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ConVista Consulting AG

Cologne

Annual financial statements for the business year from 01/01/2019 to 12/31/2019

Balance sheet as of December 31, 2019

assets

		2019		2018
	Euro	Euro	Euro	Euro
A. Fixed assets				
I. Intangible Assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	87,434.70		119,151.00	
II. Tangible assets				
Other equipment, factory and office equipment	277,143.08		339,355.66	
III. Financial assets				
Shares in affiliated companies	3,804,756.00		3,718,535.39	
		4,169,333.78	-	4,177,042.05
B. Current Assets				
I. Inventories				
Work in progress, work in progress		640,050.46		450,940.38
II. Receivables and other assets				
1. Trade accounts receivable	10,327,001.71		10,507,430.87	
2. Receivables from affiliated companies				
of which with a remaining term of more than one year (€ 0.00) (€ 0.00)	6,333,676.38		1,624,133.96	
3. Other assets				
of which with a remaining term of more than one year (€ 0.00) (€ 0.00)	744,147.82	17,404,825.91	1,212,015.17	13,343,580.00
III. Cash in hand, Bundesbank balances, bank balances and checks		7,857,759.53		4,747,705.19
		25,902,635.90		18,542,225.57
C. Prepaid expenses		379,586.35		312,074.43
		30,451,556.03		23,031,342.05

liabilities

		2019		2018
	Euro	Euro	Euro	Euro
A. Equity				
I. Drawn capital	1,000,000.00		1,000,000.00	
Nominal value of own shares	-43,899.00	956,101.00	-51,308.00	948,692.00

		2019		2018
	Euro	Euro	Euro	Euro
II. Capital reserve		2,167,991.92		2,167,991.92
III. Retained earnings				
legal reserve		25,000.00		25,000.00
IV. Balance sheet profit		12,538,506.12		7,989,181.67
		15,687,599.04		11,130,865.59
B. Provisions				
1. Tax provisions	2,206,422.00		455,976.00	
2. Other provisions	4,006,218.06		4,668,844.58	
		6,212,640.06	-	5,124,820.58
C. Liabilities				
1. Advance payments received on orders	565,143.27		439,148.93	
of which with a remaining term of up to one year (€ 565,143.27) (€ 439,148.93)				
2. Trade accounts payable	2,889,765.35		1,367,290.01	
of which with a remaining term of up to one year (€ 2,889,765.35) (€ 1,367,290.01)				
3. Liabilities to affiliated companies	3,891,131.79		2,413,211.70	
of which with a remaining term of up to one year (€ 3,891,131.79) (€ 2,413,211.70)				
4. Other Liabilities	890,862.34		2,195,326.41	
of which from taxes (€ 776,665.11) (€ 1,864,628.06)				
of which in the context of social security (€ 83,797.92) (€ 66,528.43)				
of which with a remaining term of up to one year (€ 890,862.34) (€ 2,195,326.41)		8,236,902.75		6,414,977.05
D. Prepaid expenses		314,414.18	-	360,678.83
		30,451,556.03		23,031,342.05

Income statement January 1 to December 31, 2019

		2019		2018
	Euro	Euro	Euro	Euro
1. Sales		57,758,629.25		56,713,952.21
2. Increase (previous year decrease) in the inventory of work in progress		189,110.08		-668,524.51
3. Other operating income		743,282.39		625,339.81
of which income from currency translation € 103,326.11 (€ 35,532.29)				
4. Cost of materials				
a) Expenses for raw materials, consumables and supplies and for purchased goods	-609,337.82		-484,612.73	
b) Expenses for purchased services	-17,967,580.97	-18,576,918.79	-11,291,195.59	-11,775,808.32
5. Personnel expenses				
a) Wages and salaries	-22,196,103.62		-25,990,854.15	
b) Social security and pension and support expenses	-3,454,422.24	-25,650,525.86	-3,715,464.15	-29,706,318.30
of which for pensions € 47,548.94 (€ 32,060.66)				
6. Depreciation on intangible assets and property, plant and equipment		-233,124.57		-287,899.22
7. Other operating expenses		-10,947,812.43		-10,834,994.84
thereof expenses from currency conversion € 163,094.23 (€ 26,620.75)				
8. Income from participations		6,346,486.84		3,475,587.63
of which from affiliated companies € 6,346,486.84 (€ 3,475,587.63)				
9. Income from profit transfer agreements		2,868,042.97		0.00
10. Other Interest and Similar Income		26,272.88		29,865.60
of which from affiliated companies € 26,272.88 (€ 18,419.44)				

	2019	2018
	Euro	Euro
11. Depreciation on financial assets and on securities held as current assets	0.00	-234,616.49
12. Interest and Similar Expenses	-40,140.18	-95,310.30
13. Taxes on income and earnings	-2,103,926.55	-1,099,528.33
14. Profit after tax	10,379,376.03	6,141,744.94
15. Other taxes	-22,943.00	-29,500.45
16. Annual net income	10,356,433.03	6,112,244.49
17. Profit carried forward from the previous year	7,989,181.67	4,069,842.03
18. Allocation to other revenue reserves	0.00	-192,904.85
19. Withdrawals from other revenue reserves	383,731.92	0.00
20. Distribution of dividends	-6,190,840.50	-2,000,000.00
21. Balance sheet profit	12,538,506.12	7,989,181.67

Appendix for the 2019 financial year

I General information

ConVista Consulting AG is a large corporation within the meaning of Section 267 (3) HGB.

ConVista Consulting AG is based in Cologne. The company is registered under the number HRB 50609 in the register of the Cologne District Court.

The annual financial statements and the management report were drawn up on the basis of the classification, accounting and valuation regulations of the Commercial Code (HGB) and the Stock Corporation Act (AktG). A summarized management report of ConVista Consulting AG and the ConVista Group was prepared for the financial year ending on December 31, 2019.

The accounting and valuation methods were not changed compared to the previous year.

The purpose of the company is to advise companies and non-profit organizations, the mediation of consulting services, the creation and marketing of information systems, hardware and software as well as all related transactions that serve the company's purpose, including the brokering of contracts of all kinds as long as these do not require approval.

Classification principles

The structure of the balance sheet and income statement correspond to the provisions of Sections 266 and 275 HGB and the supplementary provisions of Sections 152 and 158 AktG.

The income statement is structured according to the total cost method.

Accounting methods

The annual financial statements include all assets, provisions, debts, prepaid expenses, expenses and income, unless otherwise stipulated by law. The items on the assets side have not been offset against the items on the liabilities side, expenses have not been offset against income, unless this is required by law.

Fixed and current assets, equity, provisions, debts and prepaid expenses were shown separately in the balance sheet and adequately broken down.

The fixed assets only show items that are intended to serve business operations on a permanent basis. Expenses for the establishment of the company and for the procurement of equity as well as for intangible assets that were not acquired for consideration were not recognized. Provisions were only made in accordance with Section 249 of the German Commercial Code. Deferred items were created in accordance with the provisions of Section 250 HGB.

For a clearer presentation of the financial situation, the trade receivables from affiliated companies have been offset against the opposite liabilities.

Valuation methods

The valuations in the opening balance sheet for the financial year correspond to those in the closing balance sheet for the previous financial year.

The assets and debts were valued individually.

