# Quarterly Report 2 | 2014

# 2nd Quarter and 1st Half of 2014 at a Glance

| | Q2 \| 2014 TEUR | Δ% | Q1 \| 2013 TEUR | Q1+Q2 \| 2014 TEUR | Δ% | Q1+Q2 \| 2013 TEUR |
|---|---|---|---|---|---|---|
| **Revenue and income** | | | | | | |
| Revenue | 8.521 | (9) | 9.354 | 16.930 | (10) | 18.833 |
| Revenue consulting | 5.792 | (12) | 6.594 | 11.510 | (13) | 13.214 |
| Revenue software | 2.729 | (1) | 2.760 | 5.420 | (4) | 5.619 |
| Revenue Germany | 6.030 | (2) | 6.183 | 11.940 | (8) | 13.008 |
| Revenue foreign countries | 2.490 | (21) | 3.171 | 4.989 | (14) | 5.825 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 28 | 102 | (1.354) | (702) | 65 | (2.023) |
| Earnings before interest and taxes (EBIT) | (261) | 86 | (1.805) | (1.304) | 53 | (2.781) |
| Earnings before taxes (EBT) | (324) | 83 | (1.863) | (1.430) | 51 | (2.891) |
| Profit for the year (attributable to owners of the company) | (397) | 79 | (1.933) | (1.524) | 51 | (3.110) |
| Earnings per share (EUR) | (0,07) | 79 | (0,36) | (0,28) | 51 | (0,58) |
| **Investments and depreciation** | | | | | | |
| Investments in intangible and tangible assets | 70 | (84) | 435 | 526 | (34) | 792 |
| Depreciation | 289 | (36) | 451 | 602 | (21) | 758 |
| **Key figures** | | | | | | |
| Gross margin (%) | 46,1 | 23 | 37,3 | 43,2 | 10 | 39,4 |
| EBITDA margin (%) | 0,3 | 102 | (14,5) | (4,1) | 61 | (10,7) |
| EBIT margin (%) | (3,1) | 84 | (19,3) | (7,7) | 48 | (14,8) |
| Net cash flows from operating activities | (721) | (62) | (446) | 423 | 161 | (698) |
| Net cash flows from investing activities | (70) | 84 | (435) | (526) | 34 | (792) |
| Net cash flows from financing activities | | | | | | |

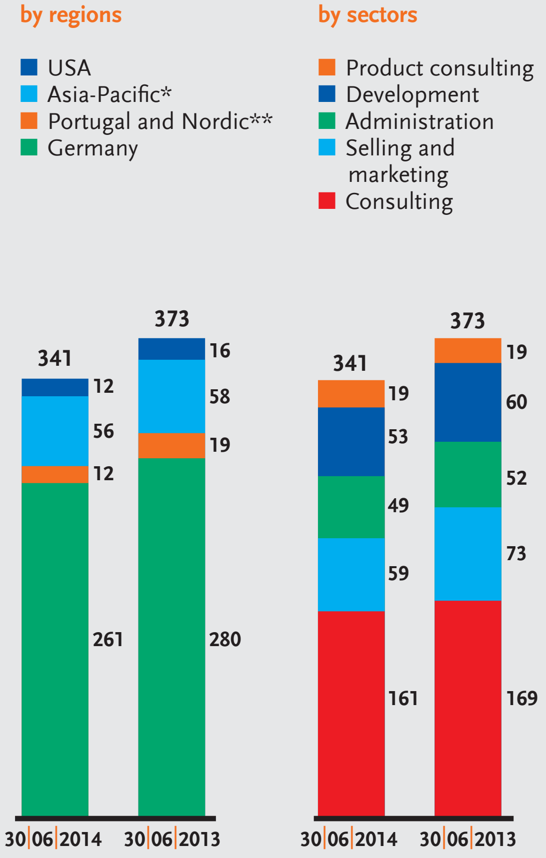
| | 30.06.2014 TEUR | Δ % | 30.06.2013 TEUR |
|---|---|---|---|
| **Assets, liabilities and equity** | | | |
| Cash and cash equivalents | 7.392 | 1 | 7.349 |
| Total current assets | 16.999 | (7) | 18.354 |
| Total non-current assets | 18.561 | (2) | 18.983 |
| Total assets | 35.560 | (5) | 37.337 |
| Total current liabilities | 13.576 | (1) | 13.760 |
| Total non-current liabilities | 6.176 | (5) | 6.485 |
| Equity | 15.808 | (36) | 24.519 |
| Equity ratio (%) | 44,5 | (32) | 65,7 |
| Return on equity (%) | (1,6) | 86 | (11,7) |
| **Employees** | **341** | (9) | **373** |

