WE LIVE SERVICE!

Half-year financial report 2017/2018

SERVICEWARE SE, Bad Camberg

LETTER TO SHAREHOLDERS

Dear Shareholders of Serviceware SE,

We are pleased to present you with the first half-year report since the Initial Public Offering of our company on April 20, 2018. We made important choices about our direction of travel in the reporting period (01.12.2017-31.05.2018) and succeeded in achieving noticeable growth. There was even a significant increase in the impetus of growth in the second quarter. Sales totalled 27.0 million euro, putting them some 15 per cent higher than those in the prior year reference period – with the increase already exceeding 19 per cent in the 2nd quarter. Sales growth of 33 per cent was achieved with the important Software as a Service (SaaS), with 7.4 million euro in the half year – in the 2nd quarter the increase was already touching 39 per cent. Earnings before Interest, Taxes, Depreciation and Amortisation rose 15 per cent to 3.2 million euro after eliminating the costs of the IPO – in the 2nd quarter the rise was already a good 30 per cent.

The positive figures reflect a successful operational development which forms the basis for the future expansion of our business. In this we have been proactive in all three areas of our growth strategy. To increase market penetration we have strengthened our distribution arm in terms of personnel and structure. In the 1st half year we won about forty new customers for the software solutions (helpLine, anafee, Careware) of our integrated platform for Enterprise Service Management and so significantly expanded our customer base. Among the new customers in the 1st half year was a large corporation in Scandinavia. This also marks a further success of our activities to become more international, activities that we have stepped up in the reporting period. As a result of successful recruitment processes we are pleased to welcome new colleagues to our distribution arms in the Netherlands and Spain. In Sweden and in Great Britain, too, we are confident that we shall shortly obtain the appropriate reinforcement. The third pillar of our growth strategy is in potential acquisitions. By identifying appropriate goals we have made good progress and are confident that we shall be able to make rapid progress in this direction.

In view of the positive first half year, the direction taken and the promising start in the second half year we are optimistic, as before, for the year as a whole. We expect correspondingly a further acceleration of the profitable growth of Serviceware SE. This development is driven long-term by the need of companies to digitalise their service organisation and so stand out against their competitors.

Yours faithfully

Dirk Martin Harald Popp

1 Interim Group Management Report, 1st half-year 2017/2018

1.1 Overall economic development

The economy continued to strengthen in the first half of the Serviceware business year 2017/18. In its current publication of April 2018[1] the International Monetary Fund (IMF) forecast for 2018 global growth of 3.9% following 3.8% in 2017. The IMF predicts growth of 2.4% for the eurozone after 2.3% last year.

At the beginning of the year the German economy continued to grow. According to the Federal Statistical Office (Destatis) gross domestic product (GDP) was 0.3 % higher in the first quarter than in the fourth quarter of 2017 after adjusting for price changes, seasonal factors and number of working days. Hence GDP has now risen compared to the prior quarter for the 15th time in a row; this is the longest growth phase since 1991. Compared with the prior quarter, more of the positive impetus was home-grown. In particular, the beginning of the year saw an increase in capital expenditure. I.2 % more was invested in equipment in the fourth quarter 2017 with the biggest growth rates coming from information and communications service providers (+ 3.2 %).[2]

In their spring forecast the leading German trade cycle analysts adjusted their predictions for 2018 and 2019 slightly upwards. They now expect for the current year economic growth of 2.2 % and for the coming year 2.0 %.[3]

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[1] According to the IMF on April 11, 2018 as published at http://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018

[2] According to the publication of the Federal Bureau of Statistics of May 24,2018: https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2018/05/PD18_182_811.html

[3] According to a press release of the German Institute for Economic Research (DIW Berlin) of April 19, 2018, under: https://www.diw.de/de/diw_01.c.100319.de/presse/pressemitteilungen/pressemitteilungen.html?id=diw_01.c.582552.de

1.2 Sector development

According to the market data published by the sector federation BITKOM, the German Association for IT, Telecommunications and New Media, sales of products and services in the information technology, telecommunications and consumer electronics industry (in short, the digital economy) rose in 2017 compared with the prior year by 2.2 % to 161.3 billion euro. For 2018 the federation expects a growth rate in the digital economy of 1.7%. The areas of the digital market that are relevant for Serviceware SE are software and IT services. According to BITKOM the software industry grew in 2017 by 6.3% to 23.0 billion euro, while IT services grew by 2.3 % to 39.0 billion euro. For 2018 the federation predicts growth of 6.3% and for IT-Services growth of 2.3%.[4]