It has been judged cautiously. In particular, all foreseeable risks and losses that arose up to the balance sheet date have been taken into account, even if they only became known between the balance sheet date and the preparation of the annual financial statements. Profits have only been taken into account if they were realized by the balance sheet date.

Expenses and income for the financial year have been taken into account regardless of the time of payment.

Individual items were valued as follows:

- Purchased intangible assets and property, plant and equipment are valued at the cost of acquisition or manufacture less the scheduled depreciation.
- The depreciation schedule for property, plant and equipment and intangible assets follows the expected useful life of the respective asset. In both cases, depreciation is linear and accurate to the month.
- Assets with acquisition costs up to and including EUR 800 (low-value assets) are written off in full in the year of acquisition.
- Shares and loans to affiliated companies as well as participations are generally valued at acquisition cost or the lower fair value.
- The development of fixed assets results from the fixed asset movement schedule.
- The inventories include work in progress that is valued at manufacturing cost. In addition to the directly attributable costs, the production and material overheads as well as the depreciation of the fixed assets are included in the production costs. In all cases the evaluation was made without loss.
- Receivables and other assets are generally stated at their nominal value. The general risk of default in trade receivables is taken into account by means of an appropriate general bad debt allowance.

- Liquid funds are shown at their nominal value.
- Active prepaid expenses are created for expenses that only result in expenses after the balance sheet date.
- The provisions are formed for all liabilities that are uncertain in terms of the amount or the time of performance. They are valued at the settlement amount (including future cost and price increases). Long-term provisions with a term of more than one year are discounted using the average market interest rate for the past seven years that corresponds to their remaining term.
- The liabilities are shown with the settlement amount.
- The items in the annual financial statements based on amounts denominated in foreign currencies or originally denominated in foreign currencies are valued at the current rate of the business transaction. Losses from changes in exchange rates up to the balance sheet date are always taken into account, gains from changes in exchange rates only with remaining terms of one year or less.

II Notes on the balance sheet

Capital assets

	AHK 01.01.2019 EUR	Accesses EUR	Departures EUR	Rebooking EUR	AHK December 31, 2019 EUR
Intangible assets					
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	2,030,304.98	13,310.00	19,266.00	0.00	2,024,348.98
	2,030,304.98	13,310.00	19,266.00	0.00	2,024,348.98
Property, plant and equipment					
Other equipment, factory and office equipment	2,556,807.08	161,999.91	288,237.98	0.00	2,430,569.01
	2,556,807.08	161,999.91	288,237.98	0.00	2,430,569.01
Financial assets					
Shares in affiliated companies	4,400,249.38	175,160.40	323,556.28	0.00	4,251,853.50
Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00
Holdings	0.00	0.00	0.00	0.00	0.00
	4,400,249.38	175,160.40	323,556.28	0.00	4,251,853.50
Total fixed assets:	8,987,361.44	350,470.31	631,060.26	0.00	8,706,771.49
	Depreciation 01/01/2019 EUR	Accesses EUR	Departures EUR	Rebooking EUR	Depreciation December 31, 2019 EUR
Intangible assets					
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,911,153.98	45,026.30	19,266.00	0.00	1,936,914.28
	1,911,153.98	45,026.30	19,266.00	0.00	1,936,914.28
Property, plant and equipment					
Other equipment, factory and office equipment	2,217,451.42	188,098.27	252,123.76	0.00	2,153,425.93
	2,217,451.42	188,098.27	252,123.76	0.00	2,153,425.93
Financial assets					
Shares in affiliated companies	681,713.99	0.00	234,616.49	0.00	447,097.50
Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00
Holdings	0.00	0.00	0.00	0.00	0.00
	681,713.99	0.00	234,616.49	0.00	447,097.50
Total fixed assets:	4,810,319.39	233,124.57	506,006.25	0.00	4,537,437.71
	Book value December 31, 2019 EUR			Book value December 31, 2018 EUR	
Intangible assets					
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				87,434.70	119,151.00
				87,434.70	119,151.00
Property, plant and equipment					
Other equipment, factory and office equipment				277,143.08	339,355.66
				277,143.08	339,355.66
Financial assets					
Shares in affiliated companies				3,804,756.00	3,718,535.39
Loans to affiliated companies				0.00	0.00
Holdings				0.00	0.00

	Book value December 31, 2019 EUR	Book value December 31, 2018 EUR
	3,804,756.00	3,718,535.39
Total fixed assets:	4,169,333.78	4,177,042.05

Total fixed assets:

The shares in the subsidiary ConVista Consulting Kft. Were sold with effect from January 1, 2019. The disposal loss of EUR 211,616 was already taken into account as a value adjustment in the 2018 financial year.

The shares in the subsidiary ConVista France SARL were also sold on September 1, 2019. Due to the value adjustment of the shares in the amount of EUR 17,160.40 from the 2018 financial year, the sale in 2019 had no effect on income.

The book value of the shares in ConVista Consulting Ltd. was reduced by 75.24% as of December 30, 2019 due to a capital reduction of the subsidiary.

Equity

Subscribed capital

The company's subscribed capital as of the balance sheet date is EUR 1,000,000, divided into 1,000,000 registered shares with a nominal value of EUR 1 each. These are fully paid. The nominal amount of the own shares of EUR 43,899 is openly deducted from the subscribed capital.

Development of own shares

The development of treasury shares in the 2019 financial year is as follows:

	Time of Acquisition	number shares	Basic capital EUR	Basic capital %	Purchase / sale price EUR	Reasons for acquisition / use Purchase proceeds
As of 01/01/2019		51,308	51,308	5.1308		
	April 2019	3,909	3,909	0.3909	175,436	Business operations
	August 2019	3,500	3,500	0.3500	215,705	Business operations
Alienation		7,409	7,409	0.7409	391,141	
As of December 31, 2019		43,899	43,899	4.3899		

As of the reporting date, the company held a total of 43,899 treasury shares, which were acquired in the course of the 2016 to 2019 financial years and which accounted for EUR 43,899 of the share capital (4.39%).

Company shares are also held by the company's own employees, who are sold to ConVista Consulting AG when they leave the company. Treasury shares serve the purpose of acquiring other companies. Proceeds from the sale of own shares are used to acquire shares in companies and to invest in operational business.

Capital reserve

The capital reserve is unchanged from the previous year.

Retained earnings

The revenue reserve is unchanged from the previous year.

The increase in retained earnings due to the sale of treasury shares in the amount of EUR 383,732 was offset by a withdrawal from retained earnings in the same amount.

legal reserve

The statutory reserve shown in the revenue reserves is EUR 25,000. The remaining amount of EUR 75,000 is covered by the current capital reserve.

accruals

The other provisions shown in the balance sheet essentially relate to provisions for personnel costs EUR 2,655,700, travel expenses EUR 336,500 and outstanding incoming invoices EUR 511,300.

Deferred taxes

Deferred tax assets result from different valuations of shares in affiliated companies in the commercial and tax balance sheets. These were determined using a current tax rate of 32.45 percent.

The option to capitalize in accordance with Section 274 of the German Commercial Code (HGB) is exercised in such a way that the deferred tax assets are not capitalized.

III Notes on the profit and loss account

Sales

Revenue was generated in the following regions in the 2019 financial year:

region	Share of sales in%
inland	92.46%
Europe	7.47%
America	0.07%
total	100.00%

Out of period expenses / income

Other operating expenses include expenses unrelated to the accounting period in the amount of EUR 125,059. These essentially consist of the write-off of receivables due to uncollectibility in the amount of EUR 55,757 and the individual value adjustment of receivables in the amount of EUR 49,863.