*What we call economizing simply means making a deal for the future.*

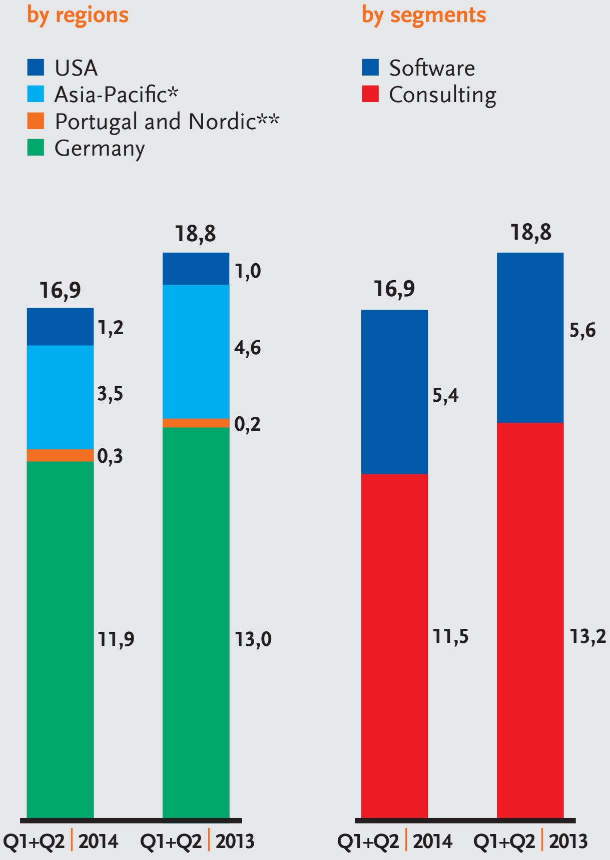
*George Bernard Shaw (1856-1950), Irish playwright*

- **Group revenue decreased by EUR 1.9 million**
- **EBIT improved by EUR 1.5 million to minus EUR 1.3 million**
- **Net income improved by EUR 1.6 million to minus EUR 1.5 million**

## Employees




## Revenue (millions EUR)




* in 2014 without Singapore
** in 2014 without Nordic

# To our Shareholders

**Thomas Mayerbacher**
Chief Executive Officer

**Volker Hensel**
Chief Financial Officer

## DEAR SHAREHOLDERS AND BUSINESS PARTNERS,

REALTECH is continuing to push ahead with its most extensive transformation since the company was founded and is consistently taking measures for realignment. Despite making many improvements, especially with regard to our cost structure, we have not yet achieved our goal. As a result, our reorganization measures continue to focus on strengthening sales and marketing in the long term as well as expanding the REALTECH portfolio in a structured manner, in line with customer requirements.

Group revenue has so far remained under the level of the previous year, which can essentially be attributed to reorganization measures being taken in marketing, a major order that was not completed in the first half of the year in Japan as well as the consequences of the German consulting project terminated at the turn of the year. At the same time, the measures that have been tactically implemented with a view to economic stabilization and realignment are bearing fruit, which can be seen in the operating profit (EBIT) and net income.

Let us look at the figures behind the development to date:

## Business development

In the second quarter of 2014, REALTECH recorded **revenue** of EUR 8,521 thousand, which was 9 percent less than the figure for the same quarter in the previous year (EUR 9,354 thousand). On a half-yearly basis, the decrease from EUR 18,833 thousand to EUR 16,930 thousand was 10 percent. Revenue is divided between the consulting and software segments.

As a result of lower capacity utilization and time delays, the **consulting** segment reported revenue of EUR 5,792 thousand in Q2/2014, 12 percent lower than in the previous year (EUR 6,594 thousand). Revenue in the first half of 2014 – at EUR 11,510 thousand – was also 13 percent lower than in the previous year (EUR 13,214 thousand). The contribution made by consulting towards total revenue thus decreased to 68 percent (previous year: 70 percent).

In the second quarter of 2014, at EUR 2,729 thousand, revenues in the **software** segment were almost the same as in the previous year (EUR 2,760 thousand). Over the first six months, software revenues were 4 percent lower compared with the first half of 2013 at EUR 5,420 thousand (EUR 5,619 thousand). Software revenue as a proportion of total revenue increased from 30 percent to 32 percent.