"The mood in the BITKOM sector is better than it has been in a long time. The companies are broadly confident about further developments, says BITKOM president Achim Berg. [5]

[4] According to the Internet Publication of the BITKOM Federation in February 2018, Under: https://www.bitkom.org/NP-Marktdaten/ITK-Konjunktur/ITK-Markt-in-Deutschland/Bitkom-ITK-Marktzahlen-Februar-2018-Kurzfassung.pdf

[5] According to the Internet Publication of the Federation BITKOM of May 15, 2018, at: https://www.bitkom.org/Presse/Presseinformation/Cebit-Preview-86-Prozent-der-ITK-Unternehmen-erwarten-Umsatzplus.html

1.3 Course of business

Serviceware Group: Key figures of the financial statements for the 1st half year from December 1, 2017 to May 31, 2018

	December 1 until May 31			
in thousand EUR	**2017/2018**	**2016/2017**	**Change**	**%**
Sales revenues	27.020	23.395	3.625	+ 15 %
- thereof Service/SaaS	7.403	5.546	1.857	+ 33 %
EBITDA	2.349	2.803	-454	- 16 %
- Adjusted EBITDA	3.224 [1]		421	+ 15 %
EBIT	2.222	2.700	-479	- 18 %
- Adjusted EBIT	3.097 [1]		396	+ 15 %
Financial result	-99	-101	1	+ 1 %
Period earnings before taxes	2.123	2.600	-477	- 18 %
- Adjusted earnings before taxes	2.998 [1]		398	+ 15 %
Income taxes	599	567	32	+ 6 %
Period earnings after taxes	1.524	2.033	-510	- 25 %
- Adjusted earnings after taxes	2.399 [1]		365	+ 18 %
	31.05.2018	**30.11.2017**		
Cash and cash equivalents	62.609	9.015	53.594	+ 595 %

1 In order to produce comparability for the operating business, for EBITDA, EBIT, the period earnings before and after taxes, the expenditure of TEUR 875 occasioned by the IPO was recorded as expense in the profit & loss account for the 1st half year 2017/2018. In the reference period of the prior year there were no IPO expenses so that no adjusted values are stated for the reference period.

In the first half of 2017/2018 the Serviceware Group increased its sales significantly to 27.0 million euro, or 15 %, compared with the reference period of the prior year. In the Service/SaaS area the growth was even greater, at 33 % to 7.4 million euro. In considering the result, note should be taken of the one-off expenses in the reporting period of TEUR 875 before taxes which arose in connection with the successful flotation in the Prime Standard in April 2018. When the expenses for the flotation are eliminated, EBITDA rose compared with the prior year period by 15 % to TEUR 3,224. Including expenses for the flotation, EBITDA was TEUR 2,349 (prior year TEUR 2,803). Adjusted earnings before interest and taxes (EBIT) also rose compared with the prior year period, here by 15 % to TEUR 3,097. Íncluding expenses for the IPO, it was TEUR 2,222 (prior year TEUR 2,700). The financial result is almost unchanged, at minus TEUR 99 (prior year minus TEUR 101). The adjusted period result before taxes rose by 15 % to TEUR 2,998. Including expenses for the IPO, it was TEUR 2,123 (prior year TEUR 2,600). The adjusted period result after taxes rose by 18 % to TEUR 2,399. Including expenses for the IPO, it was TEUR 1,524 (prior year TEUR 2,033).

GROUP MANAGEMENT REPORT

The major event in the 1st half of the business year 2017/2018 of Serviceware SE was, as already noted, the Initial Public Offering (IPO) of the company in the second quarter 2018. The share was successfully listed in the Prime Standard of the Frankfurt Stock Exchange on April 20, 2018. Serviceware SE (formerly Atrium 126. Europäische VV SE) had been established on January 11, 2018. On March 14, 2018, a non-monetary capital increase was made by the contribution of PM Computer Services Verwaltungs GmbH, PM Computer Services GmbH & Co. KG, helpLine CLM AG and Serviceware SE itself. This created the Serviceware Group (see comments on the scope of consolidation in the Notes to the consolidated financial statements).

As a result of the successful Initial Public Offering on April 20, 2018, cash and cash equivalents rose by 595 % compared with November 30, 2017, to stand at TEUR 62,609. The funds raised from the capital increase are intended to finance growth by acquisitions, further international activity and the expansion of the distribution arm in order to better address large corporations.