The other operating income includes income relating to other periods in the amount of EUR 78,851. These primarily relate to income from the reversal of provisions in the amount of EUR 61,439.

For further information on the income statement, please refer to the statements in the management report.

IV. Other information

Contingent Liabilities

As of December 31, 2019, there are contingent liabilities from a warranty agreement in favor of affiliated companies from an assumption of debt in the context of group financing in the amount of EUR 5,500 thousand. The collateral is provided by global assignment. The risk of utilization is rated as low due to the creditworthiness of the subsidiaries.

Other financial obligations

At the end of the year, there were other financial obligations from rental and leasing contracts in the amount of EUR 3,186,508. The other financial obligations from rental and leasing contracts include obligations to affiliated companies in the amount of EUR 571,200.

Supplementary report

According to the Extraordinary General Meeting on March 13, 2020, Supervisory Board member Hans-Henning Reinhard will resign from office with effect from the end of March 31, 2020. As a representative, Thomas Möller was elected to the Supervisory Board with effect from April 1, 2020.

The novel coronavirus has been spreading worldwide since January 2020 (coronavirus pandemic). As a value-creating event after the key date December 31, 2019, the pandemic with its effects on the recognition and valuation in the annual financial statements as of December 31, 2019 was not taken into account. For further explanations on the financial effects, please refer to the statements in the management report.

The Management Board is currently not aware of any further events after the end of the 2019 financial year that could affect the company's business performance.

Remuneration of the management body

With regard to the information on the remuneration of the Board of Management, we make use of Section 286 (4) of the German Commercial Code (HGB), as the members of the Board of Management received the same level of remuneration.

As the parent company, ConVista Consulting AG prepares the consolidated financial statements for the group of companies (smallest / largest group of consolidated companies).

The consolidated financial statements will be published in the Federal Gazette.

Employee

The annual average was 290 employees.

Remuneration of the auditor

The fees for auditors are not stated. Please refer to the consolidated financial statements of ConVista Consulting AG.

Members of corporate bodies

In the year under review, the Executive Board was composed as follows:

Oliver Kewes, Graduate in Business Administration (FH) (Co-CEO)

Martin Hinz, software developer (Co-CEO)

Thomas Möller, graduate industrial engineer

The members of the Supervisory Board in the reporting year are as follows:

Matthias Tomann, Management Consultant (Chairman)

Tim Tomann, Investment Manager (Deputy Chairman) (from June 7, 2019)

Hans-Henning Reinhard, Investment Manager (from June 7th, 2019 to March 31st, 2020)

Wolfgang Albers, Management Consultant (Deputy Chairman) (until June 7, 2019)

Dr. Daniel Appelhoff, Managing Director (until June 7, 2019)

Thomas Möller, graduate industrial engineer (from April 1st, 2020)

Information in accordance with Section 160 (1) No. 8 AktG

ConVista Holding GmbH, Munich, has informed us in accordance with Section 20 (1), (3) and (4) AktG that it owns a majority stake in our company.

In addition, MTI Beteiligungen GmbH, Eschborn, has informed us in accordance with §§ 20 Paragraphs 1, 3 and 4.16 Paragraph 4 AktG that it indirectly holds a majority stake in our company, since MTI Beteiligungen GmbH, Eschborn, has a majority stake of ConVista Holding GmbH, Munich, and MTI Beteiligungen GmbH, Eschborn, holds the stake in ConVista Holding GmbH, Munich, in our company in accordance with Section 16 (4) AktG.

Furthermore, Mr. Matthias Tomann, Nuremberg, informed us in accordance with §§ 20 Paragraph 1 and 4, 16 Paragraph 4 AktG that he indirectly owns a majority stake in our company because he holds all the shares in MTI Beteiligungen GmbH, Eschborn, and the indirect participation of MTI Beteiligungen GmbH, Eschborn, in our company is to be attributed to him according to § 16 Abs. 4 AktG.

Information about corporate relationships

Name and seat of the company	Capital share	Equity	Result of the last financial year	
ConVista Consulting AG Dübendorf, Switzerland Exchange rate December 31, 2019 = CHF / EUR	0.92132 100%	812,164 CHF	569,298 CHF	(2019)
ConVista Consulting Ltd. Nottingham, UK exchange rate 12/31/2019 = GBP / EUR	1.17536 100%	£ 129,043	- £ 82,319	(2019)
ConVista Consulting (Pty) Ltd. Cape Town, South Africa exchange rate 31.12.2019 = ZAR / EUR	0.06338 66.6%	ZAR 250,000	-250,000 ZAR	(2019)
ConVista Consulting & Advisors SL, Barcelona, Spain	100%	EUR 1,060,853	371,800 EUR	(2019)
Limited Liability Society ConVista Consulting Moscow, Russia Exchange rate December 31, 2019 = RUB / EUR 0.01429	100%	RUB 20,938,849	RUB 3,944,611	(2019)
ConVista do Brasil Consultoria em Informática Ltda. Sao Paulo, Brazil Exchange rate December 31, 2019 = BRL / EUR 0.22145	99%	6,955,131 BRL	6,143,686 BRL	(2019)

Name and seat of the company	Capital share	Equity	Result of the last financial year
ConVista Israel Ltd. Haifa, Israel Exchange rate 12/31/2019 = ILS / EUR	0.25743	100%	1,219,168 ILS 1,219,021 ILS (2019)
Convista Consulting Pte Ltd Singapore exchange rate 31.12.2019 = SGD / EUR	0.66177	100%	433,728 SGD 135,457 SGD (2019)
Convista Consulting India Private Limited Bangalore Exchange rate 31.12.2019 = INR / EUR	0.01247	100% *	29,277,006 INR 7,298,267 INR (2019)
Faktor Zehn GmbH Munich, Germany	100%	760,794 EUR	0 EUR (2019)
ConVista Faktor Zehn GmbH Vienna, Austria	100%	1,126,696 EUR	1,188,453 EUR (2019)

* 1% of this is indirectly via ConVista Consulting Pte. Ltd., Singapore.

Use of the balance sheet profit

It will be proposed to the Annual General Meeting of the balance sheet profit of EUR 12,538,506.12 a dividend of EUR 10.80 per share entitled to dividends (955,937 shares), a total of EUR 10,324,119.60, and the remaining profit of EUR 2,214,386. 52 EUR to be carried forward to a new account.

Cologne, March 30th, 2020

Oliver Kewes

Martin Hinz

Combined management report for the 2019 financial year

1. General information

The group management report is combined with the management report of ConVista Consulting AG in accordance with Section 315 (5) HGB in conjunction with Section 298 (2) HGB. The combined management report contains a presentation of the asset, financial and earnings position of the individual company and the group.

