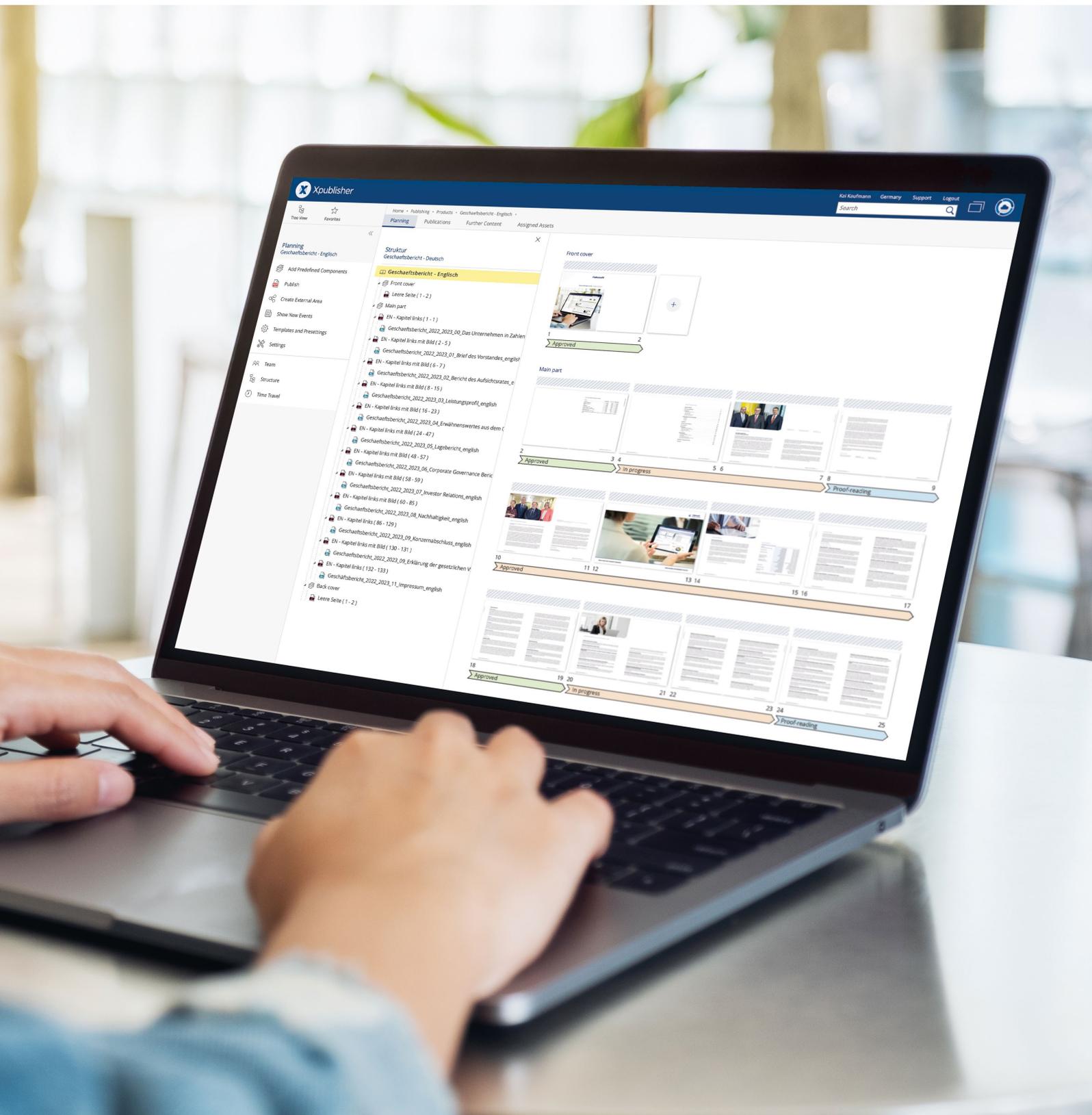


Fabasoft AG 2023/2024 9 Months Report 1 April – 31 Dec 2023



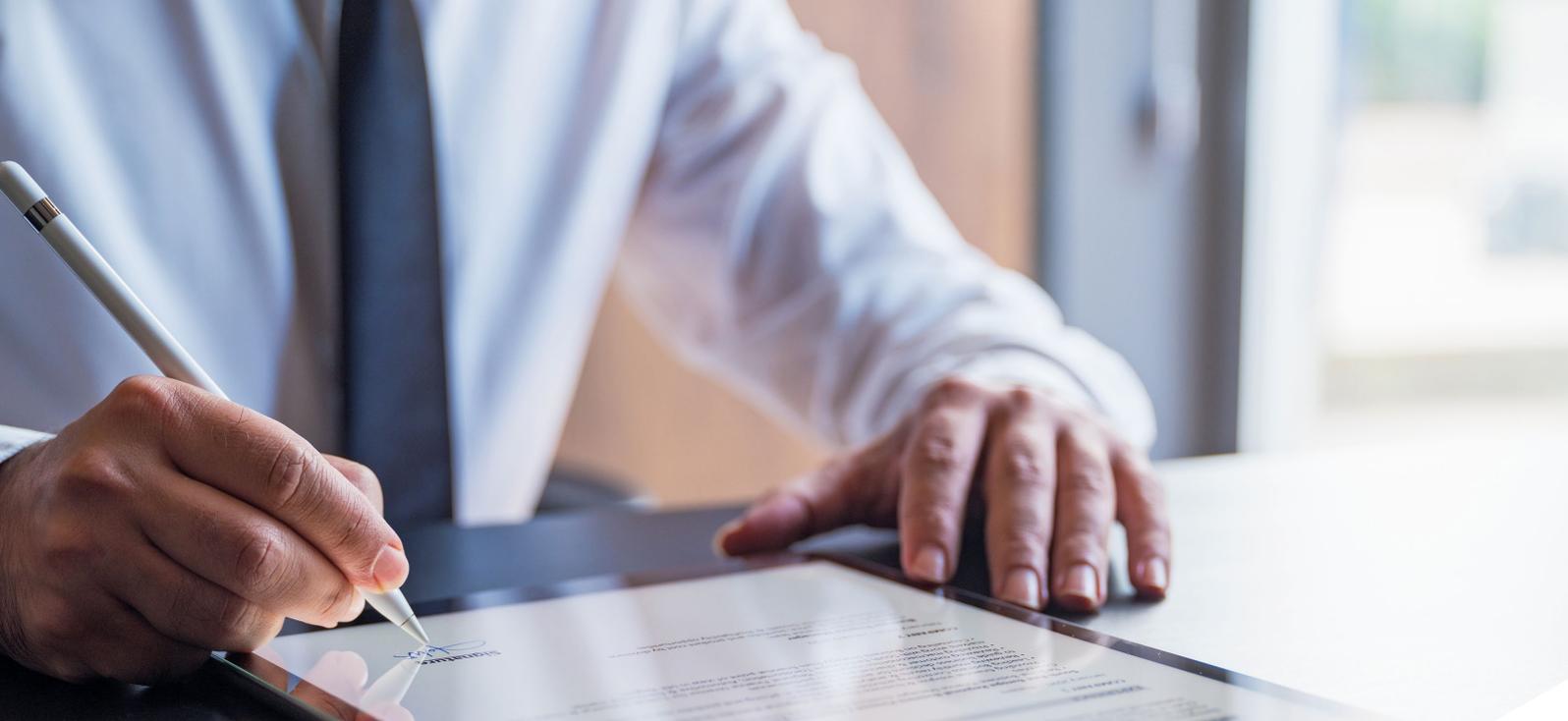
KEY DATA

in kEUR	April - Dec 2023	April - Dec 2022	Change
Sales revenue	60,749	49,940	21.6 %
Result before income taxes	10,716	6,929	54.7 %
EBIT (Operating result) ¹⁾	10,965	6,978	57.1 %
EBITDA ¹⁾	16,801	11,948	40.6 %
Result for the period	7,914	5,170	53.1 %
Equity at end of period	30,135	24,953	20.8 %
Cash flows from operating activities	9,575	1,431	> 200 %
Cash and cash equivalents at end of period	21,506	22,797	-5.7 %
Employees at end of period	493	447	10.3 %
Basic earnings per share (in EUR)	0.67	0.43	55.8 %

¹⁾ Definition of the key figures: www.fabasoft.com under investors, business reports, alternative key performance indicators.

