30.11.2023	30.11.2022
I. Goodwill										
Goodwill	14,048,135	0	0	14,048,135	0	0	0	0	14,048,135	14,048,135
Total Pos. I.	14,048,135	0	0	14,048,135	0	0	0	0	14,048,135	14,048,135
II. Intangible assets										
1. Industrial property rights	460,948	0	-1,757	462,706	343,787	45,139	0	388,926	73,780	117,161
2. IT software	710,216	0	323,433	386,783	436,964	67,598	323,403	181,159	205,624	273,252
3. Internally generated intangible assets	894,573	748,862	0	1,643,435	894,553	0	0	894,553	748,882	20
4. SABIO trademark	1,768,281	0	0	1,768,281	478,909	644,686	0	1,123,595	644,686	1,289,371
5. SABIO customer base	2,905,460	0	0	2,905,460	629,516	145,273	0	774,789	2,130,671	2,275,944
6. cubus trademark	2,111,447	0	0	2,111,447	1,187,689	461,879	0	1,649,568	461,879	923,758
7. cubus customer base	5,248,189	0	0	5,248,189	918,426	262,409	0	1,180,835	4,067,354	4,329,763
8. Right of use leased premises (IFRS16)	8,881,873	1,255,157	2,701,911	7,435,119	4,187,727	1,549,496	1,643,714	4,093,509	3,341,610	4,694,146
9. Right of use leased cars (IFRS16)	2,125,055	732,124	323,419	2,533,760	1,546,925	480,202	323,419	1,703,708	830,052	578,130
Total Pos. II.	25,106,042	2,736,142	3,347,005	24,495,179	10,624,495	3,656,682	2,290,535	11,990,642	12,504,537	14,481,547
III. Property, plant and equipment										
1. Cars	31,953	0	31,953	0	29,314	0	29,314	0	0	2,639
2. Furniture and fixtures	3,378,146	169,099	1,138,350	2,408,895	2,447,454	410,430	1,118,938	1,738,945	669,950	930,692
3. Office equipment	384,362	0	67,790	316,571	256,057	20,009	63,095	212,971	103,600	128,305
4. Fixtures	354,033	15,833	27,716	342,150	163,049	48,446	27,713	183,782	158,368	190,983
5. Low-cost assets	60,527	13,520	13,520	60,527	60,526	13,519	13,519	60,526	1	1
Total Pos. III.	4,209,020	198,453	1,279,329	3,128,144	2,956,400	492,404	1,252,580	2,196,225	931,919	1,252,620
Total Pos. I.-III.	43,363,197	2,934,595	4,626,334	41,671,458	13,580,896	4,149,086	3,543,115	14,186,867	27,484,591	29,782,301



Consolidated Notes

General Information

1. Serviceware SE

Serviceware SE, Idstein, (hereinafter referred to as “Serviceware” or the “Company”) is a European public limited liability company entered in the Commercial Register under number HRB 33658 with the local court Wiesbaden and the parent company of the Serviceware Group (hereinafter referred to as “Group” or “Serviceware Group”). The business address of the Company is at Serviceware-Kreisel 1 in 65510 Idstein.

The fiscal year of the Company runs from December 1 to November 30 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 organizational matters.

The Company acts essentially as a consulting holding company for its subsidiaries by taking over management functions for the latter. In addition, major international customers from countries in which Serviceware SE has no subsidiaries are generally invoiced via Serviceware SE.

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, Idstein

²⁾ held by dreiff Management GmbH, Ingelheim am Rhein

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

2. Accounting principles and functional and presentation currency

The consolidated financial statements of the Serveware Group were prepared for the fiscal year from December 1, 2023 to November 30, 2024 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 HGB (German Commercial Code).

Serveware SE is the ultimate parent company of the Serveware Group. The consolidated financial statements have been prepared in Euro, the functional currency of Serveware SE. Unless otherwise mentioned, all amounts are stated in thousands of euro (kEUR).

The income statement 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 consolidated 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 mathematically precise values.

The accounting policies correspond as a matter of principle to the methods applied during the previous year, apart from the amendments explained in section “4. Amendments to significant accounting policies”.

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 Serveware and its subsidiaries are included into the consolidated financial statements taking into account the accounting and valuation methods applying uniformly to the Group.

The financial statements of Serveware SE, Idstein, as well as the consolidated financial statements of the Serveware Group are published in the Company Register.

These consolidated financial statements of the Serveware Group were released for publication by the Administrative Board on March 19, 2025.

3. Use of discretionary decisions and estimates

The reporting on the assets, financial and earnings position in the consolidated financial statements is dependent on recognition and measurement methods as well as assumptions, discretionary decisions and estimates relating to the future. The assumptions, discretionary decisions and estimates made influence the application of accounting policies and the recognized amounts of assets, liabilities, income and expenses. The actual amounts may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are therefore in line with the Group's risk management. Revisions regarding estimates are recognized prospectively.

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 following statements for the current fiscal year, as well as the estimates for the medium-term business development, are subject to a high degree of variance. In this context, we refer to our corresponding comments in the outlook report. It cannot be excluded that the actual results will deviate from the estimates and assumptions made within the framework of these consolidated financial statements or that in future periods it will be necessary to make an adjustment of the estimates and assumptions made and that this will have a material impact on the assets, financial and earnings position of the ServiceWare Group.

The estimates and assumptions relevant to the financial statements made in preparing the consolidated financial statements as at November 30, 2024 were based on existing knowledge and the best available information.

Effects on the consolidated financial statements can result from declining and volatile share prices, interest rate adjustments in different countries, a higher volatility of the foreign exchange rates, a deteriorating creditworthiness, defaults of payment or late payments, delays in incoming orders and also in order fulfilment or contract fulfilment. Cancellations of contracts, adjusted or modified sales revenue and cost structures, restricted use of assets, restricted or impossible access to the site of customers or the difficulty of making predictions and forecasts based on the uncertainties concerning the amount and time of cash flows. These factors can impact the fair values and carrying values of assets and liabilities, the extent and time of the realization of earnings as well as cash flows. Possible future impacts on the assets, financial and earnings position are analyzed on an ongoing basis.

Areas which are subject to estimates and assumptions and are hence more likely to be affected if the actual results deviate from the estimates and assumptions are:

- Impairment of non-financial assets, in particular goodwill, trademarks and customer bases,
- Impairment of trade receivables,
- Recognition and measurement of provisions,
- Recognition and measurement of deferred tax assets as well as uncertain income tax positions,
- Determination of the term for leases,
- Period-related recognition of sales revenues as well as sales proceeds.

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. Due to the increased interest rate level, the attainable amounts within the framework of the impairment test of non-financial assets can decrease.

The management of the Serveware 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. Any changes concerning the estimates of these anticipated losses from pending business transactions may have a considerable impact on the future earnings position. 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 Serveware Group mainly uses the services of internal experts as well as the services of external consultants such as actuaries or legal advisers.

In every tax jurisdiction in which the ServiceWare Group operates, the management must make valuations when calculating actual and deferred taxes. This is relevant, amongst others, when deciding about the **recognition of deferred tax assets**, since it must be probable that in future there will be a taxable result to offset the deductible temporary differences, losses carried forward and tax credits. For the assessment of the likelihood of the future usability of deferred tax assets, it is not only necessary to refer to an estimate of the future results but also factors such as the earnings position in the past, the reliability of planning as well as tax planning strategies must be taken into consideration. The planning period considered for the assessment of the probability is determined by the circumstances of the respective affiliated company and amounts as a rule to up to five years.

For the determination of the **term of the lease** all facts and circumstances are assessed and taken into account which constitute for the ServiceWare Group an economic incentive to exercise an extension option and / or not to exercise a termination option. Extension options are only a component of the term of a lease if the management is sufficiently certain that it will exercise the extension option and / or the termination option. The exercise is considered to be “sufficiently certain” if it is less than “virtually certain” and more likely than not according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Most of the extension options in leases for offices and cars are included in the lease liabilities. The risk of future additional disbursements exists only if an extension option (which is not classified as sufficiently certain) is exercised or if a termination option (which is classified as sufficiently certain) is not exercised. After the commencement of use, the probability of exercise of an option only has to be reassessed if a significant event or a significant modification of circumstances with an impact on the original assessment takes place and if these events or modifications are under the control of the lessee. The ServiceWare Group reassesses the term of a lease if an option is exercised or not exercised or if the ServiceWare Group is obliged to exercise or not exercise an option.

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 licenses, SaaS, and software maintenance.

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 full 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 behavior. 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.

The assessment of 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.



4. Amendments to significant accounting policies

In fiscal 2023/2024 the following pronouncements and / or amendments to pronouncements of the IASB were to be applied on a mandatory basis for the first time:

Mandatory application EU	Standard	New or amended standards and interpretations and essential contents
January 1, 2023	IFRS 17	Insurance contracts
	IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
	IAS 8	Definition of accounting estimates
	IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
January 1, 2023 ^{*)}	IAS 12	International Tax Reform - Pillar Two Model Rules

^{*)}published by IASB on May 23, 2023

The above-mentioned standards have no or no material impact on the consolidated financial statements of the Serviceware Group.

The scope of the disclosures on the accounting methods applied by the Serviceware Group was adjusted taking into account the amendments to IAS 1.

The following pronouncements or amendments to pronouncements of the IASB were mandatory for the first time in calendar year 2024. Against the background that the fiscal year of Serviceware already began on December 1, 2023, the application of the following standards was not yet mandatory for the Serviceware Group. Early voluntary application did not take place:

Mandatory application EU	Standard	New or amended standards and interpretations
January 1, 2024	IAS 1	Non-current liabilities with ancillary conditions and classification as current or non-current
	IFRS 16	Lease Liability in a Sale and Leaseback
	IAS 7 and IFRS 7	Supplier finance arrangements

The new or amended standards will probably have no or no material impact on the consolidated financial statements of the Serveware Group.

