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maihiro GmbH

Ismaning

Annual financial statements for the business year from 07/01/2018 to 06/30/2019**Management report for the 2018/2019 financial year**

of maihiro GmbH

I. Company basics**1. Business model of the company**

We are in the consulting business for Customer Relationship Management (CRM). Our customers include major industrial, financial services and trading companies.

The business divisions at maihiro GmbH are divided into the organizational units of Professional Services (Customer Experience Consulting and Customer Success Services) divided into Germany and Austria as well as the Internal Services division, as well as the Finance / Controlling, Information Technology, Administration and Human Resources divisions counting.

Maihiro GmbH is headquartered in Ismaning near Munich. Maihiro GmbH, Germany is the parent company of maihiro GmbH, Austria.

2. Research and Development

The subject of our development activity is the innovative use of standard CRM and eCommerce software products in the on-premise, cloud and mobility environment.

The most important pillar of our innovative strength is our team of highly qualified consultants and employees, which we were able to increase in the maihiro Group (Germany and Austria) from an average of 162 to 180 employees [1] in the past financial year.

We identify the development wishes of the employees in technical and technological terms and work out ways to implement them. The same applies to potential in the soft skill area.

The breadth of the company also enables a cross-divisional change, ie from an activity that includes on-site advice at the customer's to an in-house task without traveling or switching to product development.

Employees who do not want disciplinary leadership can take the path of a specialist career and take responsibility for technical issues within our Competence Center.

We also enable employees to take part in further training (MBA, HR specialist, master's degree, sabbatical, etc. Company support is provided by granting free time and / or by assuming further training costs). Employees whose mother tongue German is not supported by the assumption of costs for language courses.

II. Economic report**1. Macroeconomic, sector-specific framework conditions****Overall economy**

The macroeconomic environment in autumn 2019 is shaped by the tense political and economic situation, which is primarily the result of issues such as the renewed Middle East conflict, the still unresolved Brexit and the impending trade dispute between the USA, China and the EU.

According to the Kiel Institute for the World Economy, the world economy itself continued to expand with little dynamism in the first half of 2019. In the advanced economies, the pace of expansion has recently slowed, while in the emerging countries the previously very weak economy picked up somewhat. The industry in particular is in a downturn, according to the experts. As a result, world trade has even tended to decline since the beginning of the year. In the current year, world production should only increase by 3.1%, after 3.7% last year. US-based trade disputes and uncertainties about the economic impact of running populist governments in a number of emerging markets weigh on the outlook. In addition, there is still uncertainty in Europe about the timing and modalities of Brexit. The pace of global economic expansion is likely to increase only slightly to 3.2% in the coming year. The experts from the Institute for the World Economy have thus reduced their June forecast for 2019 and 2020 by 0.1 percentage points each. Stimulated by a more expansionary monetary policy and provided that there is no further escalation of economic tensions,

Development in Germany

The lines of concern among German business leaders are getting deeper and deeper. The ifo business climate index fell from 95.81 to 94.3 points in August. This is the lowest value since November 2012. Companies once again assessed their current situation as significantly worse. Pessimism also increased with a view to the coming months. There are increasing signs of a recession in Germany. In the manufacturing sector, the decline in the business climate indicator cannot be stopped. Satisfaction with the current situation has again decreased. Expectations slipped deeper into negative territory. A similar pessimism among industrial companies was last observed in the crisis year 2009. There were no bright spots in any of the key German industries. In the service sector, the business climate has deteriorated noticeably. This was due to a significantly less positive assessment of the business situation. In addition, skepticism about the near future increased. In trading, the indicator has slipped into negative territory. The indices on the current situation and expectations fell. The main driver of the decline was wholesaling. In the construction industry, the business climate indicator fell slightly. The construction companies were a little less satisfied with their current situation. For the coming months they do not expect any major changes in the still very good business situation.

RWI also sees the German economy in a downturn. The institute lowered its forecast for German economic growth in 2019 from 0.8 to 0.4%. For 2020 it now expects 0.9% instead of 1.4, and an increase to 1.3% for 2021. The experts see the risk of a recession as increased, but construction activity and private consumption are still very robust. According to the RWI experts, the unemployment rate is likely to be 5% this year and next. An inflation rate of 1.4% is expected this year and 1.3% next year. The public budgets are expected to generate surpluses of just under 52 and 40 billion euros in 2019 and 2020, respectively.

ICT industry

According to the industry association Bitkom, the business climate in the digital industry remains robust, but cannot completely decouple from the negative trend in the overall economy. The Bitkom-ifo digital index reached 22.5 points in August 2019, a decrease of 1.6 points compared to the previous month. Both the current business situation are rated somewhat weaker (40.3 points, -2.2) and business expectations (6.0 points, -1.1). The business situation is thus still in the range of historic highs. The price expectations remain unchanged at 8.5 points. The expectations for the employment development decrease by 2.6 to 25.3 points.