*Our reorganization measures continue to focus on strengthening sales and marketing in the long term as well as expanding the REALTECH portfolio in a structured manner, in line with customer requirements.*

In **Germany**, revenue decreased by 8 percent from EUR 13,008 thousand to EUR 11,940 thousand over the six month period. The share of Group revenue generated in Germany was thus 71 percent (previous year: 69 percent). REALTECH revenue generated abroad decreased by 14 percent from EUR 5,825 thousand to EUR 4,989 thousand. In the **Asia Pacific** region, the revenue fell by 24 percent from EUR 4,589 thousand to EUR 3,486 thousand, primarily due to the postponement of a major project in Japan. This region contributed 21 percent of Group revenue (previous year: 24 percent). In **Portugal**, by contrast, revenues increased from EUR 191 thousand to EUR 290 thousand. The **US** region was able to increase revenues from EUR 1,045 thousand to EUR 1,213 thousand (16 percent). The share of Group revenue therefore increased from 6 percent to 7 percent.

## Earnings

Based on a comparison of second quarters, **cost of sales** were down 22 percent from EUR 5,862 thousand to EUR 4,597 thousand. This more than compensated for the decline in revenue, which led to an increase in **gross profit** of 12 percent to EUR 3,924 thousand in the three month period. The gross margin rose from 37 percent to 46 percent. On a half-yearly basis, the 16 percent saving in the cost of sales, from EUR 11,413 thousand to EUR 9,617 thousand, was more than matched by the drop in revenue described above. Gross profit on revenue thus fell from EUR 7,420 thousand to EUR 7,313 thousand. The gross margin, on the other hand, rose from 39 percent to 43 percent.

These developments are a result of the changes in the two segments: the gross profit in the consulting segment decreased from EUR 3,095 thousand to EUR 2,999 thousand, while the gross profit margin rose from 23 percent to 26 percent. The gross profit in the software segment declined slightly from EUR 4,325 thousand to EUR 4,313 thousand. The gross profit margin, on the other hand, rose from EUR 77 thousand to 80 percent. Consulting therefore contributed 41 percent (previous year: 42 percent) to gross profit, while software contributed 59 percent (previous year: 58 percent).

Compared to the second quarter of the previous year, **selling and marketing expenses** were reduced by 33 percent to EUR 1,867 thousand (previous year: EUR 2,765 thousand) and corresponded to 22 percent (previous year: 30 percent) of revenue. Comparing the two half-year periods, these costs decreased by 26 percent to EUR 3,908 thousand (previous year: EUR 5,257 thousand), going from accounting for 28 percent of revenue to 23 percent. The cost savings can in particular be attributed to the realignment.

**Administration expenses**, on the other hand, rose slightly from EUR 1,263 thousand in the same quarter of the previous year to EUR 1,277 thousand. As a percentage, the rise was from 14 to 15 percent. Compared to the first six months of the previous year, expenses also rose slightly, from EUR 2,519 thousand to EUR 2,569 thousand. Based on revenue, the figure increased from 13 percent to 15 percent.

In the quarter under review, we invested EUR 1,162 thousand, a decrease of 6 percent (previous year: EUR 1,231 thousand) in **research and development.**

However, as a proportion of revenue, these costs increased from 13 percent to 14 percent. Comparing the two six-month periods, expenses decreased by 4 percent from EUR 2,452 thousand to EUR 2,361 thousand, accounting for 14 percent of revenue (previous year: 13 percent).

**Other operating expenses** fell by 19 percent from EUR 337 thousand to EUR 273 thousand compared to the same quarter in 2013. These are made up for the most part of expenses from rental, tenancy and operating lease agreements as well as exchange rate losses.

**Other operating income** essentially comprises rental income from the use of the office building in Walldorf by third parties and currency gains. Compared with the same six-month period of the previous year, this increased by 36 percent from EUR 364 thousand to EUR 494 thousand.

*The result of the effects described was significantly improved operating profit (EBIT) for the second quarter of 2014 of minus EUR 261 thousand (previous year: minus EUR 1,805 thousand). On a half-yearly basis, the EBIT increased by 53 percent from minus EUR 2,781 to minus EUR 1,304 thousand.*

The result of the effects described was significantly improved **operating profit (EBIT)** for the second quarter of 2014 of minus EUR 261 thousand (previous year: minus EUR 1,805 thousand). On a half-yearly basis, the EBIT increased by 53 percent from minus EUR 2,781 to minus EUR 1,304 thousand.

The **finance income** was minus EUR 127 thousand after six months, having been minus EUR 110 thousand in the previous year. This is made up of interest income and interest expenses. The interest income of EUR 25 thousand (previous year: EUR 45 thousand) was primarily a result of loans and other financial receivables (cash and cash equivalents). The interest expenses primarily comprised financial liabilities relating to finance leasing. These were at EUR 152 thousand, having previously been EUR 155 thousand.