In future, the following standards published by the IASB will be applicable to fiscal years beginning on the reference date of the mandatory EU application or later:

Mandatory application EU	Standard	New or amended standards and interpretations
January 1, 2025	IAS 21	Lack of exchangeability
January 1, 2026	IFRS 9 and IFRS 7	Classification of financial instruments
	IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to the IFRS accounting standards
January 1, 2027	IFRS 18	Presentation and disclosure in the financial statements
	IFRS 19	Subsidiaries without public accountability: disclosures
still open	IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is to be applied in financial years which start on or after January 1, 2027. At present, the Group is evaluating the possible impact of the new standard, in particular with regard to the structure of the consolidated statement of comprehensive income, the consolidated cash flow statement and the additional disclosure requirements for MPMs (Management-defined Performance Measures). The Group is also reviewing the impact on the way information is grouped in the financial statements, including items currently designated as “Others”.

With regard to the amendments to the other standards, Serveware expects that there will probably be no or no material impact on the consolidated financial statements.

5. 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, amortized 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 amortization 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 recognized in accordance with IAS 8 as changes in accounting estimates.

The useful lives amount for software as a rule to three to five years.

Intangible assets, which were acquired within the framework of a merger, are recognized separately from the goodwill and measured with a fair value at the time of acquisition.

During the following periods intangible assets which were acquired within the framework of a merger are measured in the same way as individually acquired intangible assets with their cost of acquisition minus cumulated amortizations and possible cumulated impairments.

The intangible assets of 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 basically amortized in each case over a useful life of 20 years.

With regard to the intangible assets of the “SABIO” trademark and the “cubus” trademark, which were disclosed within the framework of the aforementioned acquisitions, the company has continued its decisions made in the previous year regarding the remaining useful life and the amortization method in the current fiscal year 2023/2024.

As at the reporting date of November 30, 2024, the remaining useful life of the “SABIO” trademark was one year. The “cubus” trademark was fully written off as at the reporting date of November 30, 2024.

The useful life of the capitalized development costs amounts to three years from the commencement of marketing of the developed products.

Costs for research activities are recognized as expenditure during the period in which they arise.

An internally generated intangible asset which results from the development activity or the development phase of an internal project is recognized if the following evidence has been submitted:

- The completion of the intangible asset is technically feasible so that it is available for use or sale.
- There is the intention to complete the intangible asset as well as to use or sell it.
- The ability to use or sell the intangible asset exists.
- The intangible asset will probably achieve a future economic use.
- The availability of adequate technical, financial and other resources to complete the development and use
- or sell the intangible asset exists.
- The ability to determine the expenditure to be allocated within the framework of the development of the intangible asset for a reliable determination exists.



The amount with which an internally generated intangible asset is capitalized for the first time is the sum of expenses incurred from the day on which the intangible asset fulfils the above-mentioned conditions for the first time. If an internally generated intangible asset cannot be capitalized or if there is not yet any intangible asset, the development costs are recognized through profit or loss during the period in which they are incurred.

During the following periods internally generated intangible assets as well as acquired intangible assets are measured at historical costs or manufacturing costs minus cumulated amortizations and impairments.

GOODWILL

Goodwill is not subject to scheduled amortization 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 recognized 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 derecognized 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 realizable value and the carrying amount of the asset and is recognized 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
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Tenant fixtures are either depreciated over their respective lifetime or over the shorter period of a possible lease.

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.

If the recoverable amount of a cash-generating unit is smaller than the carrying value of the unit, the impairment loss is first to be allocated to the carrying value of goodwill allocated to a unit and then proportionately to the other assets on the basis of the carrying values of each asset in proportion to the overall carrying value of the assets within the unit. In this connection the recoverable amount is the higher value of the value in use and the fair value minus costs of disposal.

Any impairment loss of the goodwill is recognized through profit or loss. At the disposal of a cash-generating unit, the amount of goodwill assigned to it is taken into account within the framework of the determination of the gain or loss on divestiture.

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 recognized 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”.

LEASES

The Serviceware Group enters into contracts concerning leases for cars as well as buildings. Since the introduction of IFRS 16, the Serviceware Group has been 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 a consideration. On the date of supply the Serviceware Group must recognize an asset for the right of use granted as well as a lease liability.

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

Rights to use are written down over the shorter of the two periods of duration of use and term of the underlying lease.

On the making available the lease liability is measured at the cash value of the lease payments not yet made at that time. At the determination of the term of lease relationships, the Managing Directors consider all facts and circumstances which offer an economic incentive to exercise extension options or not to exercise termination options. Any changes in term resulting from the exercise of extension or termination options are only included into the term if an extension or non-exercise of a termination option is sufficiently safe.

The lease payments are discounted at the respective interest rate underlying the lease relationship insofar as the latter can be easily determined. If this interest rate cannot be easily determined, the incremental borrowing rate of the Serviceware Group is to be used. As a rule, the incremental borrowing rate of the Serviceware Group is used as discount factor.

The Serviceware Group does not enter into any leases with variable lease payments. The subsequent measurement of the leased liability is made on the basis of the amortized 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.

In the event of lease modifications which are not recognized as separate lease, the lessee must recognize the remeasurement of the lease liability by reducing the carrying value of the right of use. This is to take into account the partial or complete end of the lease by way of amendments which reduce the scope of the lease. Any profits or losses which are related to the partial or full end of the lease must be recognized by the lessee through profit or loss.

The Serviceware Group has not entered into any substantive leases as a lessor.

IFRS 16 – Relief Provisions

The following relief provisions under IFRS 16 were used:

- Application of a uniform interest rate to a homogeneous portfolio.

Leased liabilities have been discounted up to fiscal 2021/2022 based on a uniform interest rate of 1 percent p.a. for the entire homogeneous portfolio. This essentially corresponded to the existing leverage interest rate of Serviceware.

Against the backdrop of the increased interest rate level, the new lease liabilities entered into from fiscal 2022/2023 were discounted at a uniform interest rate of 3.58 percent per annum. This would correspond to the expected incremental borrowing rate for new Serviceware debt. The above-mentioned interest rate was maintained in fiscal 2023/2024.

OTHER PROVISIONS

Other provisions within the meaning of IFRS are not stated in these financial statements. Accruals are to be reported as other liabilities. The deferrals presented and explained separately as other deferrals under Section 11, are recognized for current legal or factual obligations to third parties which are uncertain in terms of their maturity or their amount.

Provisions are made for current legal or factual obligations to third parties 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 recognized 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 (eg 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 (eg 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 capitalized separately as soon as their realization 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 recognized 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. This hence also leads to changed scheduled depreciations of the asset to be recognized 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 recognized 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 recognized 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, ie 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 recognized 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 recognized at the transaction price. The fair values recognized in the balance sheet correspond generally to the market prices of the financial assets. If these are not directly available, they are calculated by applying recognized measurement models and referring to current market parameters.

Subsequent Measurement of Financial Assets:

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

Financial assets are sub-divided in accordance with IFRS 9 into the classification categories amortized 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 recognized 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 amortized 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 recognized with no effect on income if the asset is derecognized, modified or impaired. The amortized costs of a financial asset represent the amount at which the financial asset is measured during the first-time recognition, minus redemption payments plus cumulated amortizations using the effective interest method on a difference between this additional amount and the due amount, adjusted by an impairment.

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 financial asset is sold or debt is transferred,

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

The Group must have access to the principal market or the most advantageous market. The fair value of a financial asset or a liability is measured based on the assumptions which market participants would use in the pricing for the financial 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 financial 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 financial 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 financial 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 accounts receivable

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 amortized 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 recognizes 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 this connection it is assumed that if the receivables are past due by more than 90 days, a credit loss is expected and the creditworthiness is assessed. 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 derecognized at this stage. As a matter of principle, changes in the carrying value of trade receivables are reduced by using an impairment account and recognizing 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 recognized impairment loss is increased or decreased by adjustment of the impairment account through profit or loss. If a derecognized receivable is classified later again as recoverable due to an event which occurred after the derecognition, the corresponding amount is recognized through profit and loss.

For all other financial instruments, the Group recognizes the loss expected during the residual term only if the default risk since the first-time recognition has significantly increased. If the default risk has not significantly increased since the first-time recognition, the ServiceWare Group continues to recognize for these financial instruments the expected 12-month loss as impairment.

The loss expected during the residual term represents the loss resulting from all possible default events during the expected term of a financial instrument. As opposed, the expected 12-month loss represents the part of the loss expected during the term which results from possible default events within the 12 months following the reporting date.

The amount of the expected losses is updated on each balance sheet day to take into account any changes in the default risk since the first-time recognition of the respective financial instrument.

Other non-current accounts receivable and borrowing expenses are measured by applying the effective interest rate method at amortized 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 amortized cost. 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 amortized 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 recognized 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 cash flows which do not exclusively represent principal and interest payments are classified independently from the business model through profit or loss at fair value and recognized 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 derecognized, 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. Either into the category at amortized cost or at fair value with recognition of the change in value in the net income.

Trade payables as well as other original financial liabilities are recognized at amortized 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 at the time of acquisition (IFRS 3.18).

Derecognition of Financial Liabilities:

The Group derecognizes a financial liability if the corresponding liability has been settled, cancelled or has expired.

The difference between the carrying value of the derecognized financial liability and the consideration received or to be received is recognized in the consolidated income statement.

If the Group replaces with the existing lender a debt instrument by another with substantially different terms and conditions, this exchange is treated as a redemption of the original financial liability and a recognition of a new financial liability.

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 constantly monitored. If the conditions for the application of hedge accounting are no longer met, the hedging relationship is immediately dissolved.

The derivative financial instruments are recognized 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 recognized 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 for the transfer of the financial instrument. It is calculated by applying the interest rates of the contracting partners which are relevant on the balance sheet date. For the calculation average prices are used.

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 recognized 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 recognized. Contingent receivables are not recognized. If the realization of earnings is, however, almost certain, the corresponding asset is no longer to be considered as a contingent receivable and is recognized 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.

REVENUE RECOGNITION

Sales revenues include all revenues resulting from the activities of the Serviceware Group. The sales revenues are recognized 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 Group recognizes sales revenues if it transfers the power of disposition over a product or a service to a customer.

The sales revenues are recognized 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 Licenses

The revenues from software licenses result from the license 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 software sold. 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 license revenues include sales revenues from the sale of standard software products possibly in product unity with IT infrastructure. The granting of licenses for the standard software products is carried out as a rule by making access available for the customer to download the software. The basically unrestricted licensing period starts with the point in time when the software can be used. The recognition of the revenues from these licenses takes place when the customer can use the licenses and has hence the power to dispose of the software. At the assessment whether 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 (licenses) are sold independently from the contracted maintenance and update service.