Compared to the economy as a whole, the ICT industry continues to move at a significantly higher level and lets its companies look to the future with optimism.

Customer Experience / CRM Market

According to a recent Lünendonk study, the basic tenor of the CRM / customer experience trends in 2019 for Germany is very positive.

The pressure on companies to drive their digital transformation is increasing significantly. In order to differentiate oneself in the market, but also to ensure survivability, digital services are becoming more and more important. One of the major tasks for industry is to develop new data-based services, monetize sensor data and position itself in the global IoT platform economy. Sectors such as logistics, trade or the financial sector face similar challenges in the platform economy. According to the study, they have to build digital channels and interfaces that are perceived as high quality by the customer so that they can survive in the age of data-based platforms.

The prerequisite for successfully scaling new digital business models is an intuitive, simple and media-free customer experience - which, however, often cannot be managed on one's own. The pressure to change and adapt to digitization and the number of projects initiated is too high. But there is a lack of specialists and IT experts with competence in new technologies, a new customer journey and customer experience, as well as in the development of innovative, digital products. For this reason, the cooperation with digital agencies as well as management and IT consultancies has increased significantly, as has the need for strategic service partners.

But where are the companies and service providers currently in the implementation of customer-centric strategies? And in which areas do they particularly need support and from whom? This is shown by the current Lünendonk® market segment study 2019 "The market for customer experience services in Germany". The market research and consulting company Lünendonk & Hossenfelder provides valid figures, data and facts from two perspectives. Not only 19 leading providers of customer experience services were surveyed, but also 109 large companies and corporations, 65% of which achieve sales of more than one billion euros.

Customers expect systems with open interfaces

A major prerequisite for the successful implementation of customer-centric digitization strategies is a modern and open-interface IT landscape, but this is still an obstacle for the majority of the companies surveyed - according to the study, only 40 percent stated that their IT systems have a high level of integration capability. "There is still some catching up to do here," says study author Mario Zillmann, partner at Lünendonk & Hossenfelder. "A user-friendly and appealing user interface has long since ceased to meet most customer requirements. For example, it is expected

In addition, in the platform economy, the integration of digital front-end solutions with the IT back-end is indispensable so that a unique customer experience can be created through big data analytics and artificial intelligence.

Despite the deficits that still exist, almost two thirds of the companies surveyed place themselves on par with the competition when it comes to developing or realizing new business models. On the other hand, when it comes to the scaling of new products and services, it is only 56%; 28% see themselves behind here.

Digital change affects the entire organization

There is also a lack of project implementation. Two thirds of the executives surveyed also admit that planned and initiated projects to digitize customer interfaces and develop new products and business models were not implemented in their company. The strongest reason for this, at 74%, is that too many projects and initiatives are running at the same time, but not enough specialists are available. A lack of agile structures is the second most common cause.

"New structures and cooperation models are necessary because digital change is not just a technology issue, but affects the entire organization and its ecosystem," says Zillmann. "Most companies have already started to introduce agile methods in individual areas. But many are still a long way from an agile transformation - after all, the switch to process models such as Scrum, Design Thinking or Lean Startup has far-reaching effects on the working methods, processes and management principles within the company."

Service providers are being integrated more and more deeply into the value chain

Since numerous companies are tackling new topics relating to IoT, cloud, artificial intelligence or digital marketing for the first time, there is a lack of experience in the implementation of technology concepts, the development of prototypes and scaling. Therefore, consulting and IT service providers are increasingly being integrated more deeply into the value chain. With 94%, the innovative strength of the external partner as well as their industry and specialist competence are most in demand. In addition, 69% attach great importance to a dedicated creativity and design expertise and 68% to IT competence in terms of the integration of digital solutions into the backend processes.

"These top requirements alone illustrate the changes in the consulting market towards the networking of various individual disciplines to form an integrated consulting, development and implementation approach," comments Mario Zillmann. "Topics such as strategy and management consulting, IT consulting / system integration as well as creative and design consulting are moving closer and closer together and are increasingly being commissioned in combination. In this context, we are also increasingly seeing that customers are entering into joint ventures with their service providers or buying them in order to secure valuable know-how."

Providers address billions in the overall market

Das Portfolio der Anbieter von Customer Experience Services wird dabei von wenigen Kernelementen dominiert, darunter Software- und Systemintegration im Rahmen von Customer-Experience-Projekten, Digital Consulting und Prozessoptimierung.

Die hohe Nachfrage der Anwenderunternehmen nach externer Unterstützung rund um Themen zur Digitalisierung der Kundenschnittstellen, zu neuen Geschäftsmodellen und digitalen Prozessen drückt sich auch in der Umsatzentwicklung der analysierten Dienstleister aus. So ist bei 77% der Befragten der Umsatz um mehr als 10%, bei weiteren 17% zwischen 5 und 10% gestiegen.