The positive operating figures of the first half of the year are the result of a well defined growth strategy. In the first quarter, the international expansion of the business took a further important step with the addition of a major customer in Scandinavia. Another major customer, this time a German corporation listed in the HDax, has also decided for the services of Serviceware. In the second quarter major projects were implemented with two of the ten largest global automobile components suppliers. Ongoing consultancy projects which had begun in the 1st quarter were continued. Besides the major customer mentioned at the beginning, this refers to services for a major German bank and a German media company.

The workforce was increased as planned in the second quarter, as also in the first quarter, in order to raise the effectiveness of the distribution arm and the service area with a focus on market penetration among large corporations.

1.4 Situation

For the reasons set out below, the situation of the company may be described as excellent. At present we do not see anything to indicate that the situation of the Company will deteriorate materially in the second half of the business year.

1.4.1 Sales development

The sales of the Serviceware Group climbed noticeably in the half year 2017/2018, and so continue at a record level. In the first half of 2017/2018 they rose 15 % over the reference period of the prior year to stand at 27.0 million euro. All business areas contributed to this growth. The strongest growth was in the Service/SaaS area with sales here 33.5 % higher than in the prior year period. Sales from licenses in the first half of 2017/2018 were 11.3 % and maintenance revenues 8.4 % higher than the prior year figures. The sales revenues break down as follows:

	YTD Q2 2018 TEUR	YTD Q2 2017 TEUR	Deviation in %
Revenues service/SaaS	7.403	5.546	+ 33,48%
Revenues licenses	10.364	9.315	+ 11,26%
Revenues maintenance	9.253	8.534	+ 8,43%
	27.020	23.395	

1.4.2 Orders in hand

Orders in hand at the cut-off date, i.e. at the end of the first half of the business year, relate mainly to payments received on account for maintenance and SaaS contracts. These are services that have already been invoiced and recorded in the balance sheet as prepaid for a period up to 60 months. On account of the binding nature of the contracts, the payments on account constitute definite future sales of Serviceware SE. A major part of the sales revenues from the maintenance area is obtained from subscriptions which run over a number of years. In comparison with the level of payments received on account for maintenance and SaaS contracts as at November 30, 2017, the level as at May 31, 2018, was about 31 % higher, and about 19% higher than at May 31, 2017. The proportion of clients renewing their maintenance contracts continues to be high.

1.4.3 Operating result (EBIT)

The positive sales development in the first half of 2017/2018 is also reflected in the results after elimination of the one-off expenses of the IPO. When the expenses for the IPO are eliminated, EBITDA rose compared with the prior year period by 15 % to TEUR 3,224. Including expenses for the Initial Public Offering, EBITDA was TEUR 2,349 (prior year TEUR 2,803). Adjusted earnings before interest and taxes (EBIT) also rose compared with the prior year period, here by 15 % to TEUR 3,097. Including expenses for the IPO, it was TEUR 2,222 (prior year TEUR 2,700). As a result of the expansion of the workforce, planned in conformity with the corporate strategy as a basis for corporate growth, personnel expenses rose by TEUR 1,083 to TEUR 9,477. The purpose of expanding the workforce was not least in response to the dynamic development of the Service/SaaS area. The rise in personnel expenses came mainly from the setting up of the development centre in Spain and the management remuneration that has been incurred at Serviceware SE since February 2018. In hiring highly specialised developers in Spain, Serviceware is responding to the increasing shortage of specialists in Germany. Some portions of the management remuneration have not been recorded in the profit and loss account as at the half-year cut-off date for reasons connected with the Group structure. The rise in other operating expenses by TEUR 1.012 to TEUR 3.427 relates mainly to costs of TEUR 875 in direct connection with the IPO. There were also recruitment costs for attracting highly qualified staff, which are TEUR 181 higher than in the prior year. Despite the run-up costs for the expected growth, the adjusted EBIT margin, after elimination of TEUR 875, was unchanged in the first half of 2018 at 11 % in comparison with the reference period of the prior year.

1.4.4 Earnings before taxes (EBT)

The financial result is almost unchanged, at minus TEUR 99 (prior year minus TEUR 101). In comparison with the prior year period, adjusted EBT rose by TEUR 398 to TEUR 2,998. Including the expenses for the IPO, it was TEUR 2,123 compared with TEUR 2,600 in the prior year period. For the change in EBT and for the consolidated result presented below, the comments on EBIT apply mutatis mutandis.