(b) Software as a Service - SaaS

The sales revenues from the license subscriptions and support represent revenues from the granting of a right to use software functions either on a third-party provider-hosted infrastructure, 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 license product and its use for a certain period, the revenues are recognized in accordance with the time passed and hence prorated in respect of the term of the contract in conformity with the output-oriented method. The standard minimum 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 recognized 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 standardized support services, ie non-specified future software updates, upgrades and extensions as well as technical product support services for software use rights (licenses).

For our standardized 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 recognized as a rule after the expired time and hence prorated over the term of the support contract in conformity with the output-oriented method. The amounts for software maintenance 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 recognized 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 licenses to customers. As a matter of principle, the ServiceWare Group does not, however, offer any consulting and implementation services in an overall package with software licenses for an overall price. The agreements concerning the implementation of IT infrastructure projects are, as a rule, governed by the following: if a customer contract includes several promised goods or services, we decide whether the promised goods or services have to be recognized as separate performance obligations or as a service bundle. The determination whether a product or a service is considered as a separate performance obligation involves, however, the exercise of discretion. In particular for our consulting and implementation services, discretion is necessary to assess whether these services represent a material integration service, a customer specific adjustment or a modification of the hardware components to which they relate. In this connection we consider the type of services as well as their extent compared to the extent of the underlying hardware services. In general, the hardware and software services provided within the framework of the consulting and implementation activities are combined in an independent delimitable bundle of products and services (combined performance obligation). Maintenance services and more extensive services are classified in each case as separate performance obligations. The exercise of discretion is also necessary for the determination whether sales revenues from the combined performance obligation are to be recognized at a certain time or over a certain period. Sales revenues for combined performance obligations are realized in accordance with the type of performance obligation primarily with a reference to points in time.

Revenues from maintenance and service contracts are recognized 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 recognized 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 recognized 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 with regard to the customer before the ServiceWare Group has fulfilled a contractual performance obligation and hence recognized 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 recognized 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 capitalized 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 capitalized 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 capitalized contract costs are basically recognized 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 amortizations but – independently from the distribution channel – as material costs or personnel expenses.

Payments to customers including credits or subsequent price rebates are recognized 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 recognized 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 recognized 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 essential rights within the meaning of the accounting standard.

In cases in which a company is in an intermediary position between another supplier / provider (eg 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 recognize **revenues on a gross basis** (as principal) or on a **net basis** after deduction of the costs relating to 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 with regard to the final customer and hence states gross revenues:

- › Serviceware 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.

EMPLOYEE BENEFITS

Short-term employee benefits

Obligations under short-term employee benefits are recognized as an expense as soon as the related service is rendered. A liability is recognized for the amount expected to be paid if the Group has at present a legal or constructive obligation to pay that amount as a result of a service rendered by the employee and a reliable estimate of the obligation can be made.

Share-based payment arrangements***(i) Accounting and measurement***

The fair value on the date of the granting of the share-based payment arrangements to employees is recognized as an expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the relevant service conditions and non-market performance conditions are expected to be satisfied, so that the final amount recognized as an expense is based on the number of awards that satisfy the relevant service conditions and non-market performance conditions at the end of the vesting period. For share-based payment awards with non-vesting conditions, the fair value is determined on the date of granting, taking into account these conditions; no adjustment is required for differences between expected and actual outcomes.

(ii) Description of the share-based payment arrangements of ServiceWare SE

As at November 30, 2024, the following share-based payment arrangements exist in the Group:

Stock Option Plan 2021-M and Stock Option Plan 2021-D

By resolution of the general meeting on May 6, 2021, the Administrative Board of ServiceWare SE was authorized to issue options for a maximum total of 420,000 no-par value shares of the company to employees and members of the management bodies of current or future affiliated companies on one or more occasions free of charge until May 5, 2026.

In fiscal 2020/2021, the Administrative Board implemented a Stock Option Plan 2021-D for up to 272,160 options and a Stock Option Plan 2021-M for up to 147,840 options. Within the acceptance period 398,400 options were accepted and subsequently issued. The same parameters apply to both stock option plans.

The initial exercise price of the options is EUR 15.00. In accordance with § 10 of the Option Terms, anti-dilution provisions are defined. The new shares are entitled to a share in the profits from the beginning of the fiscal year during which they are created by exercising the option.

The following contractual terms and conditions form the basis for the stock option programmes granted. The fulfilment of the options is effected by the issue and delivery of subscription shares in the form provided for in the respectively valid Statutes of the company and / or as determined by the Administrative Board:

Period of grant	Number of instruments	Exercise conditions	Contractual term of the options
May 27, 2021 to June 30, 2021	Offered: 420,000 Accepted: 398,400 expired by the balance sheet date: 21,272	- At the earliest after the expiration of four years following the option issue date, ie from May 27, 2025 at the earliest - Only with valid employment relationship - Exercise only after receipt of notification from the Administrative Board on the determination of the extent to which the options can be exercised according to the criteria A and / or B in accordance with the performance target defined in more detail in § 3 of the Option Terms - Exercise only during the exercise period (§§ 5 and possibly 6 of the Option Terms)	3 months after the date on which the option may be exercised for the first time (4 years + 3 months)
Total stock options			377,128

In accordance with § 3 of the Option Terms, the performance targets are defined as explained below:

The basis for the assessment of target achievement is the **development of the stock market price** of the ServiceWare SE share in the electronic trading system XETRA of Deutsche Börse AG **during the period** of four years from the respective date of the resolution of the Administrative Board about the issuance of a respective tranche of options (program period).

The scope within which options can be exercised is determined on the basis of a price criteria model consisting of the following criteria:

Criterion A:

- Reaching or exceeding certain threshold values specified in the Option Terms for the “**60-day average XETRA price**”, calculated as a moving average based on the respective daily closing price for the last 60 trading days and
- During this period, a total of at least 30,000 shares were traded on XETRA or, if applicable, on a successor system replacing XETRA.

Criterion B:

- Achievement of a specified increase in the average price over the program period measured against the target calculated as the difference between the “**Average XETRA price during the program period**” (based on the respective daily closing prices) and the target of EUR 27.50.

For each criterion, a percentage share is first determined within which the option can be exercised. Criterion A allows a maximum of 60 percent of the options issued to the respective beneficiary to be exercised.

The number of exercisable options is further capped by the XETRA price on the day the Administrative Board determines the number of shares. If the XETRA price on that day is more than EUR 49.80, the number of exercisable options is reduced proportionately to the extent that the economic benefit of the beneficiary would otherwise (ie in the case of unrestricted exercisability) exceed EUR 34.80 (maximum amount less exercise price) per option originally granted.

(iii) *Determination of fair values*

The fair value of the stock options under the aforementioned stock option plan was determined using a Monte Carlo simulation. The following parameters were used in determining the fair value on the date of granting of the share-based payment plan:

Fair value at date of granting (measurement date June 17, 2021, in EUR)	4.25
Share price on the date of granting (in EUR) ¹	16.90
Exercise price (in EUR)	15.00
Expected volatility (weighted average, in %)	51.3
Expected term (weighted average, in years)	3.95
Expected dividends (in %)	0.00
Risk-free interest rate (in %)	-0.41

¹ The basis is the closing price (XETRA) on the day before the granting: for a valuation on June 17, 2021, the closing price of June 16, 2021 was the starting point of the valuation.

The expected volatility is based on an assessment of the historical volatility of the share price of the company, more particularly over the period corresponding to the expected term.

(iv) *Reconciliation of outstanding stock options*

In fiscal 2020/2021 420,400 stock options were offered for the first time at an exercise price of EUR 15.00. Within the acceptance period, 398,400 options were accepted and subsequently issued. During the period after the grant until the beginning of the fiscal year 2023/2024, 15,226 options expired due to the termination of the option holder's employment relationship. During the past fiscal year 2023/2024, a further 6,046 options expired due to the termination of the option holder's employment relationship. Furthermore, no options were exercised after they were granted and until the end of the fiscal year. Consequently, 377,128 options (PY: 383,174 options) are thus outstanding at a weighted average exercise price of EUR 15.00 as at November 30, 2024. As in the previous year, 272,160 options are attributable to the Administrative Board and the Managing Directors.

INCOME TAXES

Income taxes include both actual income taxes and deferred taxes. Actual and deferred tax income and tax expenses are to be recognized 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 recognized, they must be disclosed as income or expenses unless they result from a transaction which is recognized outside the profit and loss account either in the other comprehensive income or in the equity or is related to a business combination.

(i) *Actual income taxes*

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.

The offsetting of actual tax assets against actual tax liabilities only takes place under certain conditions:

- there is a legal right to offset actual tax assets against actual tax liabilities and
- the intention is either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) *Deferred taxes*

Deferred taxes are recognized 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 recognized 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. Deferred tax claims are recognized insofar as it is likely that taxable profits are available for which the deductible temporary differences can be used.

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.

6. 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 income statement 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 consideration, ie the sum of assets given up, debts taken over and equity instruments issued. Incidental acquisition costs are, as a matter of principle, recognized 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 recognized 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 recognized 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 recognized 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 consideration (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 recognize the part of the goodwill accounted for by minorities was not exercised.

If the transferred consideration includes a contingent consideration, the latter is recognized with the fair value applicable at the time of acquisition.

Modifications of the fair value of the contingent consideration within the measurement period are corrected retroactively and recognized accordingly against the goodwill.

Corrections during the measurement period are adjustments to reflect additional information about facts and circumstances which existed at the time of acquisition. The measurement period may not, however, exceed one year after the time of acquisition.

The recognition of modifications of the fair value of the contingent consideration which do not constitute corrections during the measurement period, depends on how the contingent consideration is to be classified.

If the contingent consideration is equity, there is no subsequent measurement on subsequent balance sheet days; its fulfilment is recognized within the equity.