Insgesamt schätzt Lünendonk das Gesamtmarktvolumen für Customer Experience Services in Deutschland auf 6,4 Milliarden Euro. Die Anbieter dieser Services adressieren im deutschsprachigen Raum einen milliardenschweren Gesamtmarkt für die digitale Transformation: Für 2018 planten die von Lünendonk befragten Großunternehmen und Konzerne, 2,3% ihres Umsatzes für Projekte zur Digitalisierung ihrer Kundenschnittstellen und neuer Geschäftsmodelle zu investieren. „Da sich eine Vielzahl an Projekten nicht mit eigenen Ressourcen bewältigen lässt, werden die Anwenderunternehmen ihre Ausgaben für externe Dienstleistungen nach oben anpassen“, prognostiziert Mario Zillmann. Kein Wunder also, dass die Stimmung unter den befragten Dienstleistern sehr gut ist. Sie erwarten für 2019 ein Umsatzwachstum von durchschnittlich 22,8%.

2. Geschäftsverlauf

Das abgelaufene Geschäftsjahr war nach wie vor geprägt durch den grundsätzlichen Wandel in unserem Marktumfeld. Themen wie die Digitalisierung der Wirtschaft, Industrie 4.0, Omni-Channel oder der Themenkomplex Internet of Things sind auf Kundenseite in aller Munde und verändern nachhaltig die Geschäftsmodelle sowie Marketing- und Vertriebsansätze unserer Kunden. Trotzdem steht die Digitalisierung der Vertriebs-, Service- und Marketingprozesse erst am Anfang.

Die SAP als unser Haupttechnologiepartner investiert „massiv Mrd. Beträge“ in die Stärkung dieses Marktsegments und plant im ihrem Marktsegment MEE (Middle East and Europe) im C4 HANA / Hybris Portfolio (Lizenzen) mit einem jährlichen Wachstum von 70%.

Unsere in 2015 entwickelte Vision maihiro 2020 hat diese Marktentwicklung sehr frühzeitig aufgegriffen und die grundsätzliche, strategische Ausrichtung auf einen sich verändernden Markt von maihiro zum Ziel.

Wir können nunmehr sagen, dass wir uns im abgelaufenen Geschäftsjahr in den einzelnen Geschäftsbereichen deutlich weiterentwickelt und positioniert haben.

Unser durchgängiger Portfolioansatz schafft sehr gute Anknüpfungspunkte und ermöglicht Zugänge für maihiro als Ganzem zu den buying centres in den Fachbereichen und dem höheren Management. Daraus abgeleitet sehen wir für alle Unternehmensteile große Wachstumschancen.

Die SAP positioniert sich zukünftig stark als Cloud-Plattform Anbieter und ermöglicht zusätzliche Umsatz- und Ergebnispotentiale durch die Entwicklung eigener innovativer Produkte. Im Customer Success Management verstetigen wir immer mehr unsere Kundenbeziehungen und sorgen so für werttreibende, wiederkehrende Umsätze.

Grundsätzlich kann man zur Strategie unseres Hauptpartners SAP festhalten: Mit der Bekanntgabe der erweiterten Produktstrategie der SAP auf der weltweiten Kundenmesse SAPHIRE im Sommer dieses Jahres in Orlando wurde die Grundlage für das weitere Wachstum des Geschäfts im CRM Umfeld gelegt. Die SAP hat in den letzten Jahren eine Vielzahl von Akquisitionen (hybris, Giga, callidus, coresystems) in diesem Produktbereich getätigt, um ihr Portfolio zu vervollständigen. maihiro hat jeweils frühzeitig die Zusammenarbeit mit diesen neuen Partnern auf SAP-Seite gesucht und zudem fachliche Kompetenz aufgebaut. Alle diese Zukäufe und die Vielzahl an eigenen Lösungen hat die SAP unter dem Begriff SAP C/4 HANA bzw. SAP CX (Customer Experience) gebündelt und neben der bestehenden ERP Plattform SAP S/4 HANA zu einem Hauptelement ihrer Strategie gemacht. Dies wird zu einem verstärkten Wachstum der SAP in diesem Bereich führen. Die frühzeitige Adaption der SAP Strategie durch maihiro macht uns sehr zuversichtlich, was das weitere Wachstum von maihiro betrifft.

Vor dem Hintergrund der SAP Plattform Strategie, also auf Basis der SAP Cloud Entwicklungsumgebung Partner die Entwicklung ergänzender Produkte zu ermöglichen, haben wir entsprechende Produkte weiterentwickelt. Diese markfähigen Produkte wurden bereits von vielen Unternehmen im Software as a Service Modell gekauft. Neben namhaften Kunden, die diese Produkte nutzen, ist maihiro als Produktanbieter ein wichtiges Referenzmodell für die SAP Plattform Strategie.