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PERFORMANCE PROFILE

About the Fabasoft Group

Fabasoft is one of the leading software product companies and cloud service providers for digital document, process and records management in Europe. With the unique Fabasoft PROCECO Ecosystem, Fabasoft unites selected powerful software solutions for document-intensive business processes. Numerous well-known private enterprises and public-sector organizations have trusted in the quality and experience of Fabasoft for over three decades.

The products help to digitalize, accelerate, simplify and boost the quality of business processes. They include the receipt, structuring, team and process-oriented provision, processing and handling, secure storage and context-sensitive finding of all business documents as well as the preparation and provision of content for different publication channels. This is complemented by digital, sustainable knowledge transfer based on neuroscientific findings.

Fabasoft offers innovative possibilities for cooperation across organizations and across national frontiers in the form of both informal collaboration and structured workflows. Customers benefit from access that is independent of location and equipment, efficient knowledge management, applied artificial intelligence as well as from faster and more cost-efficient work completion and improved compliance.

The Fabasoft Group is represented by subsidiaries in Germany, Austria and Switzerland as well as in the USA by Mindbreeze Corporation (a 100% subsidiary of Mindbreeze GmbH) and Xpublisher Inc. (a 100% subsidiary of Xpublisher GmbH). It also operates in other countries via selected sales and implementation partners. Fabasoft AG, with its headquarters in Linz, Austria, acts as the Group's administrative body.

The company employed a workforce of 493 as at 31 December 2023.

Group Structure

Fabasoft Group as of 31 December 2023

Fabasoft AG	Honauerstrasse 4	4020 Linz, Austria
Fabasoft International Services GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft R&D GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft Austria GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
	Waagner-Biro-Strasse 47	8020 Graz, Austria
Fabasoft Approve GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Contracts GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Talents GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Mindbreeze GmbH	Honauerstrasse 2	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Mindbreeze BidForce GmbH	Honauerstrasse 2	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft Deutschland GmbH	THE SQUAIRE 13, Am Flughafen	60549 Frankfurt am Main, Germany
	Potsdamer Platz 1	10785 Berlin, Germany
	Bahnhofstrasse 38	99084 Erfurt, Germany
	Schleissheimer Strasse 6-10	80333 Munich, Germany
Xpublisher GmbH	Schleissheimer Strasse 6-10	80333 Munich, Germany
	Edlmairstrasse 1	94469 Deggendorf, Germany
Fabasoft 4teamwork AG	Dammweg 9	3013 Bern, Switzerland
	Oberer Graben 46	9001 St. Gallen, Switzerland
Mindbreeze Corporation	311 West Monroe Street	Chicago, IL 60606, USA
Xpublisher Inc.	311 West Monroe Street	Chicago, IL 60606, USA

Business Model

The Fabasoft Group's business model includes developing and distributing its own software products, as well as providing related services. Fabasoft software products can be used on a recurring usage fee basis or as a purchase model against one-time software license fees and optional recurring update fees.

Fabasoft addresses the market directly, through its own sales and service organizations and in collaboration with sales and implementation partners. Direct business is carried out via separate companies. These companies have their own project organizations and assume the role as general contractor for project implementation where required. In addition, the group seeks to further establish and develop sales and implementation partnerships.

Product Portfolio

Fabasoft PROCECO

Fabasoft PROCECO – One shared business reality.

Fabasoft PROCECO is a unique, entrepreneurial business process ecosystem. As a curated ecosystem, it combines digital solutions for document-intensive business processes selected by Fabasoft. The technological basis is the powerful and certified Fabasoft Cloud. Fabasoft PROCECO not only opens up new opportunities for customers, but also accelerates the growth of partners, subsidiaries and affiliates through professional support.

Customers benefit from agile Fabasoft PROCECO Solutions tailored to their needs, which can be implemented as well as expanded quickly and ensure efficiency and security. The integrated, cross-organizational process and data world (“One shared business reality”) creates a fast, continuous exchange of information and thus increases decision-making reliability while reducing process costs.