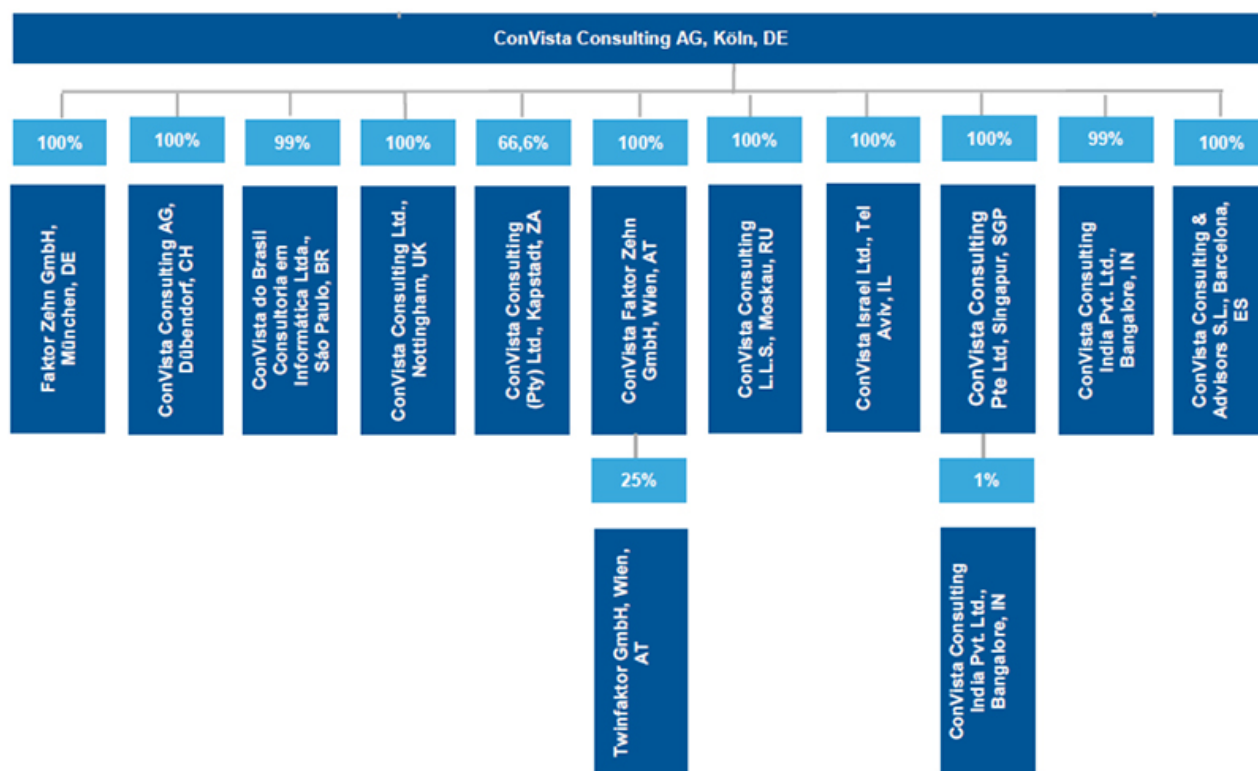
Unless otherwise stated, the information provided applies equally to the Group and ConVista Consulting AG.

2 Economic report

2.1 Group structure and business activities

2.1.1 Group structure

As of the reporting date, the ConVista Group includes ConVista Consulting AG, Cologne, as the largest operating company and parent, a total of 11 companies, which are represented in 11 countries with 15 locations:



In the 2019 financial year, ConVista Consulting AG, Cologne, withdrew from investments in the subsidiaries ConVista Consulting SARL, France, and ConVista Consulting Kft., Hungary. The companies in Great Britain and Russia are also planning to leave the ConVista Group. The company in South Africa is no longer operational and will be closed in 2020. A capital reduction was carried out for the subsidiary in Great Britain in 2019, which led to a reduction in the book value of the shares for ConVista Consulting AG, Cologne.

As of December 31, 2019, ConVista Faktor Zehn GmbH, Vienna, Austria, holds 25% of the shares in the joint venture twin Faktor GmbH, Vienna, Austria.

Selected executives from ConVista Consulting AG take on positions in supervisory bodies as well as in management in individual subsidiaries.

2.1.2 Organization of management and control

The shareholders are involved in fundamental decisions such as amendments to the articles of association, the appropriation of retained earnings, capital increases and major structural changes. ConVista Consulting AG has only one type of share, all of which have the same voting rights.

The board of directors takes on the management and representation. He creates an integrated corporate plan and organizes the reporting structures within the framework of the operational business developments during the year for all subsidiaries. It informs the Supervisory Board regularly, promptly and comprehensively about all key aspects of business development, important business transactions and the current earnings situation.

In addition, the Management Board is responsible for managing the company. At the time the report was prepared, the Board of Management consists of two members.

The Global Management Committee and other regional bodies with selected executives from individual national companies were set up to control the global ConVista Group.

The supervisory board monitors and advises the management board on the management and approves the planning. It appoints the board members and determines the remuneration of the board members. The approval of the Supervisory Board is obtained for fundamental business of the Board of Management. The supervisory board has the audit process and key findings from the audit of the annual financial statements explained by the appointed auditor. At the time the report was prepared, the Supervisory Board had three members.

2.1.3 Business, goals and strategies

The ConVista Group is an international group of companies. Our range of services is based on the combination of knowledge from the disciplines of process, technology and methodology based on the know-how of our consultants and software engineers.

The aim is to optimize the customers' business activities. The ConVista consultants support them in redesigning their processes and optimizing them noticeably. The approach is holistic, from the technical analysis to the operational implementation. The ConVista knowledge is bundled in consulting packages and solutions. These support and accelerate the customer's project specifications.

The companies of the ConVista Group implement software solutions and portals based on SAP, Microsoft and Java technology. Each implementation project requires its own approach, depending on whether the software is used and operated on premise or in the cloud.

The ConVista engineers develop software products to complement the SAP standard. Special emphasis is placed on flexibility and architecture. In addition, individual software solutions based on the company's own Faktor Zehn products are developed under the brand of Faktor Zehn. The Faktor Zehn products are solutions for inventory management in the property insurance sector.

The ConVista Group mainly focuses on the insurance sector and the energy industry.

The ConVista Group withdrew from Hungary in 2019 with effect from January 1, 2019. The participation in France ended on August 31, 2019. The end of the investments in Russia and Great Britain is to take place in 2020.

2.1.4 Employees

The number of employees in 2019 with 540 employees decreased by 10.1% compared to the previous year (601 employees). The decrease in the number of employees can be explained, among other things, by the fact that some employees have switched from the subsidiary ConVista Faktor Zehn Austria to the joint venture twin Faktor GmbH. There is also a decline in the number of employees due to fluctuation.

Regular participation in job fairs, new recruiting formats such as reverse recruiting and individual lecture series at universities, as well as the offer to students in the practical partnership for dual study programs ensure the presence of graduates and the recruitment of new employees.

Regular trainee programs have proven themselves and enable new employees to work on customer projects within a very short time.

The qualification and motivation of the employees make a decisive contribution to the success of the ConVista Group. All employees have the opportunity to take part in training and further education. The program includes a wide range of courses from the in-house ConVista Academy as well as training from various external providers. The aim is not only to impart technical knowledge, but also to impart soft skills. Flexible working hours and the care of employees' children by ConVista child minders ensure a quick return to work after parental leave and the compatibility of family and work.

2.2 Course of business and framework conditions

2.2.1 Overall economic development

The past calendar year 2019 was shaped by the consequences of political and economic developments in the recent past. The continuing uncertainty in the European Union regarding an agreement in the event of Great Britain leaving the EU, the increasing trade conflicts between the USA and its main trading partners, the budget dispute between the Italian government and the EU, the ongoing crisis in the automotive industry and a slowdown in the global economy shaped this Sustainable fiscal year 2019.