Da die zunehmenden Aktivitäten in diesem Geschäftsbereich noch stärker gebündelt werden sollen, und um neue Wachstumsmöglichkeiten schnell zu ermöglichen, haben sich die Gesellschafter der maihiro GmbH entschlossen diesen Bereich per 31.05.2019 in eine eigenständige GmbH auszugründen. Darüber hinaus wurde ein Investor gefunden, der sich an der neuen Unternehmung beteiligt und entsprechendes Wachstumskapital einbringt. In diesem Zusammenhang wurden die Mitarbeiter des Geschäftsbereiches Products in die neue maihiro products GmbH überführt und ein entsprechender Carve Out umgesetzt. Die daraus sich ergebenden Änderungen bzgl. der bisherigen Kennzahlen (Umsatz, Personal, Ergebnis, usw.) sind beim vorliegenden Jahresbericht zu berücksichtigen. Wir haben dieser Situation im vorliegenden Bericht durch eine entsprechende Segmentberichterstattung Rechnung getragen. Aus dieser Segmentberichterstattung leitet sich wie oben bereits erwähnt ab, dass das Ergebnis vor Steuern bezogen auf maihiros Kerngeschäft auf Vorjahresniveau liegt.

3rd location

The company's situation is still shaped by our operational business and investments in innovative solutions and areas.

a) Earnings position

The total output in the maihiro Group in the past financial year was EUR 22,352 thousand (previous year: EUR 21,113 thousand) [2]. In the past financial year, we in the maihiro Group achieved earnings before taxes of EUR 455 thousand (previous year: EUR 1,399 thousand) [3].

This decline in earnings is primarily due to the costs that were still necessary in the past financial year for establishing business operations for maihiro products. If the result is adjusted for the product area, we achieved an EBIT of EUR 1,465 thousand in the maihiro group.

b) Financial position

Our **financial position** can be described as very stable. Our financial management is geared towards always settling liabilities within the payment deadline and collecting receivables within the payment deadlines.

Our capital structure has continued to improve. Our consolidation policy, due to which we essentially leave the results generated within the company, played a major role in this.

In order to finance our sales business, we use the credit lines granted by our banks, which are only used for a short time. We have significantly higher credit lines than we use on average. In the past financial year, we introduced factoring as an additional, growth-oriented financing instrument in Germany in coordination with the house bank.

The trade payables amount to 11.9% of the group balance sheet total. All liabilities can always be settled within the payment terms.

Long-term investments are covered by our equity. The short-term receivables and bank balances exceed the short-term liabilities.

The **liquidity situation** would have remained constant in the past financial year due to our consistent receivables management compared to the previous year. With the additional use of factoring in Germany, it has improved significantly.

c) Financial position

The **financial position** of our company has improved compared to the previous year. We keep the structure of our short-term and long-term tied assets and our liabilities stable based on our experience in the area of finance.

Compared to the previous year, the group balance sheet total decreased by EUR 619 thousand to EUR 4,545 thousand [4]. This is primarily due to the disposal of internally generated intangible assets capitalized in the financial year and in previous years in the amount of EUR 1,100 thousand in connection with the spin-off of the "Products" division.

The total equity in the group amounted to EUR 1,152 thousand at the end of the financial year [5]. At 25.3%, the group equity ratio is above the group equity ratio in the previous year (24.2%) [6].

4. Financial performance indicators

For our internal corporate management, we use the key figures of sales per employee, return on sales and cash flow.

In terms of employees, there are four managing directors in the group [7]. We calculate the return on sales with the EBIT in relation to the sales revenue, the cash flow from the sum of the annual result, depreciation and allocation (or reversal) of long-term provisions.

Based on an average number of productive employees of 119 in the maihiro Group, we achieved a per capita total output of EUR 182 thousand. The return on sales in the financial year adjusted for the products area was 6.6% and still includes the high level of training and Investment in training.

Overall, our economic situation can be described as good.

II. Branch office report

In addition to the headquarters in Ismaning, our company still has a domestic branch in Berlin and Hamburg.

III. Forecast report

Based on the aforementioned information from relevant market researchers and industry associations such as BITCOM, the IfW, Ifo-Institut or Lünendonk as well as its own market assessments, maihiro assumes that the CRM market relevant for maihiro in Germany will continue to develop positively and that the market will grow by will reach approx. 15-20% in 2019.

In the specific market for CRM application software, the market penetration of the manufacturer SAP continues to increase relative to its competitors. In addition, by expanding its product portfolio in the market that is relevant to us, SAP has helped create the prerequisites for significant growth for maihiro. When it comes to market cultivation, SAP continues to rely more and more on industry-focused and specialized partners. Thanks to our very good positioning in this industry-specific market environment, Our significant investments in training and organizational development in the past fiscal year have meanwhile also made an excellent name for ourselves in SAP's expanded customer engagement and commerce portfolio. This makes us confident that our target customer base will expand significantly in the coming years, in addition to the increased activity for large companies and in software-independent management consulting.