The **profit for the year** due to parent company shareholders in the second quarter improved from minus EUR 1,933 thousand to minus EUR 397 thousand. Based on the average number of 5,385,652 shares, this amounts to earnings per share of minus EUR 0.07 (previous year: minus EUR 0.36, also at 5,385,652 shares) for parent company shareholders. The consolidated net income for the first six months rose to minus EUR 1,524 thousand (previous year: minus EUR 3,110 thousand) and earnings per share fell to minus EUR 0.28 (previous year: minus EUR 0.58).

## Financial situation

Based on the significantly improved net income and simultaneous increase in the number of trade receivables and a reduction in provisions and the number of other financial assets, the **net cash flows from operating activities** for the six-month period reversed from a cash outflow in the previous year of EUR 698 thousand to a cash inflow of EUR 423 thousand.

**Net cash flows from investing activities** in the first half of 2014 produced a cash outflow of EUR 526 thousand. In the previous year there was a cash outflow of EUR 792 thousand. This change was primarily a consequence of decreased investment in other intangible assets and property, plant and equipment. These were in particular future-oriented replacements.

## Assets

Compared with the figure for December 31, 2013, **total assets** fell by 5 percent, from EUR 37,337 thousand to EUR 35,560 thousand. This was primarily caused by the lower stock of **other financial assets**. **Cash and cash equivalents** accounted for 21 percent of assets (December 31, 2013: 20 percent).

At EUR 15,808 thousand, **equity** was down 8 percent compared to December 31, 2013 (EUR 17,092 thousand). The **equity ratio** on June 30, 2014, at 44.5 percent, was marginally lower than at the end of the previous year (45.8 percent). Equity capitalization continues to form a sound basis for realizing future earnings and growth targets.

## Employees

At the end of the second quarter of 2014, REALTECH had 341 employees worldwide, 9 percent fewer than on June 30 of the previous year (373). Of these, 261 were employed in Germany – 7 percent lower than the previous year's number (280). This corresponds to 77 percent of all employees (previous year: 75 percent). On the key date at the end of June, the number of employees working at REALTECH companies in other countries had also fallen and now stood at 80 (previous year: 93). The number of employees in Portugal and in the US fell to 12 in each country, and in the Asia-Pacific region this figure fell to 56.

In the business areas, the following development could be seen on the key date of June 30 compared with the same date in the previous year: in consulting, the number of consultants decreased by 5 percent, from 169 to 161. The number of product consultants remained at 19, while, due to the restructuring, the sales area recorded a decrease of 21 percent from 73 to 59 and in development the number decreased by 12 percent from 60 to 53. There was also a decrease in administration from 52 to 49 employees.



## Outlook

*Our aim is to eliminate the failures of the past, offer our customers a future-oriented range of solutions, be an attractive employer for our employees and thus ensure sustained profitability for REALTECH.*

The first half of 2014 showed that we have taken the right path, although there are still many steps to take. Our aim is to eliminate the failures of the past, offer our customers a future-oriented range of solutions, be an attractive employer for our employees and thus ensure sustained profitability for REALTECH.

We continue to anticipate being able to stabilize the REALTECH Group's revenue from consulting and software for the year as a whole. At the same time, we expect operating profit (EBIT) for the 2014 fiscal year to improve in the range from minus EUR 1.0 million to EUR 0.0 million.

## Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and earnings of the Group, taking account of the applicable accounting standards, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the anticipated development of the Group for the remaining months of the fiscal year.

Best regards,
The Executive Board

## Comments

REALTECH AG has prepared its (non-audited) quarterly financial statements in accordance with the accounting standards of the International Accounting Standards Board (IASB), i.e. the International Financial Reporting Standards (IFRS) as applicable in the EU. The IAS, IFRS, and corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable as of June 30, 2014 have been taken into account. The figures for the previous year were also determined based on the same standards.

The consolidation and valuation methods used to prepare the quarterly financial statements and to establish the comparative figures for the previous year were basically the same as those used in the consolidated financial statements as of December 31, 2014. A more detailed description of the individual methods is published in the notes of the 2014 annual report.

No matters of particular significance that may affect the company's income or circumstances that have affected business development are known other than those listed here.