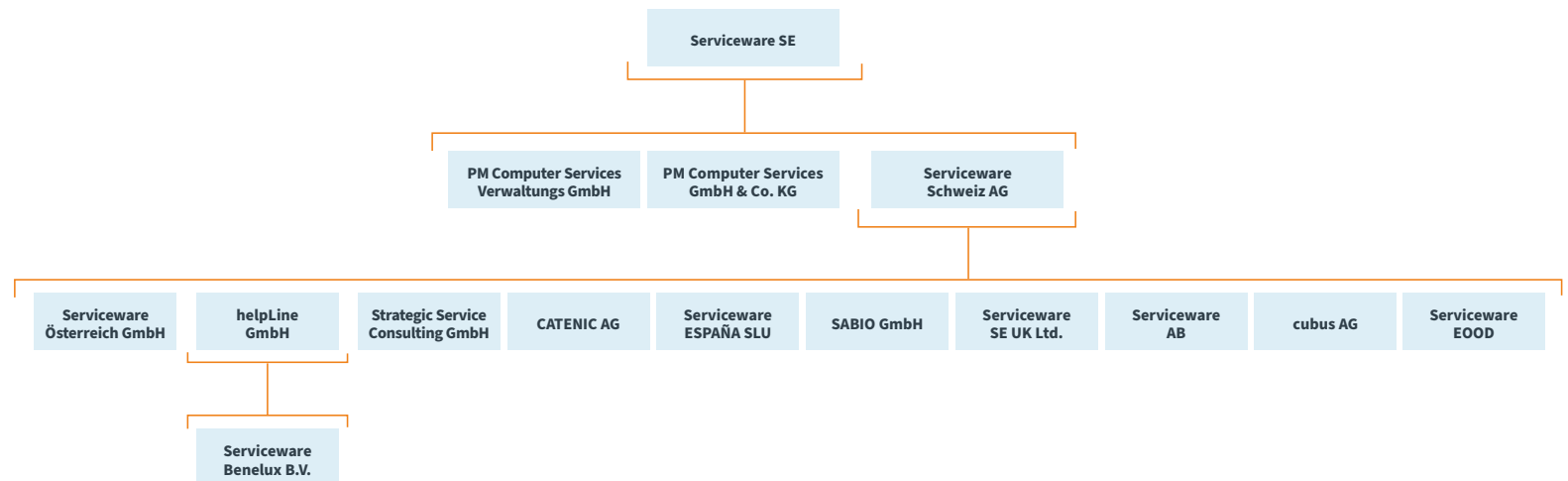
Contingent considerations which do not concern equity are recognized at the following balance sheet date at fair value and a resulting profit or loss is recognized in the consolidated income statement.



7. Changes in the scope of consolidation and other transactions

During fiscal 2023/2024 no transactions were carried out, which had an impact on the scope of consolidation. On the balance sheet date, the following shareholdings exist:

Name	Registered Office	Share Capital	Shareholding
PM Computer Services Verwaltungs GmbH	Serviceware-Kreisel 1, 65510 Idstein / Germany	EUR 25,600	100%
PM Computer Services GmbH & Co. KG	Serviceware-Kreisel 1, 65510 Idstein / Germany	EUR 250,000	100%
Serviceware Schweiz AG	Haldenstrasse 5, 6340 Baar / Switzerland	CHF 610,000	100%
Serviceware Österreich GmbH	Wangari-Maathai-Platz 3, 1220 Wien / Austria	EUR 35,000	100%
helpLine GmbH	Serviceware-Kreisel 1, 65510 Idstein / Germany	EUR 25,000	100%
Strategic Service Consulting GmbH	Lennéstraße 3, 10785 Berlin / Germany	EUR 25,000	100%
Serviceware Benelux B.V.	Dellaertweg 9F, 2316 WZ Leiden / The Netherlands	EUR 28,409	85%
CATENIC AG	Hauptstraße 1, 82008 Unterhaching / Germany	EUR 328,778	100%
Serviceware ESPAÑA S.L.U.	Gran Via Asima, 6, Edificio A – 2ª Planta, 07009 Palma de Mallorca / Spain	EUR 3,000	100%
SABIO GmbH	Schützenstraße 5, 22761 Hamburg / Germany	EUR 43,576	100%
Serviceware SE UK Ltd.	Building B, Watchmoor Park - Riverside Way, Camberley, Surrey GU15 3YL, England / United Kingdom	GBP 100	100%
Serviceware AB	Vasagatan 7, 11120 Stockholm / Sweden	SK 50,000	100%
cubus AG	Bahnhofstraße 29, 71083 Herrenberg / Germany	EUR 400,000	100%
Serviceware EOOD	Aleksandar Malinov Boul. 51, Office A17, 1712 Sofia / Bulgaria	BGN 100,000	100%



8. 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 recognized 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 income statement 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 recognized with no effect on profit or loss.

Any translation differences recognized previously in the provision for foreign currency translation (with a view to the translation of both the net assets of the foreign operating company and the collateralization of net investments in foreign operating companies) are transferred to the income statement, if there is a partial or full disposal of the foreign operating company.

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	
	30.11.2024	30.11.2023	2023/2024	2022/2023
Switzerland	0.931	0.956	0.953	0.977
United Kingdom	0.832	0.864	0.849	0.871
Sweden	11.518	11.431	11.406	11.455
Bulgaria	1.956	1.956	1.956	1.956



Notes to the Balance Sheet

1. Goodwill and Other intangible assets

in kEUR	30.11.2024	30.11.2023	Variation absolute
Goodwill	14,048	14,048	0
Customer base cubus	3,805	4,067	-262
Rights of use leased premises (IFRS 16)	2,890	3,342	-451
Intangible assets (internally generated)	2,452	749	1,703
Customer base SABIO	1,985	2,131	-145
Rights of use cars (IFRS 16)	931	830	101
Trademark "SABIO"	322	645	-322
IT software	144	206	-62
Industrial property rights	47	74	-27
Trademark "cubus"	0	462	-462
Total	26,625	26,553	72

Goodwill

Goodwill was allocated as at November 30, 2024 for the purpose of the impairment test to the following cash-generating units:

in kEUR	30.11.2024	30.11.2023
cubus AG	6,312	6,312
SABIO GmbH	4,928	4,928
ServiceWare Benelux B.V.	2,291	2,291
CATENIC AG	517	517
Total	14,048	14,048

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 valuation allowance is carried out.

The value in use results from the operating cash flows of the planning period discounted with the WACC. The WACC used for the discounting was derived by means of a peer group analysis.

The cash flow forecasts are based on the respective detailed planning for the coming five years and take into account internal empirical values and external economic framework data. Here, both the experience from past values and the influences from the future general market developments have been taken into account. For the value contribution after the planning period perpetual annuities are assumed. They are determined through a growth factor which is laid down individually and is oriented towards long-term real growth and growth expectations.

The relevant WACC in accordance with IAS 36 is derived on the basis of standardized tax rates for each cash-generating unit from the estimated future cash flows after taxes and the after tax WACC.

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

Assumptions impairment test	30.11.2024	30.11.2023
Risk-free base rate	2.50%	2.75%
Market risk premium	8.00%	8.00%
Beta factor	1.02	1.01
WACC	9.65%	9.82%

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

- Based on 2024, increasing sales revenues are expected until 2029.
- For the planning variables of the subsequent years (terminal value) a growth reduction of 1 % was assumed. The impairment test was conducted for the scenarios “expected case”, “worst case” and “best case” which were weighted in accordance with their assumed probability of occurrence.

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

Business planning is marked, amongst others, by uncertainties concerning the assessment of markets and the macro-economic environment and is based to a large extent on the assumption of the successful realization of the expected sales revenue and cost synergies. Taking into account modifications of essential assumptions considered to be possible, sensitivity analyses were, therefore, carried out on the level of the cash-generating unit. Also taking into account the modifications of the essential assumptions considered to be possible, sensitivity analyses on the level of the cash-generating unit did not result in any impairment of the goodwill for Sabio GmbH, CATENIC AG and Serviceware Benelux B.V.

As a result of organizational measures taken in 2023, the profitability of cubus increased significantly. The business development is supported by co-sales with Serviceware Financial, in which cubus participates with its software solution Serviceware Performance. Nevertheless, the headroom of cubus has decreased compared to the previous year due to a more conservative sales and cost planning and the resulting lower EBITDA. For the cash-generating unit cubus AG, a possible change in two key assumptions could result in the carrying amount of goodwill exceeding the recoverable amount. This would occur if the WACC were to increase from 9.65 to 11.1 percentage points or if the planned EBITDA were to decrease by approximately 2.2 percent (weighted). There is currently no need for write-downs at cubus AG.

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 recognized at the time of acquisition in the amount of kEUR 1,768. The “SABIO” trademark was originally amortized on a straight-line basis over an estimated useful life of 20 years. In the fiscal year 2023/2024, Serviceware continued to apply the decisions made in the previous year regarding the remaining useful life and the amortization method.

The amortization amount of the trademark “SABIO” amounted in 2023/2024 to kEUR 322 (PY: kEUR 645), so that the carrying amount as at the balance sheet date November 30, 2024 is kEUR 322 (PY: kEUR 645).

The remaining useful life of the “SABIO” trademark on the balance sheet date of November 30, 2024 is one year.

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 recognized at the time of acquisition in the amount of kEUR 2,111. The trademark “cubus” was originally amortized on a straight-line basis over an estimated economic useful life of 20 years. In the fiscal year 2023/2024, Serviceware continued to apply the decisions made in the previous year regarding the remaining useful life and the amortization method. The amortization amounted in 2023/2024 to kEUR 462 (PY: kEUR 462), so that the carrying amount on the balance sheet date November 30, 2024 amounts to kEUR 0 (PY: kEUR 462).

Moreover, Serviceware Schweiz AG, Baar/Switzerland acquired by purchase and transfer agreement of April 24, 2020 the fixed assets and intangible assets of smoope GmbH, Stuttgart. Within the framework of this acquisition of trademark rights and intangible assets the trademark “Smoope” and the associated messaging service were identified as intangible assets and recognized at the time of acquisition with a carrying value of kEUR 397, and as a result of a deferred purchase price component (earn-out) during the previous years it increased by another kEUR 52. The trademark “Smoope” including the integrated messaging service is amortized over an estimated economic useful life of five years by degressive amortization. The amortization amounted in 2023/2024 to kEUR 28 (PY: kEUR 45), so that the carrying value of the intangible assets reported under the industrial property rights amounts to kEUR 43 (PY: kEUR 70) on the balance sheet date November 30, 2024 (see table “Goodwill and Other intangible assets” in Note #1).