The economy in the European Union was basically able to continue the growth course that began in 2013, but was not able to decouple from the gloomy development of the global economy. The economic output of the euro zone recorded growth of 1.2% in 2019 and thus lost 0.6 percentage points compared to the previous year, according to the European statistical authority Eurostat. The euro zone thus recorded average growth of 1.9% in the five-year period from 2015 to 2019, in which all member states of the euro zone once again participated in 2019.

According to the Federal Statistical Office, Germany could not keep up with the economic dynamism of the Eurozone. The price-adjusted gross domestic product of the largest economy in the European Union rose by just 0.6% in 2019 compared to the previous year. The third quarter had the highest growth with 1.1%. Inflation fell to 1.7% and the uncertainties about the further development of world trade, which is of particular importance for Germany's strongly export-oriented economy, persisted. This is also made clear by the ifo business climate index, which has fallen continuously since December 2018 (101.1 points) and only slowly rose again in the last two months of November (95.1 points) and December (96.3 points).

The Austrian economy followed the downward trend in the eurozone and recorded economic growth of 1.6% in 2019, 0.8% less than in the previous year. Thus the growth trend of the last 5 years could not be continued. The Swiss economy also recorded growth of 0.9% in 2019, which is 1.9% below the previous year's value.

The majority of the other members of the euro zone, like Germany, recorded a decline in economic growth in 2019. With growth rates of 0.3% (Italy) to 5.5% (Ireland), however, all member states of the EEC remained on a growth path. The EU Commission sees the reasons for the declining growth, among other things, in the uncertainty regarding trade and politics as well as in the increasing geopolitical tensions.

In summary, it can be said that the main sales countries of the ConVista Group (Germany, Austria and Switzerland) recorded positive development in 2019.

2.2.2 Industry development

The German consulting industry had another very good year in 2019 and received more orders than ever before. According to the BDU (Bundesverband Deutscher Unternehmensberater), industry turnover rose by 5.7% in 2019 to EUR 35.7 billion (previous year: EUR 33.8 billion). The fourth quarter in particular made a significant contribution to the positive industry result after the BDU Business Climate Index Consulting 2019 had declined in the first three quarters of the year.

2.2.3 Financial and non-financial performance indicators

Various control parameters are used for business control, which can be derived mainly from operational key figures in the income statement. These financial performance indicators include, above all, the respective contribution margin at the level of the projects and business areas as well as the development of EBIT and the EBIT margin based on total output.

2.2.4 Course of business

The business development in the past fiscal year was very positive. At group level, a consolidated sales increase of 1.9% was recorded compared to the previous year. The forecast of a reduction in sales for the group compared to the previous financial year has therefore not materialized and the forecast has therefore been exceeded.

Consolidated sales growth was achieved by the companies in Germany (+ 4.9%), Brazil (+ 73.4%), Spain (+ 32.7%), Singapore (+ 21.7%), Israel (+ 13.2%) and Russia (+ 83.4%). By contrast, the companies in Austria (-35.4%), Switzerland (-13.8%), India (-66.0%) and Great Britain (-59.5%) had to record consolidated sales declines.

With regard to the subsidiaries in France and Hungary, due to the lack of economic success, it was decided to sell the business to the local management.

In the past financial year, the consolidated net profit increased by EUR 1.3 million to EUR 7.8 million compared to the previous year (previous year: EUR 6.5 million).

The earnings per share of the parent company ConVista Consulting AG, Germany, increased from EUR 6.44 per share to EUR 10.83 per share compared to the previous year.

The companies in Germany (+ 37.9%) and Switzerland (+ 66.7%) were able to significantly increase their local result compared to the previous year. ConVista Faktor Zehn Austria recorded a decline in the result (-16.7%), but is still clearly in the positive range.

The companies in Singapore, India, Brazil, Israel, Spain and Russia also recorded clearly positive business development. The subsidiary in Great Britain generated a negative annual result.

The business in Germany, Austria and Switzerland is considered as "DACH area". In addition to the DACH region, the ConVista Group will in future also be active in Spain, Brazil, Singapore, India and Israel.

Sales

In the 2019 financial year, the ConVista Group generated consolidated group sales of EUR 93.5 million (previous year: EUR 91.8 million). The group turnover increased by 1.9% compared to the previous year. The development of a decrease in consolidated sales compared to the 2018 financial year forecast in the previous year was thus exceeded. The increase in group sales results primarily from the positive development of the national companies in Germany, Brazil and Spain. Due to the joint establishment of the joint venture twin Faktor Zehn GmbH by ConVista Faktor Zehn Austria and twinformatics GmbH, part of the project business of ConVista Faktor Zehn Austria has been shifted to this joint venture. As a result, the sales revenue of ConVista Faktor Zehn GmbH fell by EUR 3.8 million compared to the previous year. The loss of sales by the subsidiary in Hungary (previous year: EUR 0.4 million) and the proportionate loss of sales by the subsidiary in France (of EUR 0.3 million) and Austria were fully offset.

The main sales drivers and main sources of earnings were the range of services in the areas of Finance & Analytics, Core Insurance and Payment Transactions.

According to national subsidiaries, sales break down as follows:

in EUR	2019		2018	
ConVista Germany	53,269,280	57.0%	50,772,581	55.3%
Factor ten Germany	7,363,237	7.9%	7,007,128	7.6%
ConVista Switzerland	8,888,068	9.4%	10,307,628	11.2%
ConVista Singapore	1,975,114	2.1%	1,623,509	1.8%
ConVista India	31,345	0.0%	92,232	0.1%
ConVista Great Britain	373,611	0.4%	921,669	1.0%
ConVista Israel	2,136,188	2.3%	1,886,346	2.1%
ConVista Brazil	8,036,911	8.6%	4,635,361	5.1%
ConVista Spain	4,167,461	4.5%	3,141,376	3.4%
ConVista France	451,889	0.5%	778,951	0.8%
ConVista Factor Ten Austria	6,476,757	6.9%	10,021,059	10.9%
ConVista Russia	342,565	0.4%	186,784	0.2%
ConVista Hungary	0	0.0%	389,670	0.4%
Total sales	93,512,426	100.0%	91,764,294	100.0%

The subsidiaries in Germany, Spain, India and Singapore achieved high group sales in the past financial year from assignments in projects of other national companies of the ConVista Group.

As in previous years, the subsidiaries of the ConVista Group in Germany (64.9%) have the highest turnover, followed by the subsidiaries in Switzerland (9.4%), Brazil (8.6%) and Austria (6.9%). The DACH region thus represented 81.2% of the Group sales of the ConVista Group in the past financial year (previous year 85.0%).

In relation to the regions, sales break down as follows:

in percent	
Germany	63.7%
Austria	7.3%
Switzerland	9.6%
EMEA	8.7%
Brazil	8.5%
Others	2.2%
Total sales	100.0%

In the rest of the EMEA region (Europe, Middle East and Africa) excluding DACH, a further 8.7% of group sales were achieved, i.e. in Spain, Israel, France and Great Britain. Other sales markets were Brazil, Asia and Russia.

Cost of materials

The ConVista Group's cost of materials in the past financial year was EUR 21.7 million. (Previous year: EUR 14.8 million). Of this, around EUR 21.6 million (previous year: EUR 14.5 million) related to the services of freelance consultants and EUR 0.1 million (previous year: EUR 0.4 million) to raw materials and supplies as well as purchased SAP licenses.