# Highlights

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## Shareholder meeting 2014

On May 27, 2014, REALTECH AG held its fifteenth regular General Meeting at the Palatin Kongresshotel in Wiesloch. Around 200 shareholders and guests gathered to hear about the company. Daniele Di Croce, Chairman of the Supervisory Board of REALTECH AG, opened the General Meeting and, after reading the usual formalities, handed over to the Chief Executive Officer, Thomas Mayerbacher:

In 2013, the REALTECH Executive Board in close agreement with the Supervisory Board implemented the most extensive restructuring since the company's founding in December 1994. The aim of these profit-oriented and organizational measures is to restore REALTECH's earning capacity, permanently strengthen this and continue developing the company strategically.

The key unique selling point continues to be the company's outstanding technical expertise in system architectures for SAP applications, combined with knowledge of how customers can implement the latest technologies profitably. REALTECH will use this potential to stabilize and to grow profitably in the future.

In view of past developments, the newly appointed members of the Executive Board have the urgent task of bringing REALTECH back onto the road to stability, sustainable growth and profitability again. Steered by the financial holding company, the company will go through three phases for this – first, non-profitable projects were stopped and strict cost management introduced. In the second step, the focus is on securing and improving profitability. The third phase is the sustainable and future-oriented realignment of the Group.

By concentrating on its core competences, REALTECH is in an excellent position to develop solidly and successfully over the coming years. With the chosen strategy, REALTECH will become a sustainable and value-oriented company that has a strictly demand-based portfolio and an appropriate international presence. The positive feedback from numerous customers shows that the Executive Board has taken the right path to achieve economic success again in the coming years.

This was followed by a session in which the Executive and Supervisory Boards provided detailed answers to the questions posed by shareholders and their representatives from the German association for private investors (DSW) and the German association for the protection of shareholders' rights (SdK).

Chairman of the Supervisory Board, Daniele Di Croce, then announced the proportion of shareholders who were represented at the General Meeting – EUR 3,115,862 out of the company's share capital of EUR 5,385,652 were represented, which is equivalent to 57.85 percent (previous year: 45.33 percent).

This was followed by the votes. Individual votes were taken on formal approval of the actions of the Executive Board (Item 2) and Supervisory Board (Item 3) and the appointment of Moore Stephens Treuhand Kurpfalz GmbH, Mannheim as auditor and Group auditors for the 2014 fiscal year (Item 4). All the Board's resolutions were passed, with only a few votes against and a small number of abstentions.

2

## REALTECH awarded major government contract

Bundesanstalt für IT-Dienstleistungen

The German Federal Institute for IT Services (DLZ-IT) relies on REALTECH's theGuard! Service Management Center to establish a central IT service management platform for more than twenty German federal agencies. The single service portal is a key building block in the federal government's initiative to modernize its IT services and will support the efficient provision of standardized IT services. REALTECH provides the technological basis for this effort with the licenses for its IT service management software theGuard! Service Management Center.

The Federal Ministry of Transport and Digital Infrastructure currently uses a number of different ticket systems to process support requests within the agencies and between the agencies and the DLZ-IT. This multiplies the daily workload of the IT experts, which they now intend to significantly reduce with theGuard! Service Management Center. In the process, they want to consolidate their existing ticket systems and establish a central IT service management platform according to IT Infrastructure Library (ITIL) best practices. This will automate and accelerate IT service and support processes like incident, problem and change management. They also intend to speed up the identification and elimination of the root causes of incidents and performance problems by installing a central configuration management database (CMDB) that contains all IT components. As a consequence, the agency hopes to significantly reduce the time needed to process and respond to incoming support tickets.

Andreas Weschke, head of the SMIT program at DLZ-IT, explains the decision for the liaison with REALTECH: "theGuard! Service Management Center is a flexible and powerful solution that addresses customer needs, which ultimately gave us the peace of mind that we have chosen the right IT management software with theGuard!. It will continue to meet our specific requirements for years to come."

3

## REALTECH New Zealand and EV Technologies Partner to Optimise SAP BusinessObjects®

EVtechnologies

REALTECH New Zealand and EV Technologies (EVT), a business intelligence consultancy based in Australia and the United States, are pleased to announce a strategic partnership that will combine the strengths of each company to provide enhanced complementary services on both sides of the Tasman. This partnership will also give REALTECH's customers access to EVT's SAP Certified Solution, Sherlock.