With regard to the multitude of new, innovative SAP products, we will continue to work to deepen our know-how in these fields and to remain the TOP consulting partner in SAP customer engagement and commerce for SAP and the market.

Coupled with our consistent organizational measures and the industry-focused sales and partner approach that focuses on reference marketing and promotes maihiro's branding, we are confident that we will increase maihiro's overall performance in the group in the coming financial year by around 22% to EUR 26,378 thousand will

increase. We will continue to invest consistently in our know-how, continue our personnel development and align our process and organizational structure with efficiency considerations. For the coming financial year, we expect an operating EBIT margin of 6.0% in the group, which continues to include the high level of investment required for training and further education.

IV. Report on opportunities and risks

1. Risk report

Industry-specific risks:

Should the trade war between the USA on the one hand and the EU and China on the other hand escalate and the British leave the EU unregulated and should the economy weaken as a result, this could have a negative impact on the economic situation of our customers and the demand for our products. This can result in sales and earnings risks for us.

As in the past, the success of maihiro will be significantly influenced in the future by the acquisition and long-term retention of suitably qualified employees.

In connection with the continuing shortage of skilled workers in our relevant labor market, there is on the one hand a risk that high performers will be poached and maihiro will be abandoned. On the other hand, the possibility of recruiting sufficient staff is difficult for maihiro itself, so that the associated shortage of skilled workers can also be linked to our ability to deliver.

For these reasons, the focus of our human resources work continues to be, as in previous years, on the consistent recruitment of qualified employees and the further development of the individual skills of the existing employees as well as the investment in their know-how. Therefore, in addition to the existing recruitment measures, we will increasingly rely on our own active sourcing.

Income-oriented risks

The competition risks have decreased due to our clear differentiation from the competition. Since our expanded market presence offers competitive advantages, we assume that our economic performance risks have tended to decrease compared to the previous year. We assume that we will be able to further expand our market shares in the medium term. However, additional costs may be expected in the course of further training measures.

Financial risks

Due to the stable liquidity and equity situation of our company, liquidity risks are currently not discernible.

Mezzanine capital of EUR 200 thousand was made available to strengthen the new sister company "maihiro products GmbH". There are currently no risks of default with this long-term loan.

The liquidity situation is good; no bottlenecks are to be expected.

2. Opportunity report

On the procurement side, we can fall back on a wide range of delivery options. We enforce our high quality standards through suitable internal and external quality controls.

We will continue to face competition on the market with experience, innovations, reliability and a high level of quality.

Due to our sustained, strong growth, we have more space requirements and therefore moved to our new office on Lise-Meitner-Strasse in Ismaning in October. We used the move to implement a completely new office concept that is tailored to the changed conditions of the modern working world. At the same time, the concept is currently being implemented in the Vienna branch. The interior design comes from the planning office Michael Bednarik from Rosenheim, a company with well-known references in the design of future-oriented office concepts. In this way, too, we promise ourselves that we will continue to be attractive to our employees and that we will be able to inspire new employees for us.

3. Overall statement

We continue to see risks to future development in the stabilization of the macroeconomic situation, our capacity utilization and billability as well as the loyalty of our employees. Against the background of our financial stability, however, we consider ourselves to be very well equipped to cope with future risks. There are currently no identifiable risks that could jeopardize the continued existence of the company.

V. Risk reporting on the use of financial instruments

The company's existing financial instruments essentially include receivables, liabilities and bank balances.

The company has a broad, solvent customer base. Bad debt losses are the absolute exception. In addition, there has been a long-term collaboration with a large number of customers.

Liabilities are paid within the agreed payment terms.

In the short-term area, the company finances itself primarily through supplier credits, credit lines from various banks and factoring.

The aim of the company's financial and risk management is to secure the company's success against financial risks of all kinds. The company pursues a conservative risk policy when managing its financial positions.

To hedge against the liquidity risk, we use a finely graduated liquidity plan that provides an overview of incoming and outgoing payments.

If default and credit risks are discernible for financial assets, appropriate value adjustments are made. The company has adequate accounts receivable management to minimize the risk of default.

[1] maihiro GmbH: from an average of 127 to 143 employees

[2] maihiro GmbH: total output EUR 19,182 thousand (previous year: EUR 18,203 thousand)

[3] maihiro GmbH: earnings before taxes KEUR 471 (previous year: KEUR 1,478)

[4] maihiro GmbH: total assets EUR 3,753 thousand (previous year: EUR 4,260 thousand)

[5] maihiro GmbH: equity KEUR 1,084 (previous year: KEUR 1,166)

[6] maihiro GmbH: equity ratio 28.9% (previous year: 27.4%)

[7] maihiro GmbH: 3 managing directors

Ismaning on October 30, 2018

maihiro GmbH
Managing directors
signed Bernd Hesse
signed Uwe May
signed Mark Roes