The performance of freelance consultants has increased, as these were used to compensate for the decline in the number of employees. Freelance consultants were also used to meet the increased demand from our customers.

Personnel expenses

Personnel costs in 2019 amounted to EUR 47.3 million (previous year: EUR 51.6 million), which corresponds to a personnel cost ratio of 50.6% (previous year: 56.2%). They are made up of salary expenses of EUR 40.0 million (previous year: EUR 44.1 million) and social security contributions of EUR 7.3 million (previous year: EUR 7.4 million).

The reduction in personnel expenses compared to the previous year is in line with the decrease in the number of employees.

Other operating expenses

The other operating expenses amounted to around EUR 15.9 million (previous year: EUR 15.8 million). They essentially contained travel costs, room costs, training and vehicle costs. The expenses from currency valuation amounting to EUR 0.2 million are offset by EUR 0.1 million income from currency valuation. The change in the remaining other operating expenses is due to the increase in legal and consulting costs within ConVista Germany.

in EUR	2019		2018	
Traveling expenses	4,019,498	25.3%	4,400,090	27.9%
Space costs	2,157,988	13.6%	2,130,319	13.5%
training	1,021,444	6.4%	1,068,096	6.8%
Car costs	1,781,942	11.2%	2,198,962	13.9%
Advertising and distribution costs	721,217	4.5%	852,914	5.4%
Communication costs	620,754	3.9%	595,398	3.8%
Hardware and software maintenance	909,322	5.7%	672,949	4.3%
Currency valuation	196,580	1.2%	223,718	1.4%
Remaining other operating expenses	4,452,595	28.0%	3,643,360	23.1%
Other operating expenses	15,881,395	100.0%	15,785.86	100.0%

Depreciation

Depreciation amounted to EUR 0.5 million in the past financial year (previous year: EUR 0.6 million) and is related to scheduled depreciation on property, plant and equipment in the amount of EUR 0.4 million (previous year: EUR 0.5 million). EUR) and amortization of intangible assets of EUR 0.1 million (previous year: EUR 0.1 million).

At the subsidiary in India, goodwill was amortized in the amount of EUR 16 thousand (previous year EUR 0.1 million).

Operating result (EBIT)

The Group EBIT of the ConVista Group was EUR 9.7 million (previous year: EUR 9.3 million).

In particular, the companies in Germany and Brazil were able to increase their annual results compared to the previous year and thus contributed to the positive group result.

For the ConVista Group as a whole, this results in a profit margin of 10.4% (previous year: 10.2%) in relation to the group EBIT. The forecast increase in return on sales in relation to EBIT was thus achieved.

Taxes

Taxes on income and earnings totaled EUR 3.0 million (previous year: EUR 2.7 million). This total includes income of EUR 0.2 million (previous year: EUR 17 thousand) for the formation or reversal of temporary differences. In relation to the consolidated profit for the year before taxes, the tax expense corresponds to a tax rate of 27.4% (previous year: 29.2%).

Annual surplus

After deducting the profit attributable to minority interests, the consolidated net income after minorities was EUR 7.8 million (previous year: EUR 6.5 million) and earnings per share for the group were EUR 8.10 (previous year: 6 , 87 EUR). The earnings per share increased by 18.9%.

2.2.5 Assets and financial position

The ConVista Group pursues a balanced financial policy, the financial situation remains at a good level. The aim of financial management is to guarantee short-term liquidity and to secure funds for medium and long-term investment projects.

The account balances as well as the financial situation of all companies belong to the standard of the monthly reporting to the management and the supervisory board.

Off-balance sheet financing instruments such as leasing are only used to a limited extent for leasing company vehicles and for leasing office equipment. Factoring or other types of sales of accounts receivable are not used.

In the 2019 financial year, cash and cash equivalents rose by EUR 0.1 million from EUR 12.2 million to EUR 12.3 million and are thus at the previous year's level. Liabilities to banks now only exist to a minor extent of less than EUR 0.1 million.

The Group's financing was secured at all times in the 2019 financial year. The credit lines amount to EUR 5.5 million.

The long-term assets, mainly consisting of office and business equipment, fell from EUR 1.2 million in the previous year to EUR 0.9 million.

The development of short-term assets is mainly characterized by increased receivables and other assets and increased inventories.

Current assets increased from EUR 31.0 million to EUR 32.8 million in the reporting period. The inventories rose slightly from EUR 1.2 million to EUR 1.6 million.

The liabilities from advance payments received fell from EUR 2.0 million to EUR 1.4 million in the reporting period.

All short-term liabilities are covered by current assets.

Compared to the previous year, equity increased by EUR 1.4 million from EUR 14.7 million to EUR 16.2 million. The equity ratio increased from 44.5% in the previous year to 46.7% in the reporting year.

Cash flow

Cash Flow ConVista Group (short version):

in EUR	2019	2018
Cash generated from operations	6,883,149	12,158,927
Cash flow from investing activities	-336,950	-407.201
Cash flow from financing activities	-6,233,382	-2,318,869
Changes in financial resources due to the scope of consolidation	-134,359	-398,729
Change in the amount of cash and cash equivalents	312,817	9,432,856

The cash balance changed only slightly from 2018 to 2019. The lower cash flow from operating activities correlates with the increase in current assets described above. The cash flow from investing activities is roughly at the previous year's level, as investments in property, plant and equipment and financial assets are almost unchanged compared to the previous year. The significant increase in cash flow from financing activities counteracts the decline in operating cash flow, so that cash and cash equivalents are almost at the previous year's level.

3 Management report on the individual financial statements of ConVista Consulting AG

ConVista Consulting AG, based in Cologne, is the parent company of the ConVista Group. The business development of ConVista Consulting AG is fundamentally influenced by the same risks and opportunities as those of the ConVista Group. ConVista Consulting AG has branches in Mannheim, Munich, Berlin and Aachen.

For an explanation of the business activities, reference is made to the statements for the ConVista Group. ConVista Consulting AG also provides administration and IT services for its subsidiary.

3.1 Profit situation**Profit and Loss Account 2019**

in EUR	2019		2018	
Overall performance	57,947,739	100.0%	56,045,428	100.0%
Other company income	743.283	1.3%	625.340	1.1%
Cost of materials	-18,576,919	-32.1%	-11,775,808	-21.0%
Personnel expenses	-25,650,526	-44.3%	-29,706,318	-53.0%
Depreciation	-233,125	-0.4%	-287,899	-0.5%
Other operating expenses	-10,947,812	-18.8%	-10,834,995	-19.3%
Total expenses	-55,408,382		-52,605,021	
EBIT	3,282,640	5.7%	4,065,747	7.3%
Financial result	9,200,663	15.8%	3,175,526	5.7%
Profit before tax	12,483,303	21.5%	7,241,273	12.9%
Taxes on income and earnings	-2,103,927	-3.6%	-1,099,528	-2.0%
other taxes	-22,943	0.0%	-29,500	-0.1%
Annual surplus	10,356,433	17.9%	6,112,244	10.9%

The business development of ConVista Consulting AG continued to be characterized by a very positive development in the 2019 financial year. The region with the highest turnover is still Germany, followed by Austria and Switzerland.