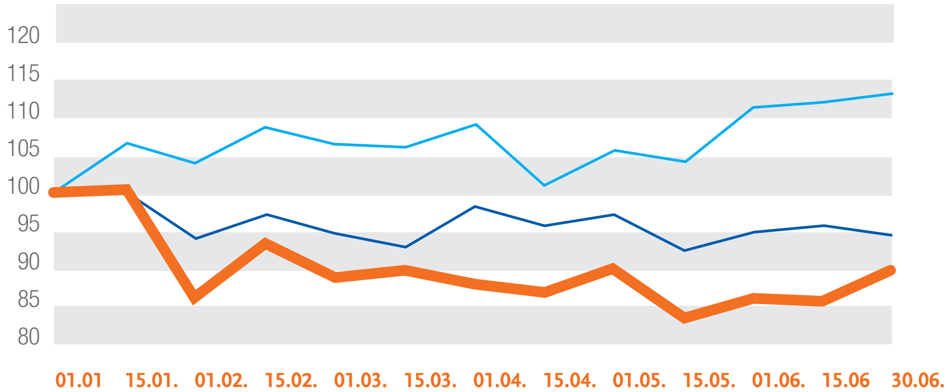
"Sherlock for SAP BusinessObjects helps companies identify which data sets and reports have the most value to an organisation," says Clint Vosloo, Managing Partner of EV Technologies. Vosloo further explains: "With Sherlock, organisations can monitor which data sets and reports are the most utilised. By the same token, analysts can see which data is superfluous. Sherlock's strength is that it can help analysts drill down into the usage patterns within a company's existing SAP BusinessObjects landscape and provide them with data lineage, metadata and report pathways to identify the most appropriate information and then ensure that it is delivered to the right people. Immense savings can be realised by rationalising data sets and allocating resources to focus on the data that has the most positive impact on an organisation's decision-making."

REALTECH and EVT are targeting the Australasian market with their combined offerings. "The real beneficiaries of this agreement will be our clients and prospects," says REALTECH New Zealand Managing Director Andrew Spicer, and explains the positive outcome of the project: "We are now in a position to extend the utility of SAP BusinessObjects®, SAP Edge® and SAP Crystal® solutions to our clients while EV Technologies will be able to offer core SAP technology expertise to their client base as an integrated solution."

# Shares

## Share price index

- REALTECH shares
- TecDax
- DAX Sector Software






## Share performance and market capitalization

At the start of the second quarter of 2014, REALTECH shares were listed at a price of EUR 3.08, which was followed by four weeks of sideways movements before the price rose to the quarter's highest value of EUR 3.20 on May 2, after the release of the provisional figures for the first quarter of 2014 on April 30. In the two weeks that followed, the price decreased slightly, meaning REALTECH shares reached the lowest figure of the quarter on May 16 at EUR 2.95. Over the following days, the shares climbed back up to a value of more than EUR 3, after which the price remained relatively stable before ending Q2/2014 at EUR 3.15. This corresponded to 107 percent of total equity.

| Key figures | Q2 \| 2014 EUR | Q2 \| 2013 EUR |
|---|---|---|
| Earnings per share | (0,28) | (0,36) |
| Cash flow per share | 0,08 | (0,08) |
| Equity per share | 2,94 | 3,94 |
| Highest share price | 3,20 | 5,50 |
| Lowest share price | 2,95 | 3,90 |
| Share price at year end | 3,15 | 4,04 |
| Market capitalization at year end | 17 Mio. | 22 Mio. |
| Number of shares at year end | 5.385.652 | 5.385.652 |

## Shareolder structure
(as of 30.06.2014)

- 5,39% Baden-Württemb. Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte
- 13,84% Peter Stier
- 14,22% Rainer Schmidt
- 16,44% Daniele Di Croce
- 50,11% Free float

## Shareholder structure and volume of trading in REALTECH shares

The shareholder structure of REALTECH AG remained constant in the second quarter of 2014 compared with the previous quarter. The free float amounted to 50.11 percent.

On average, around 5,649 REALTECH shares were traded every day during the second quarter of 2014 – 28 percent fewer than during the same quarter in the previous year (7,798). Of the shares, 77 percent were traded in Xetra (previous year: 84 percent), while 23 percent were traded on the other stock exchanges (previous year: 16 percent).



**Basics**

| | |
|---|---|
| Market segment | General Standard* |
| Date of issue | 26. April 1999 |
| ISIN | 700 890 |
| Exchange ID | RTC |
| Issue price | 54,00 EUR |

**Shares of the issuer and members of executive bodies as of 30.06.2013**

| | | |
|---|---|---|
| **Issuer** | REALTECH AG | 0 treasury stock |
| **Executive Board:** | Thomas Mayerbacher | 1.620 shares |
| | Volker Hensel | 1.020 shares |
| **Supervisory Board** | Daniele Di Croce | 885.500 shares |
| | Rainer Schmidt | 765.500 shares |
| | Peter Stier | 745.500 shares |

*on July 4, 2014, REALTECH changed market segments from Prime Standard to General Standard