Balance sheet**assets**

	June 30, 2019 EUR	June 30, 2018 EUR
A. Fixed assets	432,691.14	851,794.30
I. Intangible Assets	59,032.00	714,687.30
1. Self-created industrial property rights and similar rights and values	24,182.00	693,897.30
II. Tangible assets	138,659.14	102,107.00
1. Other equipment, factory and office equipment	69,514.00	77,107.00
2. Advance payments made and assets under construction	69,145.14	25,000.00
III. Financial assets	235,000.00	35,000.00
1. Shares in affiliated companies	35,000.00	35,000.00
2. Other loans	200,000.00	0.00
B. Current Assets	3,100,404.11	3,193,807.37
I. Inventories	39,885.80	101,651.87
II. Receivables and other assets	3,060,297.88	2,818,974.52
1. Receivables from affiliated companies	182,023.85	33,073.81
III. Cash in hand, Bundesbank balances, bank balances and checks	220.43	273,180.98
C. Prepaid expenses	220,263.22	214,629.42
Total assets	3,753,358.47	4,260,231.09

liabilities

	June 30, 2019 EUR	June 30, 2018 EUR
A. Equity	1,084,312.49	1,165,695.96
I. Subscribed capital / capital account / capital shares	200,000.00	200,000.00
II. Balance sheet profit	884,312.49	965,695.96
B. Provisions	1,152,861.73	1,273,059.02
C. Liabilities	1,290,716.32	1,375,750.43
1. Liabilities to credit institutions	440,407.42	115.43
2. Liabilities to affiliated companies	109,744.36	185,779.43
D. Prepaid expenses	225,467.93	250,925.68
E. Deferred Tax Liabilities	0.00	194,800.00
Total liabilities	3,753,358.47	4,260,231.09

Profit and Loss Account

	1.7.2018 - 30.6.2019 EUR	1.7.2017 - 30.6.2018 EUR
1. Gross result	17,979,512.54	16,482,370.84
2. Personnel expenses	12,104,801.74	10,367,637.45
a) Wages and salaries	9,909,770.20	8,479,344.22
b) social security and pension and support expenses	2,195,031.54	1,888,293.23
3. Depreciation	284,567.74	127,614.02
a) On intangible assets and property, plant and equipment	284,567.74	127,614.02
4. other operating expenses	5,086,957.14	4,476,467.79
5. other interest and similar income	10,313.58	8,528.82
6. Interest and Similar Expenses	42,894.41	41,830.23
7. Income taxes	147,988.56	421,795.07
8. Profit after tax	322,616.53	1,055,555.10
Annual surplus	322,616.53	1,055,555.10

Appendix for the 2018/19 financial year**of maihiro GmbH****1. General information****Preliminary remark**

Maihiro GmbH, based in Ismaning, is entered in the commercial register of the Munich Local Court under HRB 132682.

The company is a medium-sized corporation within the meaning of Section 267 of the German Commercial Code (HGB) and its accounting and valuation are based on the provisions of Sections 242 ff. HGB and the provisions of Sections 264 ff. HGB applicable to corporations and the provisions of the GmbHG.

The company makes partial use of the relief granted for the preparation of the income statement in accordance with Section 267 of the German Commercial Code (HGB) and the appendix in accordance with Section 288 of the German Commercial Code (HGB).

The balance sheet is structured in accordance with Section 266 of the German Commercial Code (HGB). The income statement has been prepared using the total cost method in accordance with Section 275 (2) HGB. The structure of the balance sheet and the income statement is unchanged compared to the previous year.

The accounting and valuation methods are largely unchanged compared to the previous year.

The **comparability** of the values is only possible to a limited extent, however, since the sub-operation "Manufacturing and sales of software products in the cloud environment" was split off in the financial year ended May 31, 2019. According to the spin-off agreement dated May 27, 2019 (Notary Dr. Thomas Engel, UrNr. E1314 / 2019), the software development business, in particular the self-created software products maiConnect, maiTour, maiCatch and the related claims and liabilities as well as provisions were spun off. The asset value of the split-off assets was € 1,131 thousand.

Accounting and valuation principles

Internally generated intangible assets are valued in accordance with Section 255 (2a) of the German Commercial Code (HGB) with the costs incurred in their production.

The **acquired intangible assets** include software, licenses and similar rights. They are valued at acquisition cost less scheduled depreciation. Depreciation is linear and is based on the normal useful life of three years.

The **fixed assets** were valued at acquisition or production cost and - if depreciable - less depreciation. The acquisition costs include the ancillary acquisition costs; Purchase price reductions are deducted. The depreciation is linear. Additions and disposals are depreciated pro rata temporis.

Low-value assets with acquisition costs of up to € 410 are written off in full in the year of acquisition and posted as disposals after 5 years.

The **financial assets were** generally valued at acquisition cost.

Work in progress is valued at acquisition or production cost, taking into account the lower value principle. Appropriate parts of the necessary manufacturing overheads are included in the manufacturing costs.