The total output (sales and inventory changes) increased by 3.4%. As of the reporting date, there were unfinished services in the amount of EUR 0.6 million. This means that work in progress has increased by EUR 0.2 million compared to the previous year.

Earnings before interest and taxes (EBIT) for the 2019 financial year amounted to EUR 3.3 million (previous year: EUR 4.1 million). In the 2019 financial year, an annual profit of EUR 10.3 million was achieved (previous year: EUR 6.1 million).

The sales expectation of the previous year could be exceeded. The forecast for 2019 assumed an increase in the EBIT margin, but this was not achieved.

Other operating income rose slightly to EUR 0.7 million compared to the previous year (previous year: EUR 0.6 million). This essentially includes income from other settlements to subsidiaries, income from the reversal of provisions and income from currency valuations.

The cost of materials rose by 57.8% from EUR 11.8 million to EUR 18.6 million. Personnel expenses fell by 13.7%. The cost of materials ratio (expenses for consultancy services purchased and expenses for licenses) increased by 10.9 percentage points. At the same time, the personnel expense ratio fell by 9 percentage points.

The other operating expenses are almost unchanged compared to the previous year. The expense ratio thus fell by 0.6 percentage points.

The financial result is EUR 6.1 million higher than in the previous year. The investment income in the 2019 financial year was EUR 2.9 million higher than in the previous year. Of this amount, EUR 1.7 million relates to income from subsidiaries received at the same time,

In contrast to previous years, income from subsidiaries was received at the same time in 2019. In the 2019 financial year, income from a profit transfer in the amount of EUR 2.9 million was received for the first time in accordance with the profit and loss transfer agreement in place with Faktor Zehn GmbH since January 1, 2019.

3.2 Assets and financial position

Balance sheet as of December 31, 2019

in EUR	2019		2018	
Intangible assets	87,435	0.3%	119.151	0.5%
Property, plant and equipment	277.143	0.9%	339.356	1.5%
Financial assets	3,804,756	12.5%	3,718,535	16.1%
Capital assets	4,169,334	13.7%	4,177,042	18.1%
Stocks	640.050	3.1%	450.940	2.0%
Receivables and other assets	17,404,826	57.2%	13,343,580	57.9%
Bank balances	7,857,760	25.8%	4,747,705	20.6%

in EUR	2019		2018	
Current assets	25.902.636	85.1%	18,542,226	80.5%
Prepaid expenses	379,586	1.2%	312.074	1.4%
assets	30,451,556	100.0%	23,031,342	100.0%
Equity	15,687,599	51.5%	11.130.866	48.3%
accruals	6.212.640	20.4%	5,124,821	22.3%
liabilities	8,236,903	27.1%	6,414,977	27.9%
Prepaid expenses	314,414	1.0%	360.679	1.6%
liabilities	30,451,556	100.0%	23,031,342	100.0%

The balance sheet total increased by 32.2% to EUR 30.4 million compared to the previous year.

Fixed assets decreased by 0.2% compared to the previous financial year. This is mainly due to scheduled depreciation. Shares in affiliated companies in the amount of EUR 3.8 million are shown under fixed assets.

In the current assets, inventories (work in progress) rose by EUR 0.2 million. The trade accounts receivable remained almost unchanged compared to the previous year. Receivables from affiliated companies rose by EUR 5.1 million. Of this, EUR 2.9 million relate to receivables from the profit transfer and EUR 2.4 million higher receivables from the receipt of investment income. The trade accounts receivable with affiliated companies are roughly at the previous year's level. The other assets fell by EUR 0.6 million. The main effect was the tax refund in 2019.

On the liabilities side, equity increased by 40.9% due to the positive business development. The equity ratio improved by 3.2 percentage points to 51.5% compared to the previous year's ratio. Overall, the provisions have increased compared to the previous year. The main effect was the increase in tax provisions, which was counteracted by a slight decrease in personnel provisions. The increase in liabilities resulted from increased liabilities to affiliated companies as well as increased trade payables. The down payments on orders also increased slightly.

Overall, liquid funds increased by EUR 3.1 million. As of the reporting date, ConVista Consulting AG had no liabilities to banks. The ConVista Group has credit lines in the amount of EUR 5.5 million. The company is always able to meet its payment obligations.

3.3 Outlook

Due to the importance of ConVista Consulting AG for the ConVista Group, reference is made to the statements made for the group on market, sales and earnings development. The statements also reflect the expectations for the parent company.

4 Risk and Opportunity Report

4.1 Risk and opportunity management

In order to be able to react as promptly as possible to changing framework conditions with direct or indirect influence on the asset, financial and earnings position of ConVista Consulting AG, a binding quarterly reporting for all subsidiaries was established, which is continuously adapted and further developed to the challenges of the company. This enables ConVista Consulting AG to identify, monitor and control risks at an early stage.

The management and control organization described under point 1.2.1 is also the basis of the ConVista Group's risk management system. The organs, committees and processes described ensure that risks are identified at an early stage and appropriate measures initiated.

4.2 Risk and opportunity positions

The ConVista Group is exposed to the general risks of the consulting industry and in particular to macroeconomic and social developments. Risks exist primarily with regard to fee adjustments, project reductions and budget cuts. These risks are rated as low to medium.

In order to minimize the risks, the sales activities are continuously expanded in order to win new projects as well as to expand the existing business. At the same time, costs are continuously optimized and efficiency increased.

The omission of major projects does not currently represent a significant risk due to the broad positioning of the ConVista Group. Defaults in receivables are only expected to a very limited extent in the ConVista Group, as our customers, mainly insurance companies and energy providers, have a high credit rating and a good payment history. In addition, there has been a long-term cooperation with the majority of customers.

The ConVista Group is only exposed to exchange rate risks to a small extent, since most of the business is carried out in euros or in the local currency. Due to the stable liquidity and equity situation, no liquidity risks are discernible.

Opportunities are identified and analyzed in the company. Just like risk management, opportunity management is also geared towards systematically and continuously increasing the company's value. A quantification of the opportunities is not feasible because the external framework conditions and influencing factors are usually relevant for the use of the opportunities and these can only be influenced by the ConVista Group to a limited extent. We constantly monitor our markets and can thus identify any market opportunities that arise. We are also in constant dialogue with customers in order to identify trends and developments at an early stage.

Opportunities exist in the acquisition of new business through sales activities as well as in the continuous development of our employees and the associated expansion of our portfolio.

Motivated employees are a key success factor for the ConVista Group. To ensure long-term employee loyalty, the ConVista Group positions itself as an attractive employer. The corresponding personnel policy measures include attractive remuneration systems, individual career models, further training measures and an interesting work environment.

In order to be able to react as promptly as possible to changing framework conditions with a direct or indirect influence on the asset, financial and earnings situation, monthly reporting was established, which is continuously adapted and further developed to the challenges of the company. This makes it possible to identify, monitor and control risks at an early stage.

At the time of reporting, there is a fundamental risk that customers will postpone or withdraw investment decisions due to the effects of the coronavirus. Likewise, a restriction in the ability to travel or an illness of our employees could have an impact on the business development of ConVista Consulting AG. We have published guidelines and implemented measures as recommended by the authorities to reduce these risks.

The board of directors is not aware of any risks which, with regard to the probability of occurrence and effects, individually or in their entirety, could endanger ConVista Consulting AG or significantly impair the future development of the company.