# Consolidated Statement of Comprehensive Income

| | | Q2 \| 2014 EUR | Q2 \| 2013 EUR | Q1+Q2 \| 2014 EUR | Q1+Q2 \| 2013 EUR |
|---|---|---|---|---|---|
| ***Continuing operations*** | | | | | |
| Revenue | | 8.520.761 | 9.354.085 | 16.929.722 | 18.833.083 |
| Cost of sales | | (4.596.750) | (5.861.661) | (9.616.995) | (11.413.395) |
| **Gross profit** | | **3.924.011** | **3.492.424** | **7.312.727** | **7.419.688** |
| | | | | | |
| Selling and marketing expenses | | (1.867.375) | (2.764.518) | (3.907.994) | (5.256.532) |
| Administration expenses | | (1.277.240) | (1.262.986) | (2.568.465) | (2.519.163) |
| Research and development expenses | | (1.161.902) | (1.231.419) | (2.361.135) | (2.452.266) |
| Other operating expenses | | (137.412) | (163.720) | (272.661) | (336.829) |
| Other operating income | | 258.649 | 125.430 | 493.857 | 363.875 |
| **Operating profit** | | **(261.268)** | **(1.804.789)** | **(1.303.671)** | **(2.781.228)** |
| | | | | | |
| Interest income | | 10.424 | 19.222 | 24.883 | 44.853 |
| Interest expenses | | (73.124) | (77.006) | (151.552) | (154.948) |
| **Finance income** | | **(62.700)** | **(57.784)** | **(126.669)** | **(110.096)** |
| | | | | | |
| **Profit before tax from continuing operations** | | **(323.968)** | **(1.862.573)** | **(1.430.340)** | **(2.891.323)** |
| | | | | | |
| Income tax expenses | | (78.286) | (62.568) | (94.578) | (219.938) |
| **Profit for the year** | | **(402.254)** | **(1.925.141)** | **(1.524.918)** | **(3.111.261)** |
| Profit attributable to: | - Owners to the company | (397.127) | (1.933.187) | (1.524.337) | (3.109.559) |
| | - Non-controlling interests | (5.127) | 8.046 | (581) | (1.702) |
| | | | | | |
| **Other comprehensive income** | | | | | |
| Exchange differences on translating foreign operations | | 63.683 | (177.667) | 147.100 | (363.62) |
| **Total comprehensive income for the year** | | **(338.572)** | **(2.102.808)** | **(1.377.818)** | **(3.474.823)** |
| Profit attributable to: | - Owners to the company | (360.786) | (2.045.570) | (1.419.616) | (3.306.579) |
| | - Non-controlling interests | 22.214 | (57.238) | 41.798 | (168.244) |
| | | | | | |
| **Earnings per share** | | | | | |
| From continuing and discontinued operations | - Basic | (0,07) | (0,36) | (0,28) | (0,58) |
| | - Diluted | (0,07) | (0,36) | (0,28) | (0,58) |
| | | | | | |
| Average number of shares | - Basic | 5.385.652 | 5.385.652 | 5.385.652 | 5.385.652 |
| | - Diluted | 5.385.652 | 5.385.652 | 5.385.652 | 5.385.652 |

# Consolidated Statement of Cash Flows

| | Q1+Q2 \| 2014<br>EUR | Q1+Q2 \| 2013<br>EUR |
|---|---|---|
| **Profit for the year** | **(1.524.918)** | **(3.111.261)** |
| Depreciation and amortization of non-current assets | 601.977 | 758.470 |
| Income tax expenses | 94.579 | 219.938 |
| Finance income, net | 126.669 | 110.096 |
| Gains/losses on disposals of non-current assets | 98.349 | 12.875 |
| Other adjustments for non-cash items | (1.572.946) | 169.013 |
| Decrease/(increase) in trade receivables | (262.466) | 845.982 |
| Decrease/(increase) in other financial assets | 2.037.902 | 401.249 |
| Decrease/(increase) in other non-financial assets | (378.106) | (521.742) |
| Increase/(decrease) in trade payables | (9.905) | (693.793) |
| Increase/(decrease) in financial liabilities | 818.074 | (523.135) |
| Increase/(decrease) in provisions | (1.427.954) | (164.589) |
| Increase/(decrease) in deferred revenue | 2.007.195 | 2.324.288 |
| Interest paid | (151.552) | (154.948) |
| Interest received | 24.883 | 44.853 |
| Income taxes paid, net of refunds | (58.949) | (415.103) |
| **Net cash flows from operating activities** | **422.832** | **(697.807)** |
| | | |
| Purchase of intangible assets and property, plant and equipment | (526.172) | (791.959) |
| **Net cash flows from investing activities** | **(526.172)** | **(791.959)** |
| | | |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 147.100 | (257.004) |
| **Net cash flows from financing activities** | **43.760** | **(1.746.776)** |
| | | |
| **Cash and cash equivalents at the beginning of the year** | **7.348.696** | **11.256.846** |
| | | |
| **Cash and cash equivalents at the end of the year** | **7.392.456** | **9.510.070** |