1.4.5 Group result

In the first half of 2018 tax expenses are presented totalling TEUR 599 compared with TEUR 567 in the prior year. A number of entities of Serviceware present tax-deductible losses so that TEUR 116 in deferred income tax assets were recorded in the profit and loss account. In total, as at May 30, 2018, deferred tax assets of TEUR 759 (current TEUR 382; non-current TEUR 377) were added. Here the deferred taxes that arose from the expenses for raising capital in connection with the IPO were recorded under the capital reserve. The tax rate in the reporting business year was 28.2 % (prior year 21.8 %). After deduction of taxes, there is for the first half of 2018 a Group profit of TEUR 1,524 (prior year TEUR 2,033). After elimination of the one-off expenses for the IPO, the Group profit in the first half of 2018 was TEUR 2,399, which is 18 % higher than in the prior year reference period.

1.5 Capital expenditure

The first half of 2018 saw capital expenditure of TEUR 243 (prior year: TEUR 81), mainly invested in the expansion and modernisation of operating and office equipment and the purchase of software licenses.

1.6 Net assets and capital structure

In comparison with the prior year, the net assets and capital structure of the Group improved significantly. As a result of the capital increase consequent on the IPO, the Group balance sheet total more than tripled over its level as at November 30, 2017, to stand at TEUR 95,203 as at May 31, 2018. Correspondingly there was an increase in current assets of TEUR 62,141 to TEUR 87,030 and of equity by TEUR 57,962 to TEUR 62,351. Of the increase in non-current assets by TEUR 1,571, TEUR 1,079 comes mainly from the increase in payments on account for maintenance contracts with a residual term of more than 12 months. The rise in current assets by TEUR 62,141 includes the increase in liquid funds by TEUR 53,594 (up 594 %), the increase in trade receivables by TEUR 4,087 (up 49 %) to TEUR 12,352, and the increase in other current receivables/assets by TEUR 4,087 (up 53 %) to TEUR 11,685. The item Other current receivables/assets includes mainly the payments made on account for maintenance contracts with a residual term of less than 12 months. The change in trade receivables reflects the sales growth and is largely also attributable to longer payments targets for invoices for long-term maintenance contracts.

The current liabilities increased in the first half of 2018 compared with November 30, 2017, by TEUR 4,578 (up 23 %) to TEUR 24,207. The increase related mainly to the rise in payments on account for maintenance contracts with a residual term of less than 12 months. The rise in trade payables by EUR 1,687 corresponds to the rise in trade receivables. Non-current liabilities rose by TEUR 1,173 to TEUR 8,644. Whereas non-current financial liabilities fell by TEUR 415 due to scheduled repayments, the other non-current liabilities increased by TEUR 1,588 to TEUR 5,321. The non-current liabilities include mainly payments on account for maintenance contracts with a residual term of more than 12 months.

The succcessful IPO and the profitable business development have led to an increase in shareholders' equity of 1,320 %. As at May 31, 2018, the equity ratio was 65.5 %, and so well above its level at November 30, 2017, of 13.9 %. The change in reserves relates to the earnings after taxes of TEUR 1,524, the dividend distributed in February of TEUR 1,926, the change in the scope of consolidation by initial consolidation to Serviceware SE of minus TEUR 454 as well as the consolidation effect of minus TEUR 5,440, which arises from the consolidation under Common Control.

1.7 Cash flow statement

The cash and cash equvalents of Serviceware SE had risen by 248 % as at May 31, 2018, compared with November 30, 2017, to stand at TEUR 62,609. In the first half of 2017/2018 there was an outflow from current business activity of cash and cash equivalents of TEUR 2.197 (prior year: inflow TEUR 1.895). The outflow of funds due to capital expenditure was TEUR 243 (prior year TEUR 81). Financing activity generated an inflow of funds of TEUR 56,119 (prior year: outflow TEUR 777), which was mainly attributable to the receipts due to the IPO of TEUR 58,450 minus the outgoings of dividends from accumulated profits of TEUR 1,927 (TCHF 2,210) in February 2018. With reference to the receipts from the IPO, the costs of raising capital were not recorded in the profit and loss account but directly in the capital reserve with deduction of deferred taxes. These costs relate mainly to bank commissions incurred in connection with the IPO as well as portions of the fees for legal advisors, auditors and other professional consultants. Under IFRS these equity transaction costs must be recorded as a deduction from equity where the costs can be directly attributed to the raising of capital and as such would otherwise have not been incurred. The IPO generated cash of TEUR 60,000. There was also a reduction in cash and cash equivalents of TEUR 85 (prior year: TEUR 18) on account of currency exchange rates and consolidation.

1.8 Employees

At the cutoff date May 31, 2018, Serviceware SE employed 293 staff. This compared with 253 at the same date in the prior year, and 285 at November 30, 2017.