Customer Bases

Within the framework of the acquisition of all shares in SABIO in 2018, acquired customer bases were identified as intangible assets and recognized at the time of initial valuation with a value of kEUR 2,905. The customer bases are amortized over a probable useful life of 20 years. In 2023/2024 the amortization amounted to kEUR 145 (PY: kEUR 145), so that on November 30, 2024 the carrying value amounts to kEUR 1,985 (PY kEUR 2,131).

Within the framework of the acquisition of all shares in cubus in 2019, acquired customer bases were identified as intangible assets and recognized at the time of initial recognition with a value of kEUR 5,248. The customer bases are amortized over a probable useful life of 20 years. In 2023/2024 the amortization amounted to kEUR 263 (PY: kEUR 263), so that on November 30, 2024 the carrying value amounts to kEUR 3,805 (PY: kEUR 4,067).

Rights of Use (IFRS 16)

The Serviceware Group leases essentially buildings (offices) and cars. The average residual term of the lease concerning buildings (offices) amounts to five years. The average residual term of the leases concerning cars (office) amounts to two years.



The Serviceware Group has no purchase options for the acquisition of certain buildings or cars at previously defined amounts at the end of the term of the lease. The rights of use from leases developed as follows in fiscal 2023/2024 compared to the previous year:

2023 / 2024

in kEUR

	Buildings	Cars	Total
Historical cost			
As at December 1, 2023	7,434	2,535	9,969
Additions	1,315	496	1,811
Disposals	1,145	362	1,507
As at November 30, 2024	7,605	2,669	10,274
Accumulated amortization			
As at December 1, 2023	4,093	1,704	5,797
Additions amortizations	1,423	395	1,818
Disposals amortizations	801	362	1,163
As at November 30, 2024	4,715	1,737	6,451
Carrying amounts			
As at December 1, 2023	3,341	831	4,172
As at November 30, 2024	2,890	932	3,822

2022 / 2023

in kEUR

	Buildings	Cars	Total
Historical cost			
As at December 1, 2022	8,881	2,126	11,007
Additions	1,255	732	1,987
Disposals	2,702	323	3,025
As at November 30, 2023	7,434	2,535	9,969
Accumulated amortization			
As at December 1, 2022	4,187	1,547	5,734
Additions amortizations	1,549	480	2,030
Disposals amortizations	1,644	323	1,967
As at November 30, 2023	4,093	1,704	5,797
Carrying amounts			
As at December 1, 2022	4,694	579	5,273
As at November 30, 2023	3,341	831	4,172

Amounts recognized in the consolidated statement of comprehensive income in kEUR

	2023/2024	2022/2023
Amortizations of rights to use	1,818	2,030
Interest expense on lease liabilities	103	100
Expense from current lease liabilities	0	0
Expense from leases with low-value assets	3	3
Expense from variable lease payments which have not been taken into account in the measurement of the lease liability	0	0
Income from subleases	130	147

The total cash outflows from leases (repayment) totaled kEUR 2,067 (PY: kEUR 2,062).

In the course of the fiscal year 2023/2024, the ServiceWare Group concluded a new rental agreement for the use of new office space in Reading/UK. August 1, 2024 was agreed as the date of commencement of use. The new lease in Reading, UK, will result in an addition of kEUR 418 to the right of use for the office property in the reporting year 2023/2024. In addition, a new lease for the use of office space, storage and parking spaces has been signed in Vienna in the fiscal year 2023/2024, resulting in an addition to the right of use in the total amount of kEUR 156. The other additions to the right of use asset in the area of buildings in the amount of kEUR 741 mainly relate to extensions of the useful life of existing leases and rent adjustments.

Extension or termination options exist in connection with some building leases.

There are no contractual relationships under sale and leaseback transactions.

Leases with variable lease payments coupled to the sales revenues from the leased outlets have currently not been agreed.

With the exception of two subleases, there are no leases in which the company acts as lessor.

There are no rights of use which are recognized according to the revaluation model.

Intangible Assets (developments)

In the 2023/2024 fiscal year, development costs of kEUR 1,703 (PY: kEUR 749) were capitalized for the development of a new product. The total amount of capitalized costs for the development of this product was kEUR 2,452 as at the balance sheet date of November 30, 2024 (PY: kEUR 749). The expected useful life was estimated at three years. The capitalized development costs are amortized on a straight-line basis over the estimated useful life. No amortization has been recognized in fiscal 2023/2024 as the development of the product has not yet been completed. From the fiscal year 2024/2025, development costs will be amortized on a scheduled basis.



2. Property, plant and equipment

in kEUR	30.11.2024	30.11.2023	Variation absolute
Furniture and fixtures	628	670	-42
Fixtures	112	158	-46
Office Equipment	85	104	-19
Total	826	932	-107

3. Trade receivables

Trade receivables resulting from contracts with customers broke down as follows on November 30, 2024 versus November 30, 2023:

2022/2023				
in kEUR	Gross	Specific valuation allowance	Collective specific valuation allowance	Net
Trade receivables thereof	24,797	445	232	24,121
Not due	19,206	0	0	19,206
Due up to 90 days	4,648	0	0	4,648
Due between 90 days and 12 months	588	223	232	133
Due between 12 months and three years	354	222	0	133

2023/2024				
in kEUR	Gross	Specific valuation allowance	Collective specific valuation allowance	Net
Trade receivables thereof	30,106	617	245	29,244
Not due	27,016	0	122	26,895
Due up to 90 days	2,349	0	123	2,226
Due between 90 days and 12 months	187	64	0	123
Due between 12 months and three years	553	553	0	0

Trade receivables are not bearing interest and are as a rule due within 7 to 30 days. Doubtful accounts receivable from the sale of goods and services in the amount of kEUR 862 (PY: kEUR 677) were written off. This corresponds to a quota of 2.86 percent (PY: 2.73 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

Valuation allowances as at 01.12.2023	676
+/- Exchange differences consolidation	0
- Utilization	-22
- Reversal	-7
+ Additions (expenses for valuation allowances)	215
Valuation allowances as at 30.11.2024	861

The expenses from the immediate derecognition of trade receivables amount to kEUR 58 (PY: kEUR 102). Income from the receipt of payments in connection with derecognized receivables exists only in a non-substantial amount.

The trade receivables are allocated for the information according to IFRS 7 depending on the maturity pattern to the classes “Current trade receivables” kEUR 29,244 (PY: kEUR 24,121) and possibly “Non-current trade receivables” kEUR 0 (PY: kEUR 0). Of the trade receivables, which all correspond to the normal business cycle, kEUR 8,354 (PY: kEUR 3,997) are not expected to be settled until after 12 months.

The ServiceWare Group always evaluates the valuation allowances for trade receivables in the amount of the losses expected during the residual term, by referring to the existing default of the debtor and an analysis of the current financial position of the debtor, the general economic conditions in the industry in which the debtor operates and an assessment of both the current and forecast development of the situations on the balance sheet date.

**4. Other non-current and current assets****Non-Current
in kEUR**

	30.11.2024	30.11.2023	Variation absolute
Prepaid expenses for customer maintenance agreements / SaaS agreements (contract receivables)	22,033	15,643	6,390
Total	22,033	15,643	6,390

**Current
in kEUR**

	30.11.2024	30.11.2023	Variation absolute
Prepaid expenses for customer maintenance agreements / SaaS agreements (contract receivables)	33,938	22,229	11,709
Tax receivables	738	711	27
VAT receivables	663	695	-33
Supplier bonuses	523	403	119
Deposits	280	236	44
Others	828	286	542
Total	36,970	24,561	12,408

The other assets of the Company are not collateralized 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 Taxes

The deferred tax assets in the amount of kEUR 5,686 (PY: kEUR 4,580) include kEUR 5,665 (PY: kEUR 4,346) losses carried forward which can be used for tax purposes of the affiliated companies.

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

in kEUR	30.11.2024	30.11.2023	Variation absolute
Losses carried forward of other group companies	3,768	3,052	716
Deferred tax from IFRS reconciliation entries	20	234	-214
Directly allocable IPO costs (with no effect on income)	665	665	0
Loss eligible to be carried forward 15a Income Tax Act	1,050	319	731
Deferred tax on loss carried forward and net income of ServiceWare SE	183	310	-127
Total	5,686	4,580	1,106

In contrast to the previous year, deferred taxes from IFRS reconciliation entries are shown separately.

6. Cash and cash equivalents

in kEUR	30.11.2024	30.11.2023	Variation absolute
Cash in banks	26,706	25,014	1,692
Cash on hand	2	2	0
Total	26,708	25,016	1,692

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 26,708 (PY: kEUR 25,016).

Liquid funds 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 (PY: EUR 10,500,000.00).

The share capital of ServiceWare SE amounts to EUR 10,500,000.00 (PY: EUR 10,500,000.00) and is subdivided into 10,500,000 no par value shares, each with a nominal value of EUR 1.00 / share. The shares have been traded at the Frankfurt Stock Exchange in the “Prime Standard” market segment since April 20, 2018.

Authorized Capital

By resolution of the General Meeting on May 12, 2022 the Administrative Board is empowered to increase the share capital of the Company during the period up to May 11, 2027 by a total of up to EUR 5,250,000.00 through a single or multiple issuing of up to 5,250,000 new no par value shares against cash and / or non-cash contributions (Authorized Capital 2022).

Furthermore, the Administrative Board was authorized by resolution of the General Meeting of May 12, 2022 to issue convertible bonds and/or bonds with warrants or profit participation rights with or without conversion or subscription rights (collectively hereinafter also referred to as “Bonds”) in a total nominal amount of up to EUR 80,000,000.00 on one or more occasions until May 11, 2027. The holders of the Bonds referred to in the preceding sentence may be granted conversion or subscription rights to up to 4,830,000 no-par value bearer shares of the company with a pro rata amount of the share capital of up to EUR 4,830,000.00 in total.

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 Authorized Capital.

Contingent capital

Contingent capital 2022

By resolution of the General Meeting of May 12, 2022, the share capital of the Company was conditionally increased by up to EUR 4,830,000.00 by issuing up to 4,830,000 new no-par value bearer shares with dividend rights from the beginning of the last fiscal year for which no resolution on the appropriation of profits has yet been passed (“Contingent Capital CB 2022”). The contingent capital increase serves to service bonds issued on the basis of the empowerment resolution of the General Meeting of May 12, 2022.