Receivables and other assets are stated at their nominal value or at the lower value applicable on the balance sheet date. In the case of receivables whose collectibility is subject to recognizable risks, appropriate value deductions are made; bad debts are written off. In addition, the general credit risk was taken into account through a general bad debt allowance.

Liquid funds are capitalized at their nominal amount.

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

The **tax provisions** are set up in the amount of the probable settlement amount.

The valuation of the **other provisions** is carried out with the settlement amount necessary according to a reasonable commercial assessment, taking into account future price and cost changes. Provisions with a remaining term of more than one year were discounted using the average market interest rate for the past seven years, which corresponds to the remaining term.

The **liabilities** were generally stated with the settlement amounts.

Payments received before the balance sheet date are recognized as **deferred** income, insofar as they represent income for a certain period after this point in time.

The accounting and valuation methods are unchanged compared to the previous year.

2. Information on the balance sheet and income statement

Capital assets

The development of the items of fixed assets:

	Acquisition and production costs					June 30, 2019 T €
	July 1, 2018 T €	Additions T €	Disposals due to spin-off of T €	Transfer bookings T €		
I. Intangible Assets						
1. Self-created industrial property rights and similar rights and values	976	671	1,389	0		258
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights	238	36	0	0		274
	1,214	708	1,389	0		532
II. Tangible assets						
1. Other equipment, factory and office equipment	191	14th	0	0		205
2. Advance payments and assets under construction	25th	44	0	0		69
	216	58	0	0		274
III. Financial assets						
1. Shares in affiliated companies	35	0	0	0		35
2. Other loans	0	200	0	0		200
	35	200	0	0		235
	1,465	966	1,389	0		1,042
				accumulated depreciation		
			July 1, 2018 T €	Additions T €	Disposals due to spin-off of T €	
I. Intangible Assets						
1. Self-created industrial property rights and similar rights and values			282	240		289
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights			217	22nd		0
			499	263		289
II. Tangible assets						
1. Other equipment, factory and office equipment			114	22nd		0
2. Advance payments and assets under construction			0	0		0
			114	22nd		0
III. Financial assets						
1. Shares in affiliated companies			0	0		0

	July 1, 2018 T €	accumulated depreciation	
		Additions T €	Disposals due to spin-off of T €
2. Other loans	0	0	0
	0	0	0
	613	285	289
		Book value	
		June 30, 2019 T €	June 30, 2019 T €
I. Intangible Assets			
1. Self-created industrial property rights and similar rights and values		234	24
2. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights		239	35
		473	59
II. Tangible assets			
1. Other equipment, factory and office equipment		136	69
2. Advance payments and assets under construction		0	69
		136	139
III. Financial assets			
1. Shares in affiliated companies		0	35
2. Other loans		0	200
		0	235
		609	433

The total amount of research and development costs in the reporting year was € 671,209.01, of which € 671,209.01 was capitalized.

Receivables and other assets

The receivables and other assets include items with a remaining term of more than one year in the amount of € 0.00 (previous year: € 2,500.00). Receivables that legally arise after the reporting date are included in the amount of € 23,257.73 (previous year: € 34,022.45).

equity capital

The subscribed capital amounts to € 200,000.00.

liabilities

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

Liabilities in the amount of € 440,407.42 (previous year: € 115.43) are secured by the assignment of all trade receivables.

Other company income

The one-off and / or non-period income included in other operating income is made up as follows:

	2018/2019 T €	2017/2018 T €
Income from sale & lease back transactions	321	204
Income from the release of provisions and value adjustments	1	53
Other aperiodic income	0	5
from currency conversion	0	4th
other operating income	581	484
	903	749

Other operating expenses

The one-off and / or out-of-period expenses included in other operating expenses are made up as follows:

	2018/2019 T €	2017/2018 T €
Expenses from sale & lease back transactions	321	204
other aperiodic expenses	1	0
from currency conversion	3	3
Setting in value adjustments to accounts receivable	0	29
donate	5	6th
Other operating expenses	4,757	4.234
	5,087	4,476

3. Other information

Management members

Members of the management in the 2018/2019 financial year were:

Mr Bernd Hesse, Head of Operations and Delivery, Munich

Mr. Uwe May, Head of Marketing / Sales, Garching b. Munich

Mr. Mark Roes, Head of Finance and Accounting, Ottobrunn

In accordance with Section 286 (4) of the German Commercial Code (HGB), the company avails itself of the relief in connection with the disclosure of the managing director's remuneration.