IT companies are faced with a major challenge in recruiting people for IT projects. In view of the strong demand for well-qualified IT personnel and the shortage of specialists in Germany, the Spanish company was formed in Palma de Mallorca, where IT experts have been recruited since May of last year. Qualified personnel are also hired at the other locations, in particular in order to strengthen distribution capabilities and the service area with a focus on market penetration among large corporations.

1.9 Opportunities and risks

The risks set out in the securities prospectus under section D, page 28f, continue to apply. As a public company limited by shares, Serviceware SE is obliged to set up a risk management system and to monitor the risks of future development continually. In view of our financial stability, we consider that we are well equipped to cope with any future risks. At present there are no identifiable risks which imperil either in the short or the long term the going concern of Serviceware SE.

The opportunities of the second half of 2018 are dealt with in the paragraphs below under the heading Outlook.

1.10 Report on events after the balance-sheet date

After the balance sheet date there were no events with material effects on the net assets, financial position or results of operations of Serviceware SE.

1.11 Outlook

The first half of the 2017/2018 business year of Serviceware SE presents a very positive development of the sales figures and the operating result. Unless serious adverse changes in the overall economic situation in Germany and Europe intervene, we expect for the second half 2018 a continuation of the profitable growth of Serviceware SE. This expectation is confirmed by the sales growth obtained at the beginning of the third quarter.

We continue to see a major long-term opportunity in the growing corporate demand for digitalisation. The market is evolving such that digitalisation is seen as a decisive factor in productivity and as a competitive advantage such that the pace is being stepped up.

We shall counter competition in the market, as before, by experience, innovation, reliability and a high degree of quality. We implement our high quality demands using internal process and quality controls.

Bad Camberg, July 27th, 2018

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

2 Investor Relations

The shares of Serviceware SE have been listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange since April 20, 2018. The number of outstanding shares is 10,500 of which 35.3 % are in free float. The IPO was overseen by Commerzbank Aktiengesellschaft and Hauck & Aufhäuser Privatbankiers Aktiengesellschaft as joint global coordinators and joint bookrunners.

After an issue price of EUR 24.00 the Serviceware share began trading on April 20, 2018, with a first price EUR 24.005. The share reached a high in the first half of 2018 of EUR 26.395 (Xetra) on June 12. Its lowest in the reporting period was on June 26 at EUR 23,30. At the last day of the first half of 2018 the share was listed at EUR 24.548. Hence since the initial listing there had been a rise in the share price of about 2.3%. In the same period the German share index DAX lost about 2.1%.

The designated sponsor for the Serviceware share is Hauck & Aufhäuser. The average traded volume at all German stock exchanges in the period under review was about 5,700 shares daily, of which nearly 92 % changed hands on the Xetra platform.

Serviceware cultivates a transparent and continual dialogue with investors and the financial press. Information on the company and the share is available at www.serviceware.se.

Stock exchange information

International Securities Identification Number (ISIN)	DE000A2G8X31
Security identification number (WKN)	A2G8X3
Ticker symbol	SJJ
Number of shares	10.500.000
	Dirk K. Martin(1) 3,880,000 (1) held through aventura Management GmbH, Bad Camberg, Germany Harald Popp(2) 3,880,000 (2) held through dreifff Management GmbH, Bad Camberg, Germany
Free float	Approximately 35.3 %
Class of shares	No-par bearer shares (unit shares)
Stock exchanges	Xetra
Exchange segment	Regulated market (Prime Standard) of the Frankfurt Stock Exchange
Highest / Lowest 1st half 2018	EUR 26.395 / EUR 23.30
Share price at closing, mid-year	EUR 24.458
Market capitalisation as at June 29, 2018	EUR 257.8 million

Accounting standard	IFRS	
End of the business year		November 30
Initial listing		April 20, 2018
Designated sponsor	Hauck & Aufhäuser Privatbankiers Aktiengesellschaft	

Financial calendar

October 26, 2018	Quarterly notification for the 3rd quarter 2017/2018
November 26 to 28, 2018	Investor conference: Participation at the German equity forum