**Contingent capital SOP 2021**

The share capital of the company is conditionally increased by EUR 420,000.00 by issuing up to 420,000 no-par value bearer shares with entitlement to profit from the beginning of the fiscal year in which they are issued (Contingent Capital SOP 2021). The Contingent Capital increase serves exclusively to fulfil options granted until May 5, 2026 on the basis of the authorization of the general meeting on May 6, 2021 in accordance with Agenda item 5a).

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 to report differences due to the currency translation of the financial statements of the foreign subsidiaries.

9. Financial Liabilities

The financial liabilities, which are recognized at amortized costs, include the liabilities to financial institutions which are as follows:

in kEUR	30.11.2024	30.11.2023
Non-current		
collateralized	0	999
Current		
collateralized	1,002	1,077
Total	1,002	2,076
up to 1 year	1,002	1,077
1-3 years	0	999
> 3 years	0	0
Total	1,002	2,076

The interests effectively range from 4.17 percent to 4.94 percent. The loans are collateralized as follows:

- a) Receivables from two subsidiaries
- b) Lien under the Standard Terms and Conditions for deposits in the amount of 50 percent of the outstanding loan amount of the loan granted for the acquisition of cubus.

The change in financial liabilities results from the ongoing redemption of loans payable which are shown in the consolidated cash flow statement in the cash flow from financing activities.

10. Contract liabilities

The carrying amount of the current and non-current contract liabilities increased compared to the previous year by kEUR 25,151 to kEUR 80,598. This includes essentially deferred sales revenues. This significant increase was due to the successful business development of ServiceWare, particularly in the strategically important SaaS/Service segment. During the reporting year sales revenues from contract liabilities were realized as at November 30, 2024 in the amount of kEUR 34,066 (PY: kEUR 22,744). Of the total amount of contract liabilities, kEUR 49,300 (PY: kEUR 34,066) are due within one year.

11. Other Current and Non-Current Liabilities

The disclosure of **other non-current** liabilities relates exclusively to non-current lease liabilities from building leases and car lease agreements.

The other **current** liabilities include:

in kEUR	30.11.2024	30.11.2023	Variation absolute
Current			
Other accruals	7,460	6,209	1,251
VAT liabilities	2,360	1,562	797
Current lease liabilities (IFRS 16)	2,067	2,062	5
Advance payments received	723	431	293
Liabilities wage and salary as well as wage and church tax	492	470	22
Others	713	819	-106
Total	13,815	11,553	2,262

The other accruals disclosed in other liabilities break down as follows and concern essentially liabilities from outstanding purchase invoices and personnel-related liabilities:

in kEUR	30.11.2024	30.11.2023	Variation absolute
Bonus payments	5,224	3,867	1,357
Outstanding invoices / Sales commission	548	258	289
Vacation	454	583	-130
Financial statement and audit costs as well as archiving	345	342	3
Others	890	1,159	-269
Total	7,460	6,209	1,251

The other liabilities recognized under “Others” mainly include liabilities for expected future contractual obligations, reimbursements to customers, rental liabilities and wage tax liabilities resulting from the stock option program.

12. Deferred Tax Liabilities

The deferred tax liabilities result essentially from the acquisition of SABIO in 2018 as well as the acquisition of cubus in 2019 and the capitalization and / or proportional amortization of the trademarks “SABIO” and “cubus” as well as the customer bases SABIO and cubus as intangible assets. The “cubus” brand is fully amortized as at the balance sheet date of November 30, 2024.

Deferred taxes of kEUR 714 (PY: kEUR 218) arose in connection with the capitalization of development costs. In addition, deferred taxes in the amount of kEUR 53 (PY: kEUR -11) arose from differences in the carrying amounts of right-of-use assets and lease liabilities in connection with the application of IFRS 16.



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

in kEUR	30.11.2024	30.11.2023	Variation absolute
Deferred tax SABIO (trademark and customer base)	672	808	-136
Deferred tax cubus	1,108	1,319	-211
Deferred tax from the capitalization of development costs	714	218	496
Tax impact IFRS 16	53	-11	63
Total	2,547	2,335	212

Notes to the Profit and Loss Account

13. Sales revenues

in kEUR	2023/2024	2022/2023	Variation absolute
Germany	81,373	72,682	8,691
Austria	7,130	5,772	1,358
Switzerland	4,351	3,337	1,013
Others	10,437	9,738	699
Total	103,290	91,529	11,761
SaaS / Service	69,937	57,281	12,655
Licenses	17,440	16,504	936
Maintenance	15,913	17,743	-1,830
Total	103,290	91,529	11,761

Of the SaaS/Services revenues, kEUR 13,373 were attributable to consulting services (PY: kEUR 15,790).

**14. Other operating income**

The other operating income is made up as follows:

in kEUR	2023/2024	2022/2023	Variation absolute
Price gains	688	1,613	-924
Income from the reversal of provisions (relating to other periods)	468	604	-136
Car use	449	518	-69
Income from renting or leasing	130	147	-17
Insurance compensation	60	64	-4
Investment aids	50	104	-54
AAG compensation	36	69	-32
Income from the reduction of valuation allowances	31	391	-360
Non-period income	15	5	10
Others	485	276	209
Total	2,413	3,791	-1,378

In contrast to the previous year, income from rentals and leases was no longer reported under “Others”, but as a separate line item.

15. Other capitalized internally generated intangible assets

Income from other capitalized internally generated intangible assets in the amount of kEUR 1,703 (PY: kEUR 749) relates to the development of a new software product.

**16. Cost of materials**

The cost of materials is made up as follows:

in kEUR	2023/2024	2022/2023	Variation absolute
Services purchased	52,619	45,855	6,764
Rebates	-968	-999	31
Total	51,651	44,856	6,795

17. Personnel expenses

in kEUR	2023/2024	2022/2023	Variation absolute
Wages and salaries	36,223	35,585	638
Social security contributions including old-age provision	5,680	5,622	58
Total	41,903	41,207	696

18. Other operating expenses

The other operating expenses include the following items:

in kEUR	2023/2024	2022/2023	Variation absolute
Administrative expenses *	3,284	3,161	123
Distribution costs	3,507	2,903	604
Currency losses	997	933	64
Ancillary rental expenses	984	815	169
Car expenses	837	813	24
Insurances, contributions, fees	309	183	126
Repairs	11	16	-5
Others	700	1,013	-313
Total	10,629	9,836	792



The other operating expenses included in the “Others” item mainly result from other liabilities for expected future contractual obligations, reimbursements to customers, rental liabilities and wage tax liabilities resulting from the stock option program.

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

in kEUR	2023/2024	2022/2023	Variation absolute
Software support costs	1,233	1,154	79
Closing, auditing, consulting costs	1,101	1,051	51
Telephone	243	248	-5
Training costs	223	261	-39
Business supplies	90	71	19
Recruitment costs	83	164	-81
Others	310	212	99
Total	3,284	3,161	123

19. Income tax

The main components of income tax expenses for the fiscal years 2023/2024 and 2022/2023 are as follows:

in kEUR	2023/2024	2022/2023	Variation absolute
Income tax	-833	-545	-288
Deferred taxes	893	462	431
Stated tax income / tax expenses (-)	61	-83	144



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

Name	Income tax rate
Serviceware SE	29.1%
SABIO GmbH	29.1%
cubus AG	29.1%
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%
Serviceware Österreich GmbH	25.0%
Serviceware Benelux B.V.	19.0% to 25.8%
Serviceware Schweiz AG	11.5% to 14.25%
Serviceware ESPAÑA S.L.U.	25.0%
Serviceware SE UK Ltd.	19.0% to 25.0%
Serviceware AB	20.6%
Serviceware EOOD	10.0%

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 2023/2024 and 2022/2023 is made up as follows:

in kEUR	2023/2024	2022/2023 adjusted
Earnings before taxes	-132	-3,861
Expected tax income for income tax rate 29.125% (PY: 29.125 %)	39	1,124
(-) Tax expenses / (+) Tax income from previous years	32	3
Adjustment of deferred taxes and utilisation of loss carryforwards	-114	-863
Effects of tax rates from other tax jurisdictions or deviating taxation under company law	26	-347
Non-deductible operating expenses	94	21
Tax-free earnings	-15	-24
Others	-2	3
Actual tax income (+) / tax expenses (-)	61	-83

Due to an editorial inaccuracy, the amounts in in the previous year for “Non-deductible operating expenses”, “Tax-free earnings”, “(-) Tax expense / (+) Tax income” and “Effects of tax rates from other tax jurisdictions” were inadvertently assigned incorrectly. The previous year’s column has been adjusted accordingly.

During the reporting year 2023/2024 the deferred taxes on the level of the individual companies were netted as during the previous year.

The income taxes for 2023/2024 and 2022/2023 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.

In the fiscal year 2023/2024, a tax income of kEUR 61 is reported versus a tax expense of kEUR 83 in the previous year.

Moreover, loss carry-forwards in the amount of kEUR 7,285 (PY: kEUR 4,855) have not been used for the capitalization of deferred taxes.

20. Period loss

in kEUR	2023/2024	2022/2023	Variation absolute
Period earnings before taxes	-132	-3,861	3,728
Income tax	61	-83	144
Period loss	-72	-3,944	3,872

21. 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	2023/2024	2022/2023
Earnings of the shareholders of the ServiceWare SE Group	-95,243	-3,977,672
Weighted average of shares outstanding (undiluted)	10,500,000	10,500,000
Earnings per share (undiluted)	-0.01	-0.38

The average number of shares was weighted on a pro rata temporis basis in accordance with the respective issuing.

Other information

22. Notes to the Consolidated 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 cash flow 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.