Affiliates

maihiro GmbH, Vienna Austria	Shareholding	Equity €	Annual result 2018 / € 209
	100.00%	102,378	-18,147

Number of employees

	on the reference date		on average	
	06/30/2019 Number	06/30/2018 Number	06/30/2019 Number	06/30/2018 Number
Administration + Marketing	32	32	35	30th
advisor	83	74	83	75
product developer	0	9	9	7th
Employees in accordance with Section 267 (5) of the German Commercial Code (HGB)	115	115	127	112
Managing directors	3	3	3	3
trainee	2	3	3	4th
Working students	6th	12th	11	9
	126	133	144	128

Contingent Liabilities

	Total June 30, 2019 T €	Thereof in 2018/19 T €
Notices according to § 251 HGB not required - other financial obligations	0	
Car and IT leasing	1,800	794
Licenses	118	115
Room rental	4,192	638
	6,109	1,547

Distribution block

In accordance with Section 268 (8) of the German Commercial Code (HGB), capitalizations result in a profit distribution block to the following extent:

	Balance sheet statement €	Deferred taxes €	Amount blocked from distribution €
Activation of self-created intangible assets	24,182.00	0.00	24,182.00
Capitalization of deferred taxes	0.00	0.00	0.00
Total amount of the amounts blocked against distributions in accordance with Section 268 (8) HGB			24,182.00

Equity shares available to cover the amounts within the meaning of Section 268 (8) HGB:

	€
Capital reserve	0.00
Retained earnings	0.00
retained profit	884,312.49
Equity shares available to cover	884,312.49

Ismaning on October 30, 2019

Maihiro GmbH
Managing directors
signed Bernd Hesse
signed Uwe May
signed Mark Roes

For the abovementioned abbreviated annual financial statements, which are intended for disclosure, the size-dependent reliefs according to § 276, 327 HGB were used. We have issued the auditor's report listed below for the detailed annual financial statements and the management report:

Independent auditor's report

To maihiro GmbH, Lise-Meitner-Straße 1, 85737 Ismaning

Examination Opinions

We have prepared the annual financial statements of maihiro GmbH, Ismaning, - consisting of the balance sheet as of 06/30/2019 and the income statement for the financial year from 07/01/2018 to 06/30/2019 as well as the notes, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of maihiro GmbH, Ismaning, for the financial year from 07/01/2018 to 06/30/2019.

In our opinion, based on the knowledge gained during the audit

- The attached annual financial statements correspond in all essential respects to the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, give a true and fair view of the assets and financial position of the company as of June 30, 2019 as well as its earnings position for the financial year from July 1 .2018 until 30.06.2019 and
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322, Paragraph 3, Clause 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Basis for the examination results

We carried out our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the section "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" of our auditor's report.

We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We are of the opinion that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our audit opinions on the annual financial statements and the management report.

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

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with the German commercial law regulations applicable to corporations, and for ensuring that the annual financial statements, in compliance with the German principles of proper bookkeeping, give a true and fair view of the asset, financial and the company's earnings. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of the annual financial statements,

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue business operations. They are also responsible for disclosing issues relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for the going concern basis of accounting, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides an accurate picture of the company's position, is consistent with the annual financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have considered necessary to enable the preparation of a management report in accordance with the applicable German legal regulations,

Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain sufficient certainty as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misrepresentation and whether the management report as a whole gives an accurate picture of the company's position and, in all material matters, with the annual financial statements as well is in line with the knowledge gained during the audit, complies with German legal regulations and correctly presents the opportunities and risks of future development, as well as issuing an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Adequate security is a high level of security, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the German principles of proper auditing established by the Institute of Auditors (IDW) will always reveal a material misrepresentation.

Misrepresentations can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they individually or collectively influence the economic decisions of the addressees made on the basis of these annual financial statements and management report.

During the examination, we exercise our due discretion and maintain a critical attitude. Furthermore

- we identify and assess the risks of material - intentional or unintentional - misrepresentations in the annual financial statements and the management report, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk that material misrepresentations are not detected is higher in the case of violations than inaccuracies, since violations can involve fraudulent cooperation, falsifications, intentional incompleteness, misleading representations or the overriding of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these Systems of society.
- we assess the appropriateness of the accounting methods used by the legal representatives as well as the acceptability of the estimated values presented by the legal representatives and the related information.
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances, the significant doubts about the company's ability to continue as a going concern can raise. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and in the management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances may, however, mean that the company can no longer continue its business activities.
- We assess the overall presentation, structure and content of the annual financial statements, including the information, as well as whether the annual financial statements represent the underlying business transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of asset, financial and Conveyed the company's earnings position.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it provides of the company's position.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we particularly review the significant assumptions on which the future-oriented information is based by the legal representatives and assess the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a significant unavoidable risk

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Trostberg, October 31, 2019

M & P Revision und Treuhand GmbH
Wirtschaftsprüfungsgesellschaft
signed Daniel Zeus, auditor

Approval of the annual financial statements

The annual financial statements were approved by the shareholders' meeting on September 27, 2019.

Decision on the appropriation of profits

The management will propose to the shareholders' meeting that the balance sheet profit be carried forward to a new account:

	€
Annual surplus	322,616.53
Profit carried forward	961,695.96
distribution	-400,000.00
retained profit	884,312.49