3 Interim consolidated balance sheet as at May 31, 2018

in EUR	May 31, 2018	Nov 30, 2017
Assets		
Goodwill	2.808.711	2.808.711
Other intangible assets	44.713	16.308
Property, plant and equipment	545.596	458.573
Other non-current assets	4.373.116	3.294.249
Deferred income tax assets	401.439	24.700
Non-current assets	**8.173.575**	**6.602.541**
Inventories	0	8.986
Trade receivables	12.352.720	8.265.622
Other current receivables / assets	11.685.314	7.598.620
Cash	62.609.302	9.015.053
Deferred income tax assets	382.403	0
Current assets	**87.029.739**	**24.888.280**
Balance sheet total	**95.203.314**	**31.490.820**
Equity and Liabilities		
Subscribed capital	10.500.000	782.750
Capital reserve	55.859.477	1.251.609
Reserves	-3.916.850	2.380.403
Accumulated other equity	-85.415	-48.463
Equity without non-controlling shares	62.357.212	4.366.298
Non-controlling shares	-5.745	23.413
Equity	**62.351.467**	**4.389.711**
Other non-current provisions	108.000	108.000
Non-current financial liabilities	3.215.631	3.631.084
Other non-current liabilities	5.320.783	3.732.652
Non-current debt	**8.644.414**	**7.471.737**
Current income tax liabilities	782.509	836.328
Current financial liabilities	830.692	720.265
Trade payables	4.583.814	2.897.071
Other current liabilities	18.010.419	15.175.709
Current debt	**24.207.433**	**19.629.372**
Balance sheet total	**95.203.314**	**31.490.820**

4 Group profit and loss account for the period from December 1, 2017, to May 31, 2018

in EUR	Dec. 2017 - May 2018	Dec. 2016 - May 2017
Sales revenues	27.019.710	23.394.625
Other operating income	451.790	307.358
Cost of materials	-11.920.626	-9.792.078
Personnel expenses	-9.477.228	-8.394.230
Depreciation & amortisation	-127.547	-102.749
Other operating expenses	-3.724.287	-2.712.457
Operating result (EBIT)	**2.221.812**	**2.700.469**
Interest income	350	64
Interest expenses	-99.619	-100.575
Financial result	**-99.269**	**-100.511**
Earnings before taxes	**2.122.543**	**2.599.958**
Income taxes	-599.014	-566.750
Period profit / loss	**1.523.529**	**2.033.208**
Items that may later be reclassified to the P&L		
Balancing item from currency translation for foreign subsidiaries	-36.952	12.448
Other result	**-36.952**	**12.448**
Overall result	**1.486.577**	**2.045.655**
Period profit / loss		
thereof, shareholders of the PMCS Group	1.552.687	2.063.692
thereof, non-controlling shares	-29.158	-30.485
Overall result		
thereof, shareholders of the PMCS Group	1.515.735	2.076.140
thereof, non-controlling shares	-29.158	-30.485

5 Statement of consolidated cash flow for the period from December 1, 2017, to May 31, 2018

in EUR	Dec. 2017 - May 2018	Dec. 2016 - May 2017
Earnings after taxes	1.523.529	2.033.208
Depreciation/Amortisation/Impairment of non-current assets	127.547	102.749
Tax expense	599.014	566.750
Changes in provisions	0	-60.872
Changes in deferred taxes	-759.142	0
Financial result	99.269	100.511
Changes in the items of current assets and current liabilities		
- Change in inventories	8.986	10.684
- Change in receivables and other assets	-9.252.660	-4.484.468
- Change in liabilities	6.109.584	4.233.679
Income taxes paid	-652.833	-607.703
Inflow / Outflow of funds from current business activity	**-2.196.706**	**1.894.537**
Capital expenditure on intangible assets and in property, plant & equipment	-242.975	-80.759
Interest income	350	64
Investments in non-current financial assets		
Inflow / Outflow of funds from investing activity	**-242.625**	**-80.695**
Payment of dividends / profits to shareholders	-1.926.678	-481.556
Receipts from the IPO	58.450.319	
Interest expense	-99.619	-100.575
Assumption of non-current debt		
Redemption of non-current debt	-415.453	-305.027
Assumption of current debt	110.427	110.415
Redemption of current debt		
Inflow / Outflow of funds from financing activity	**56.118.995**	**-776.743**
Change in liquid funds due to exchange rates and scope of consolidation	**-85.415**	**-18.037**
Change in cash and cash equivalents	**53.594.250**	**1.019.062**
Cash and cash equivalents at the beginning of the period	**9.015.053**	**6.655.187**
Cash and cash equivalents at the end of the period	**62.609.302**	**7.674.249**

6 Statement of changes to equity for the period from December 1, 2017, to May 31, 2018

in EUR	Subscribed capital	Capital reserve	Reserves	Reserve for currency translation	Non-controlling shares	Total
December 1, 2017	782.750	1.251.609	2.380.403	-48.463	23.413	4.389.711
Period result			1.523.529			1.523.529
Dividends distributed			-1.926.678			-1.926.678
Currency translation				-85.415		-85.415
Result allocation – Minority in helpLine BV					-29.158	-29.158
IPO	10.500.000	55.859.477				66.359.477
Change: Increase in non-monetary capital under Common Control			-5.440.380			-5.440.380
Change in scope of consolidation	-782.750	-1.251.609	-453.725	48.463		-2.439.620
May 31, 2018	10.500.000	55.859.477	-3.916.850	-85.415	-5.745	62.351.467

7 Notes to the consolidated financial statements

1. General information

For the first half of 2017/2018 (as at May 31, 2018) Serviceware SE, Bad Camberg, has prepared interim consolidated financial statements using International Financial Reporting Standards (IFRS) and taking into consideration the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as these are to be applied in the European Union.