Changes in financial liabilities from financing activities are explained below:

2023/2024 in kEUR	Lease liabilities	Loans payable	Total
Balance as at 01.12.2023	3,850	2,076	5,926
Cash-effective changes			
- Borrowing	0	0	0
- Repayment	-2,067	-1,075	-3,142
Non cash-effective changes			
- New leases	1,811	0	1,811
- Remeasurements	-56	0	-56
- Interest expense compounding	103	0	103
Balance as at 30.11.2024	3,641	1,002	4,643
2022/2023 in kEUR	Lease liabilities	Loans payable	Total
Balance as at 01.12.2022	5,207	3,242	8,449
Cash-effective changes			
- Borrowing	0	0	0
- Repayment	-2,062	-1,166	-3,228
Non cash-effective changes			
- New leases	2,124	0	2,124
- Remeasurements	-1,519	0	-1,519
- Interest expense compounding	100	0	100
Balance as at 30.11.2023	3,850	2,076	5,926



The cash-effective changes in lease liabilities only include the repayment portion contained in the lease instalment. A total of kEUR 2,067 (PY: kEUR 2,062) was used to repay the lease liabilities.

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

in kEUR	30.11.2024	30.11.2023	Variation absolute
Cash in banks	26,706	25,014	1,692
Cash on hand	2	2	0
Total	26,708	25,016	1,692

23. Notes to the Statement of Changes in Equity

The Company distributed kEUR 0 in fiscal 2023/2024 (PY: kEUR 0). Further distributions are not planned for the fiscal year.

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

According to IFRS 13 the parameters on which the measurement is based must be stated for all financial instruments, whose fair value is disclosed or which are recognized at their fair value. The measurement techniques are categorized 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.

The fair values of the time deposits, long-term borrowings, loans as well as non-current receivables and trade payables correspond to the cash value of the cash flow 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 (IFRS 7.29). This includes the current trade receivables, securities and trade payables, the other financial assets, cash and cash equivalents and other financial liabilities.

During the reporting period ending on November 30, 2024 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 allocated to the individual measurement levels as follows as at the balance sheet date November 30, 2024 compared to the previous year:

30.11.2024		Fair value			
in kEUR	Carrying amount	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Non-current financial assets	6,763	0	6,902	0	0
Trade receivables*	29,244	29,244	0	0	0
Cash and cash equivalents*	26,708	0	0	0	0
Total	62,715	29,244	6,902	0	0
Financial liabilities					
Trade payables*	8,967	8,967	0	0	0
Liabilities to banks	1,002	1,002	0	0	1,002
Lease liabilities*	3,641	3,641	0	0	0
Total	13,610	13,610	0	0	1,002

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

Trade receivables include receivables in the amount of kEUR 8,354 (PY: kEUR 3,997) that will only be settled after more than twelve months. These receivables were discounted by kEUR 365 (PY: kEUR 144).

30.11.2023		Fair value			
in kEUR	Carrying amount	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Non-current financial assets	3,236	0	3,229	0	0
Trade receivables*	24,121	24,121	0	0	0
Cash and cash equivalents*	25,016	0	0	0	0
Total	52,373	24,121	3,229	0	0
Financial liabilities					
Trade payables*	5,188	5,188	0	0	0
Liabilities to banks	2,076	2,076	0	0	2,076
Lease liabilities*	3,850	3,850	0	0	0
Total	11,115	11,115	0	0	2,076

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

25. 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.

26. 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 standardization of workflows and service processes within a company.

The Serviceware platform includes the software solutions Serviceware Processes, Serviceware Financial, Serviceware Resources, Serviceware Knowledge and Serviceware Performance. 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 licenses, 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 Managing Directors manage 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.

Non-current assets by geographical regions:

in kEUR	30.11.2024	30.11.2023
Germany	45,396	39,707
The Netherlands	2,359	2,711
Other countries	1,728	710
Total	49,483	43,128

The non-current assets do not include any financial instruments and deferred tax assets.

27. Financial Risk Management

Risk management for financial instruments

Serviceware is exposed through its operations to many different financial risks: market risks (including currency risks, interest risks and price risks), credit risks as well as financing and liquidity risks.

The Group is guided by clearly defined processes which have been adopted by the Administrative Board and secure the effectiveness of financial risk management.

The risk management of Serviceware concerning financial risks is to limit possible negative effects on the earnings position and the liquidity situation. In close co-operation with the operating units, the financial risks are identified by the finance department, assessed and hedged. The guidelines of the finance department include in addition to principles concerning general risk management, guidance concerning the individual areas such as currency risks, interest change risks, credit risks, the use of derivative and non-derivative financial instruments or the investment of free liquidity.

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 credit risks of Serviceware result essentially from cash and cash equivalents, financial investments as well as trade receivables.

Without taking into account any additional collaterals, the carrying amount of the financial investments, the cash and cash equivalents as well as the trade receivables correspond to the maximum credit risk.

Insofar as default risks are identifiable for the financial assets, these risks are covered by value adjustments.

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 recognized with their realizable 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.

Despite ongoing monitoring, Serviceware cannot exclude the possibility of a loss from a default of one of the contracting parties to the full extent.

Interest rate risk

The fair value risk concerns the risk that the fair value of the future financial cash flows 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 out by the Group are completely subject to fixed interest rates and, therefore, not exposed to any significant interest rate risks.

Despite the rising interest rate level, management does not consider the interest rate risk to be material due to the relatively low financial liabilities and the interest rate lock-ins concluded.

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 against the essential currencies would have an effect on the result not exceeding kEUR 98 (PY: kEUR 85).

In the event of increases or decreases of the euro against 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 112 (PY: kEUR 154) 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 is, according to the Managing Directors, sufficient to meet all obligations due.

As at November 30, 2024 the financial liabilities of the Group have the following maturities. The information is provided on the basis of the contractual non-discounted payment obligations.

30.11.2024 in kEUR	Due within 1 year	Due within 1 to 5 years	Due over 5 years	Total
Interest-bearing loans	1,002	0	0	1,002
Trade payables	8,967	0	0	8,967
Lease liabilities	2,067	1,574	0	3,641
Other financial liabilities	11,748	0	0	11,748
Total	23,784	1,574	0	25,358

30.11.2023 in kEUR	Due within 1 year	Due within 1 to 5 years	Due over 5 years	Total
Interest-bearing loans	1,077	999	0	2,076
Trade payables	5,188	0	0	5,188
Lease liabilities	2,062	1,788	0	3,850
Other financial liabilities	9,491	0	0	9,491
Total	17,818	2,788	0	20,606

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 account for any financial instruments measured at fair value, except for the securities reported as “Non-current financial assets”.

*Capital control*

The priority goals of capital control of the Company are:

- Securing of a positive continuation forecast for the Group
- Securing of stability and further growth of the Group
- Making available capital to manage 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 the way 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, are as follows:

in kEUR	30.11.2024	30.11.2023	Variation absolute
Cash and cash equivalents	26,708	25,016	1,692
Trade receivables	29,244	24,121	5,123
Total	55,952	49,136	6,816



Other Notes

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 • In addition, Managing Director / member of the Management Board of subsidiaries of Serviceware SE • Shareholder of Serviceware SE
Harald Popp, Wiesbaden	• Managing Director of Serviceware SE • Member of the Administrative Board 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 Administrative Board of Serviceware SE • Member of the Supervisory Board of CATENIC AG and cubus AG • Shareholder of Serviceware SE
Christoph Debus, Bad Homburg	• Chairman of the Administrative Board of Serviceware SE

The Managing Directors of the subsidiaries included in the consolidated financial statements are likewise 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 1,325 (PY: kEUR 1,309) and a variable compensation of kEUR 370 (PY: kEUR 205). On January 30, 2018 Mr Dirk K. Martin took over the position of CEO. He receives a fixed annual compensation and has a variable target component. Provisions totaling kEUR 150 (PY: kEUR 0) were recognized for long-term benefits. In the event of a change in control, he is entitled to a non-recurring payment under certain circumstances. As at January 31, 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 16. In addition, Mr Dirk K. Martin and Mr Harald Popp indirectly invoiced the company through a company related to them for services amounting to kEUR 463 for rents and incidental rental costs in the past fiscal year. As at the balance sheet date, Serviceware has an outstanding receivable for services rendered from a company related to Mr Dirk. K Martin and Mr Harald Popp in the amount of kEUR 38.

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 members of the Administrative Board receive a fixed compensation of EUR 10,000.00 for the respective fiscal year in addition to reimbursement of their expenses plus VAT. The Chairman of the Administrative Board receives an increased fixed compensation of EUR 20,000.00 per year in addition to reimbursement of his expenses plus VAT.

In addition, the company bears the costs of D&O insurance for all members of the Administrative Board to an appropriate extent up to a maximum premium per Administrative Board member of EUR 20,000.00.

The Chairman of the Administrative Board is entitled to demand that the company transfer up to 15,628 shares (“call shares”) in the company concurrently within an exercise period of three months from 6 May 2026 (“first exercise date”) against payment of a purchase price of EUR 15.00 per call share, whereby the exercise period is extended by any closed periods that fall within the exercise period. The number of call shares is automatically reduced on the first exercise date pro rata to the extent that the economic benefit (resulting from the difference in value between the purchase price of EUR 15.00 and the 60-day average of the XETRA price of the company’s shares on the first exercise date) would exceed a total of EUR 600,000.00 for the Chairman of the Administrative Board. The right to acquire the call shares expires in full if the Chairman of the Administrative Board leaves the Administrative Board before May 6, 2026.

The other members of the Administrative Board do not receive any variable compensation for their work as members of the Administrative Board. For members of the Administrative Board who are also Managing Directors, however, a variable compensation component can be included in the respective service contract.

The non-managing members of the Administrative Board, Ingo Bollhöfer and Christoph Debus, received during the past fiscal year as members of the Administrative Board a flat rate compensation of kEUR 30 (PY: kEUR 30). Moreover, Ingo Bollhöfer received in connection with his activity for various companies of Serviceware a fixed compensation in the amount of kEUR 125 (PY: kEUR 124) and a variable compensation of kEUR 90 (PY: kEUR 76).