5 Forecast report

5.1 Overall economic development and industry development

The coronavirus has had an impact on the global economy since the beginning of 2020. Originally, in its winter forecast for 2020, the EU Commission continued to forecast an increase in economic growth for the European Union of 1.4% and economic growth of 1.2% for both the euro area and Germany. However, the Kiel Institute for the World Economy (IfW) has revised its forecast for Germany significantly downwards and is assuming a decline in gross domestic product of 4.5% to 9%. The impact of the coronavirus on the economy is difficult to gauge. Essentially, it depends on how fast the virus will spread and how long it takes to contain the coronavirus.

For the year 2021, the IfW is assuming a recovery in gross domestic product for Germany with growth of 7.2% to 10.9%, provided the coronavirus can be contained in the second half of the year.

Despite the effects of the spread of the coronavirus, according to a survey by the BDU, 72% of management consultancies assume that their sales forecast for 2020 will remain unchanged. In addition, 27% of the survey participants expect a decline in sales. It is generally assumed that the demand for consulting services will remain stable as a result of diverse customer challenges.

5.2 Business development in the ConVista Group

Due to the current Corona crisis, the ConVista Group also had to adjust its expectations for the 2020 financial year. For the 2020 financial year, the ConVista Group is now expecting total output and EBIT to remain unchanged compared to the previous year. The increased focus on winning new major projects from both existing and new customers will continue. The ConVista Group anticipates that existing and new customers will postpone investment decisions due to the current restrictions and uncertainties.

The increased focus of operational activities in the DACH region and the improvement of the foreign subsidiaries will continue in 2020. The expansion of business with existing customers and the acquisition of new customers will be consistently pursued. Outside the DACH region, due to the Corona crisis, we expect an overall strong decline in the country companies with typical project business fluctuations. Overall, the Management Board is therefore assuming a slight decline in business performance and unchanged profitability for the 2020 financial year.

The expectations for the DACH region correspond to the statements made above for the ConVista Group.

For the information to be given in the appendix on the development of own shares in accordance with § 160 Paragraph 1 Number 2 of the Stock Corporation Act, reference is made to the appendix of the parent company ConVista Consulting AG.

6 Final declaration on the dependent company report

The board of directors declares that, according to the circumstances that were known at the time when the legal transaction was carried out, the company received appropriate consideration for each legal transaction.

Cologne, March 30, 2020

Martin Hinz

Oliver Kewes

Independent auditor's report

To ConVista Consulting AG, Cologne

Examination Opinions

We have the annual financial statements of ConVista Consulting AG, Cologne - consisting of the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019 as well as the notes, including the presentation of the accounting and Evaluation methods - checked. In addition, we have audited the combined management report of ConVista Consulting AG for the financial year from January 1 to December 31, 2019.

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

- The attached annual financial statements comply in all material respects with 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 asset and financial position of the company as of December 31, 2019 as well as its earnings position for the financial year from January 1 to December 31, 2019 and
- The attached combined management report gives an overall accurate picture of the company's position. In all material respects, this combined 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 (3) sentence 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 combined management report.

Basis for the examination results

We have performed our audit of the annual financial statements and the combined 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 Institute of Auditors (IDW). Our responsibility in accordance with these regulations and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Annual Financial Statements and the Combined Management Report" of our auditor's report. We are independent of the company in accordance with German commercial and professional law and have our other German professional obligations in accordance with these requirements.

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

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all essential 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 assets and finance - 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 going concern based on the accounting principle, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the combined management report, which as a whole provides an accurate picture of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and the opportunities and risks

of future development represents. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German legal regulations,

The Supervisory Board is responsible for monitoring the company's accounting process for the preparation of the annual financial statements and the combined management report.

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

Our objective is to obtain sufficient certainty as to whether the annual financial statements as a whole are free from material - intended or unintentional - misstatements and whether the combined 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 as is consistent 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 combined 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) in accordance 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, individually or as a whole, they would influence the economic decisions of addressees made on the basis of these annual financial statements and the combined 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 combined 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, forgeries, 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 provisions and measures relevant to the audit of the combined management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of obtaining an audit opinion on effectiveness of these systems of society.
- We assess the appropriateness of the accounting methods used by the legal representatives and the acceptability of the estimated values presented by the legal representatives and the information related to them.
- 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 combined 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 can, 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 the asset, financial and the company's earnings.
- We assess the consistency of the combined 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 combined management report. On the basis of sufficient suitable audit evidence, we particularly review the significant assumptions on which the future-oriented information is based on the legal representatives and assess whether the future-oriented information was properly derived 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

Among other things, we discuss with those responsible for monitoring 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.

Munich, April 30, 2020

KPMG AG
auditing company
Rupprecht, auditor
Kurt, auditor

Supervisory Board Report

During the financial year, the Supervisory Board was kept informed about the business development and the situation of the company from the Management Board and continuously monitored the management of the Management Board.

During the reporting period, three meetings took place on April 29, 2019 (balance sheet meeting), June 14, 2019, and December 12, 2019.

The Management Board also regularly informed the Supervisory Board verbally and in writing about the course of business during the reporting period. The supervisory board dealt with the reports of the management board in its meetings. The development of the company was discussed with the Board of Management at the Supervisory Board meetings.

The most important topics of the deliberations and resolutions in the committee were

- the regular and detailed reports of the management board on the current sales and earnings development as well as the financial position of the company,
- the intended business policy,
- the liquidity and its controlling,

- Adjustments to the organizational structure and management of the company and its affiliated subsidiaries,
- Contractual matters with or from former and current board members of the company,
- the sale of the shares in the French and English subsidiaries and
- the annual planning for the 2020 financial year.

In addition, the Supervisory Board was informed about other fundamental questions relating to corporate planning and the measures for their implementation.

The annual financial statements, the consolidated financial statements and the combined management report prepared by the Management Board, as well as the report on relationships with affiliated companies, each for the 2019 financial year, were audited by the auditing company KPMG AG, Nuremberg, and given an unqualified audit certificate. The auditor's report with regard to the report on relationships with affiliated companies reads: "After our dutiful audit and assessment, we confirm that 1. the actual information in the report is correct, 2. the company's performance in the legal transactions listed in the report is not was inappropriately high. "The auditor took part in the deliberations of the supervisory board on the annual financial statements, the consolidated financial statements and the combined management report, as well as the report on relationships with affiliated companies. He reported on the main results of his audit and was available to provide additional information. The Supervisory Board took note of the result of the audit and took it into account in its own review. He reported on the main results of his audit and was available to provide additional information. The Supervisory Board took note of the result of the audit and took it into account in its own review. He reported on the main results of his audit and was available to provide additional information. The Supervisory Board took note of the result of the audit and took it into account in its own review.

The Supervisory Board examined the annual financial statements and the proposal for the appropriation of the balance sheet profit, the consolidated financial statements and the combined management report, as well as the report on relationships with affiliated companies. After the final result of its examination, the Supervisory Board has no objections to raise. The annual financial statements for 2019 and the consolidated financial statements for 2019, both prepared by the Management Board and audited by the auditor, were approved; the annual financial statements are thereby adopted. The supervisory board endorses the proposal of the board of directors on the appropriation of the balance sheet profit.

The Supervisory Board thanks the gentlemen of the Management Board and all employees for their great commitment in 2019 and the successful work they have done.

Cologne, April 30, 2020

The board of directors

Matthias Tomann, Chairman of the Supervisory Board