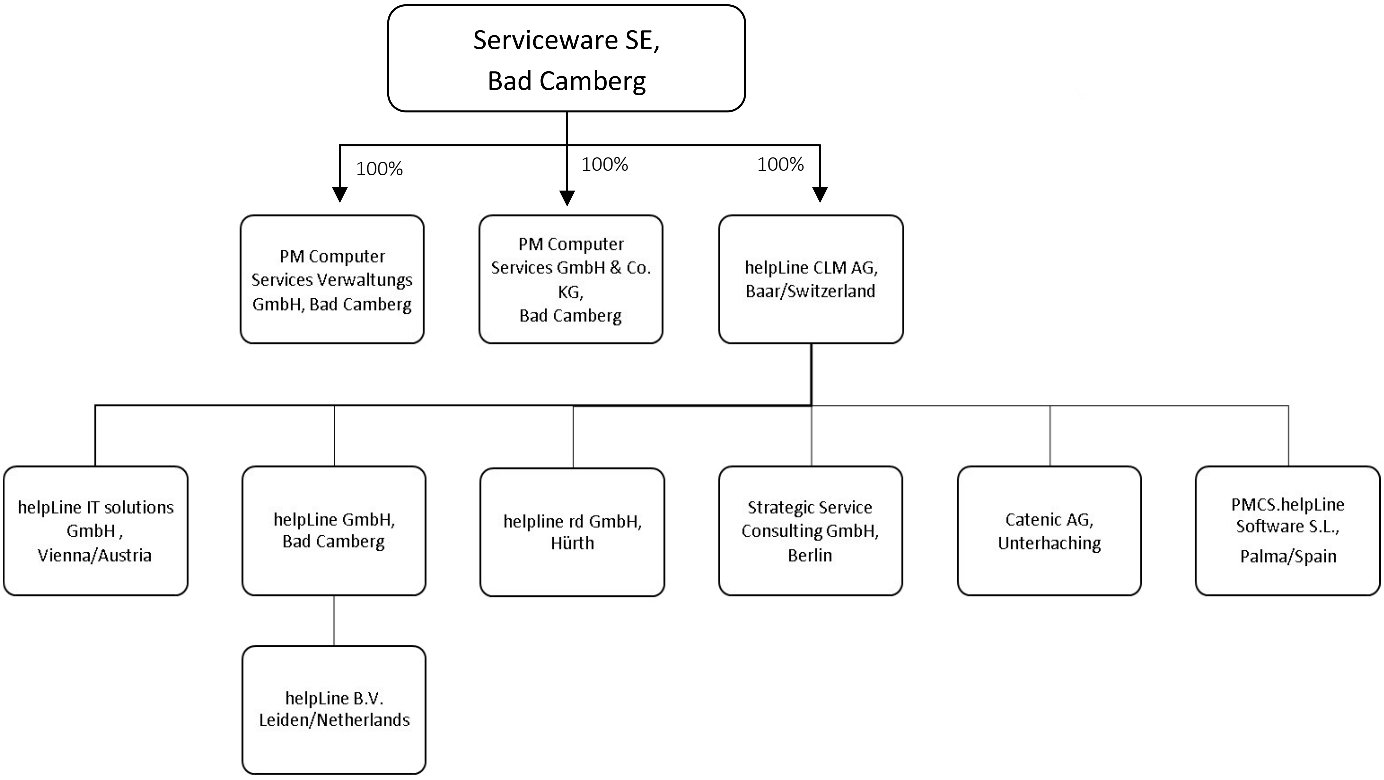
The interim consolidated financial statements have been prepared in euro. The profit and loss account has been prepared using the total cost format.

These interim consolidated financial statements are published in an abbreviated form in accordance with IAS 34. The abbreviated interim consolidated financial statements as at May 31, 2018, and the interim Group management report have not been audited, nor have they been subject to an audit review by a financial statement auditor.