# Consolidated Statement of Financial Position

| ASSETS | 30.06.2014 EUR | 31.12.2013 EUR |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 7.392.456 | 7.348.696 |
| Other financial assets | 199.864 | 2.247.413 |
| Trade receivables | 8.324.595 | 8.065.024 |
| Other non-financial assets | 929.263 | 551.157 |
| Tax assets | 152.631 | 141.551 |
| **Total current assets** | **16.998.809** | **18.353.841** |
| **Non-current assets** | | |
| Goodwill | 4.331.514 | 4.331.514 |
| Other intangible assets | 348.946 | 274.434 |
| Property, plant and equipment | 12.439.959 | 12.789.503 |
| Other financial assets | 222.136 | 221.612 |
| Deferred tax assets | 1.218.136 | 1.365.818 |
| **Total non-current assets** | **18.560.691** | **18.982.881** |
| | | |
| **Total assets** | **35.559.500** | **37.336.722** |

| LIABILITIES AND EQUITY | | |
|---|---|---|
| **Current liabilities** | | |
| Trade payables | 758.968 | 1.173.458 |
| Financial liabilities | 2.629.849 | 2.919.060 |
| Tax liabilities | 1.030.300 | 1.089.249 |
| Provisions | 3.346.950 | 4.774.904 |
| Deferred revenue | 5.810.125 | 3.802.930 |
| **Total current liabilities** | **13.576.192** | **13.759.601** |
| **Non-current liabilities** | | |
| Financial liabilities | 4.457.848 | 4.670.566 |
| Deferred tax liabilities | 1.717.533 | 1.814.537 |
| **Total non-current liabilities** | **6.175.381** | **6.485.103** |
| **Total liabilities** | **19.751.573** | **20.244.704** |
| | | |
| **Equity** | | |
| Issued capital | 5.385.652 | 5.385.652 |
| Capital reserves | 5.752.308 | 5.752.308 |
| Retained earnings | 3.351.531 | 4.888.699 |
| Other components of equity | 561.765 | 350.486 |
| **Equity attributable to owners of the company** | **15.051.256** | **16.377.146** |
| Non-controlling interests | 756.671 | 714.872 |
| **Total equity** | **15.807.927** | **17.092.018** |
| | | |
| **Total liabilities and equity** | **35.559.500** | **37.336.722** |

# Consolidated Statement of Changes in Equity

| | Q1+Q2 \| 2014 EUR | Q1+Q2 \| 2013 EUR |
|---|---|---|
| **Balance at January 1** | **17.092.018** | **24.585.749** |
| Profit for the year | (1.524.918) | (3.111.261) |
| Exchange rate changes on the balance of cash held in foreign currencies | 147.100 | (363.562) |
| **Total comprehensive income** | **(1.377.818)** | **(3.474.823)** |
| Changes in scope of consolidation | 93.727 | 0 |
| | | |
| **Balance at June 30** | **15.807.927** | **21.110.926** |

# Segment Informations



| | Q1+Q2 \| 2014 EUR | Q1+Q2 \| 2013 EUR |
|---|---|---|
| **Consulting** | | |
| Revenue | 11.510.005 | 13.213.895 |
| Cost of sales | (8.510.650) | (10.119.340) |
| Gross profit | 2.999.355 | 3.094.555 |
| | | |
| **Software** | | |
| Revenue | 5.419.717 | 5.619.188 |
| Cost of sales | (1.106.345) | (1.294.055) |
| Gross profit | 4.313.372 | 4.325.133 |
| | | |
| **Group** | | |
| Revenue | 16.929.722 | 18.833.083 |
| Cost of sales | (9.616.995) | (11.413.395) |
| Gross profit | 7.312.727 | 7.419.688 |

# Financial Calendar

| | |
|---|---|
| **Deutsches Eigenkapitalforum, Frankfurt/Main** | November 26, 2014 |
| **Annual Report 2014** | March 26, 2015 |
| **General Meeting, Palatin Wiesloch, 10:00 a.m.** | May 19, 2015 |
| **Half-Year Report 2015** | August 06, 2015 |

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