Other Information

1. 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 administrative boards
Christoph Debus	Chairman	DERTOUR Group GmbH, Cologne, Chairman of the Executive Board (since 03/2025) I Flix SE, Munich, Member of the Supervisory Board (since 03/2025) I Flix SE, Munich, CFO/Member of the Board (until 02/2025) I FlixBus SE, Berlin, Managing Director (until 02/2025) I FlixBus Bulgaria EOOD, Varna/Bulgaria, Managing Director (until 02/2025) I FlixBus North America Inc., Dallas/USA, Director (until 02/2025) I PAHECA GmbH, Bad Homburg, Managing Director
Harald Popp	Deputy Chairman	dreiff Management GmbH, Ingelheim, Managing Director I CATENIC AG, Unterhaching, Chairman of the Supervisory Board I cubus AG, Herrenberg, Chairman of the Supervisory Board
Ingo Bollhöfer	Member	CATENIC AG, Unterhaching, Member of the Supervisory Board I cubus AG, Herrenberg, Member of the Supervisory Board



Employees

Serviceware employed on average a total of 436 persons during the reporting period from December 1, 2023 to November 30, 2024; this corresponds to a net reduction of 16 employees compared to the prior year period. Of an average of 436 employees, 343 employees are employed in Germany, 34 in Spain, 25 in the Netherlands, 13 in Bulgaria, 10 in Austria, 7 in the United Kingdom, 2 in Switzerland and 2 in Poland.

In functional terms, the 436 employees break down as follows:

- 90 employees in Sales and Marketing (PY: +5.9 percent),
- 181 employees in Service and Support (PY: -6,7 percent),
- 115 employees in Software Development (PY: -8.0 percent) and
- 50 employees in Administration (PY: +4.2 percent).

Moreover, Serviceware employed 21 apprentices.

Auditor's Fees

in kEUR	2023/2024	2022/2023
External auditor services	137	132
Tax consultancy services	0	0
Other audit-related services	0	0
Total	137	132

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), and the Serviceware consolidated financial statements according to IFRS. The external auditor audited the financial statements for Serviceware SE for the first time in 2018, starting with the consolidated financial statements for the fiscal years from 2014/2015 and the interim financial report of Serviceware SE on February 15, 2018.

Waiver of Disclosure according to § 264b HGB

PM Computer Services GmbH & Co. KG, Idstein, exercises the option in accordance with § 264b 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.

Waiver of Disclosure according to § 264 Para 3 HGB

The subsidiaries listed below exercise the option in accordance with § 264 Para 3 HGB concerning the disclosure of the financial statements as well as the management report. They are included in these consolidated financial statements:

- PM Computer Services Verwaltungs GmbH, Idstein,
- Strategic Service Consulting GmbH, Berlin,
- SABIO GmbH, Hamburg,
- helpLine GmbH, Idstein,
- CATENIC AG, Unterhaching,
- cubus AG, Herrenberg.

Moreover, helpLine GmbH, Idstein, exercises the option in accordance with § 264 Para 3 HGB concerning the audit of the financial statements as well as the management report.

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: (<https://serviceware-se.com/en/company/investor-relations/corporate-governance>).

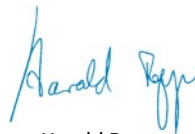
2. Events after the Balance Sheet Date

At the time of the preparation of this Annual Report, there were no significant events that would have to be mentioned in the Supplementary Report.

Idstein, March 19, 2025



Dirk K. Martin



Harald Popp



Dr. Alexander Becker

Independent auditor's report

To Serviceware SE

STATEMENT ABOUT THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT AND CONSOLIDATED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Serviceware SE and its subsidiaries (the Group) – including the consolidated balance sheet as at November 30, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the fiscal year from December 1, 2023 to November 30, 2024 as well as the consolidated notes, including essential information on the 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 December 1, 2023 to November 30, 2024. The elements referred to in the section “Other Information” of our Independent Auditor's Report 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 give a true and fair view of the assets and financial position of the Group as at November 30, 2024 as well as its income situation for the fiscal year from December 1, 2023 to November 30, 2024 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 elements of the consolidated management report referred to in the section “Other Information”.

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 independ-

ent 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.

Legal uncertainty about the conformity of the interpretation of the relevant European regulations

The consolidated financial statements converted to ESEF format cannot be fully analyzed by machine in a meaningful way due to the conversion process chosen by the company with regard to the notes in iXBRL format ("block tagging"). The legal conformity of the legal representatives' interpretation that the Delegated Regulation (EU) 2019/815 does not explicitly require meaningful machine analyzability of the structured notes information when block tagging the notes is subject to significant legal uncertainty, which therefore also constitutes an inherent uncertainty in our audit.

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

Particularly significant audit items are items which in accordance with our reasonable discretion were most essential in our audit of the consolidated financial statements for the fiscal year from December 1, 2023 to November 30, 2024. 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
- Sales revenues from license 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:

Impairment of goodwill

1. In the consolidated financial statements of Serviceware SE the balance sheet item "Goodwill" shows goodwill in the amount of kEUR 14,048 (30% of the consolidated equity). The Company allocates the goodwill to the relevant groups of cash generating units. The goodwill is subject on an annual basis on the balance sheet date or on specific occasions 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 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. The assessments were analyzed for the scenarios “expected case”, “worst case” and “best case”.
 - 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 was 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.

Revenue recognition from license 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 license 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 (Management Override of 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 license revenues is subject to discretion in mixed contracts which can result in a deferred revenue recognition and hence in 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:

- As part of our audit, we examined the internally defined methods, procedures and control mechanisms of project management in the bidding and settlement phase of sales designed 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 analyzed 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 license and maintenance sales.

3. The information provided by the Company concerning the accounting and valuation basis within the framework of the accounting of license 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 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 material misstatements due to fraudulent acts (i.e. manipulation of accounting and asset misappropriation) or errors.

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 material misstatements due to fraudulent acts (i.e. manipulation of accounting and asset misappropriation) or errors, 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 fraudulent acts or errors 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 material misstatements in the consolidated financial statements and in the consolidated management report due to fraudulent acts or errors, 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 a material misstatement resulting from fraudulent acts is not revealed is higher than the risk that a material misstatement resulting from errors is not revealed, since fraudulent acts may involve collusion, adulteration, intended incompleteness, misleading presentations and / or the discontinuation of internal controls.
- We obtain an understanding of the relevant internal controls 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 circumstances but not with the goal of issuing an audit opinion on the efficacy of the internal controls of the group and/or these precautions and measures.
- 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 presentation, the structure and the content of the consolidated financial statements as a whole 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 significant defects concerning internal controls which we detect during our audit.

We make a declaration to 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, where relevant, the actions or protective measures taken to remove threats to independence.

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

Statement on the audit of the electronic reproductions of the consolidated financial statements and the consolidated management report prepared for the purpose of disclosure in accordance with § 317 Para 3a HGB (German Commercial Code)

Audit opinion

Pursuant to § 317 (3a) HGB, we have performed a reasonable assurance engagement as to whether the reproductions of the consolidated financial statements and the consolidated management report (hereinafter also referred to as “ESEF documents”) contained in the attached file serviceware_ka_lb_20241130 and prepared for disclosure purposes comply in all material respects with the electronic reporting format (“ESEF format”) requirements of § 328 Para 1 HGB. In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the consolidated management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the consolidated management report contained in the above-mentioned annexed file and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format. Beyond this audit opinion as well as our audit opinions on the attached consolidated financial statements and the consolidated management report for the fiscal year from December 1, 2023 to November 30, 2024 contained in the preceding “Statement on the audit of the consolidated financial statements and the combined management report and consolidated management report” we do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the consolidated management report contained in the above-mentioned annexed file in accordance with § 317 (3a) of the German Commercial Code (HGB) and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure pursuant to § 317 Para 3a of the German Commercial Code (HGB) (IDW PS 410 (06.2022)). Our corresponding responsibility is further described in the section "Responsibility of the group auditor for the audit of the ESEF documents". Our auditing practice has complied with the quality management system requirements of the IDW Quality Management Standard: Requirements concerning quality management in the auditing practice (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the Board of Directors for the ESEF documents

The statutory representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the consolidated management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the statutory representatives of the company are responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material – intended or unintended – non-compliance with the electronic reporting format requirements of § 328 (1) HGB.

The Administrative Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from intended or unintended material non-compliance with the requirements of § 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we

- Identify and assess the risks of material intended or unintended non-compliance with the requirements of § 328 (1) HGB, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- Evaluate the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the technical specification for that file as set out in the Delegated Regulation (EU) 2019/815 as applicable on the reporting date.
- We assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited consolidated management report.
- We assess whether the inline XBRL (iXBRL) markups of the ESEF documentation complies with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as amended on the reporting date, to provide an adequate and complete machine-readable XBRL copy of the XHTML reproduction.



Other information in accordance with Article 10 EU-AR

We were elected as statutory Group auditor at the Annual General Meeting on May 16, 2024. We were appointed by the Administrative Board on November 27, 2024. We have been acting as Group auditor for Serviceware SE since fiscal 2018 without interruption.

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).

OTHER FACTS - USE OF THE AUDIT CERTIFICATE

Our audit certificate should always be read in conjunction with the audited consolidated financial statements and the audited consolidated management report as well as the audited ESEF documents. The consolidated financial statements and the consolidated management report converted into the ESEF format - including the versions to be entered in the Company Register - are merely electronic reproductions of the audited consolidated financial statements and the audited consolidated management report and do not replace them. The ESEF opinion and our audit opinion contained therein may, more particularly, only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Daniel Schulz.

Düsseldorf, March 19, 2025

Nexia GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jürgen
Auditor

Schulz
Auditor r



Declaration by the Legal Representatives

CONCERNING THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT FOR FISCAL 2023/2024

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.

Idstein, March 19, 2025

Dirk K. Martin

Harald Popp

Dr. Alexander Becker



Company description

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

The Serviceware Platform consists of seamlessly integrated software solutions that can also be used independently of each other. Since 2018, Serviceware has been focusing on the potential of artificial intelligence in service management. Today, AI is the central innovation factor of the Serviceware Platform, which is constantly being further developed in the company's own AI competence center in cooperation with TU Darmstadt.

Serviceware partners with customers from strategic consulting through the definition of the service strategy to the implementation of the Serviceware Platform. Further components of the portfolio are safe and reliable infrastructure solutions as well as managed services.

Serviceware has more than 1,000 customers worldwide from various business sectors, including 18 DAX companies, as well as 5 of the 7 largest German companies. The head office of Serviceware is in Idstein, Germany. Serviceware employs more than 450 people at 14 international locations.

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

Contact

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

Administrative Board
Christoph Debus (Chairman)
Harald Popp
Ingo Bollhöfer

Registered office of the company
Idstein, Local Court Wiesbaden
Register number: HRB 33658



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