Scope of consolidation

As at May 31, 2018, the participatory relationships were as follows:

Name	Established/ Purchased on	Domicile	Subscribed capital	Status
PM Computer Services Verwaltungs GmbH (PMCS Verwaltungs GmbH)	03.06.2005	Carl-Zeiss-Str. 16, 65520 Bad Camberg, Germany	EUR 25,600.00	Established
PM Computer Services GmbH & Co. KG (PMCS GmbH & Co. KG)	29.06.2004	Carl-Zeiss-Str. 16, 65520 Bad Camberg, Germany	EUR 250,000.00	Established
helpLine CLM AG	01.12.2003	Haldenstrasse 5, 6340 Baar, Switzerland	CHF 610,000.00	Established
helpLine IT solutions GmbH	06.07.2004	Landstraßer Hauptstraße 71, 1030 Wien, Austria	EUR 35,000.00	Established
helpLine GmbH	02.12.2003	Carl-Zeiss-Str. 16, 65520 Bad Camberg, Germany	EUR 25,000.00	Established
helpline rd GmbH	06.11.2009	Kalscheurener Straße 2A, 50354 Hürth, Germany	EUR 25,000.00	Established
Strategic Service Consulting GmbH	22.11.2011	Potsdamer Platz 9, 10117 Berlin, Germany	EUR 25,000.00	Established
helpLine BV	05.06.2002	Dellaertweg 9, 2316 WZ Leiden, the Netherlands	EUR 28,409.00	Purchased
CATENIC AG	14.11.2014	Hauptstraße 1, 82008 Unterhaching, Germany	EUR 328,778.00	Purchased
PMCS. HelpLine Software S.L.	07.06.2017	Carrer Gremi Ferrers 35, 07009 Palma, Illes Balears, Spain	EUR 3,000.00	Established



Accounting and measurement policies

There were no material adjustments to the Group accounting and measurement policies as a result of standards and interpretations whose application became mandatory for the first time in the first six months of the financial year 2017/2018 or as a result of changes to standards and interpretations; nor did such standards and interpretations or changes thereto have any material effect on the presentation of the net assets, financial position and results of operations in the Group in the first six months of the business year 2017/2018.

The accounting and measurement methods used in preparing the combined consolidated financial statements as at November 30, 2017, were retained so that the explanations in the Notes to the consolidated financial statements 2016 apply accordingly for these too.

The report on the half-year financial statements of Serviceware SE is available in the Internet under www.serviceware.se for perusal and download.

Uncertainties and estimates

In preparing the interim consolidated financial statements, assumptions and estimates have been made to a certain degree. The assumptions and estimates are based on premises that are based on the state of knowledge available at the time. Actual values may deviate from these.

2. Related parties

The combined consolidated financial statements as at November 30, 2017, contain detailed disclosures about related persons. The following material changes to the remuneration of the executive and supervisory boards, which remuneration was reported on in detail in the consolidated financial statements as at November 30, 2017, had been made as at May 31, 2018:

The management salaries paid for the first time at Serviceware SE amount to TEUR 526.

Dividends/Profits of TEUR 1,927 had been disbursed for the previous business year to shareholders as at February 2018.

3. Events after the balance sheet date

After the balance sheet date there were no events with any material effects on the net assets, financial position or results of operations of Serviceware SE.

Declaration of the legal representatives

„We declare that, to the best of our knowledge, the interim financial statements, which have been prepared in accordance with the applicable accounting standards for preparing interim financial statements, provide a true and fair view of the net assets, financial position and results of operations of the Group and that, in the interim Group management report, the course of business, including the business result and the Group situation, are presented such that a true and fair view is conveyed with a description of the principal opportunities and risks of the probable development of the Group."

Bad Camberg, July 27th, 2018

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

8 Description of company

Serviceware is a leading supplier of software solutions for digitalisation and the automation of service processes; it enables companies to increase their service quality and manage their service costs efficiently. The singular integrated and modular ESM platform consists of the proprietary software solutions helpLine (Service Management), anafee (Financial Management) and Careware (Field and Customer Service Management). Serviceware has more than 500 customers in very different sectors, nine of which are listed on the DAX and four are among the seven largest German companies. The headquarters of the company are at Bad Camberg, Germany. At the end of the business year 2016/17 Serviceware employed 285 staff.

Further information is available at www.serviceware.se.

9 Contact

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Managing directors
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Harald Popp (CFO)
Dr. Alexander Becker (COO)

Administrative council
Christoph Debus (Chairman)
Harald Popp
Ingo Bollhöfer

Registration Court: Municipal Court of Limburg a.d. Lahn, File number: HRB 5894