The strategic partners draw on established structures, existing resources and a shared network when creating and developing their solutions. On the one hand they benefit from a reliable and sustainable partner, while on the other hand a professionalization of their organizational and market development and thus an accelerated company growth can be achieved.

Approve on Fabasoft PROCECO

Fabasoft Approve is a Fabasoft PROCECO Solution for managing technical data and documents in industry, that digitally maps the complete information lifecycle as a “single source of truth”. The project partners work together with experts and certification bodies in cross-company testing, release and approval workflows to create complete overall documentation. Computer-supported quality processes, which are effectively based on this documentation, contribute to shortened project processing and reduced administrative effort, by means of standardized inspection plans and checklists. Fabasoft Approve is suitable for handling large-scale industrial projects, including those in the infrastructure sector or in special machinery and plant engineering.

Boards on Fabasoft PROCECO

The Fabasoft Boards digital meeting management software is a Fabasoft PROCECO Solution for management-level meeting administration. Its functionalities include the planning of meetings, the submission of business-relevant requests and the execution of votes. Subsequently, the audit-proof and unchangeable records are created. These can be digitally checked and approved by means of a circulation process. The product enables all meeting participants to prepare for and follow up on meetings efficiently and from any location while it also supports organizations in meeting their compliance requirements.

Contracts on Fabasoft PROCECO

The contract management software Fabasoft Contracts enables a simple, transparent recording, creation, management and audit-proof archiving of agreements. It also promotes secure collaboration between internal and external stakeholders, including legal matter management.

This intelligent standard product reads out the relevant data, provides templates, text modules and a clause library, and provides the necessary overview for rapid information and decision-making through customizable lists and dashboards. An integrated workflow and deadline management system with reminder function, provides support in concluding contracts and meeting deadlines. In addition, the system's own legally valid digital signature accelerates the signing process. Fabasoft Contracts is used across all industries for any legal matters.

Talents on Fabasoft PROCECO

With Fabasoft Talents, both managers and employees benefit from faster and more transparent HR processes. Based on the audit-proof personnel file and digitized HR processes, the administrative effort is reduced by automating routine tasks and improving the interaction between employees and the HR department. In addition, integrated skills management ensures that employees' skills are recorded, validated and evaluated.

The KnowledgeFox learning app ensures an effective, verifiable and sustainable transfer of knowledge. The training content is prepared on the basis of neuroscientific findings via a web-based rapid authoring interface with a predefined "microlearning" structure. Short units in the mobile app, adapted to the individual level of knowledge, promote an active, playful learning experience and a regular use. The areas of application include hard and soft skills and range from preboarding and onboarding, through sales training and training for external partners, to the training of specialists and managers.

Xpublisher on Fabasoft PROCECO

The Xpublisher multichannel publishing system enables the creation, management and automated publication of different content in any media channel. With the integrated XML editor "Xeditor", media-neutral, semantically structured content can be created and enriched with metadata and assets. Content is published via a single source. In this process, the system's own production planning forms the basis for the individual design and organization of digital or printed outputs for books, magazines, technical documentation and financial reports. As a certified cloud application, Xpublisher on Fabasoft PROCECO thus digitizes the complete publication process in media and publishing houses as well as companies in various industries.

Fabasoft eGov

Fabasoft eGov Ecosystem – One shared government reality.

The Fabasoft eGov Ecosystem combines proven software solutions that are perfectly matched to each other and to the needs of public administration. As a product for digital records management, the Fabasoft eGov Suite forms the basis for the digital transformation of public authorities. Together with the personnel file Fabasoft Talents, the contract management Fabasoft Contracts and the automations of Fabasoft Done!, the Fabasoft eGov Ecosystem supports employees in the public sector in their daily work.

Fabasoft eGov-Suite

Fabasoft eGov-Suite is the leading product for digital administration work (e-government) in German-speaking countries. The scope of services covers the capture, workflow-controlled forwarding and processing of documents as well as their complete documentation and audit-proof archiving. Business cases can be processed barrier-free, independent of location and time, also via mobile devices. In addition, specialist applications and online platforms can be easily connected via interfaces. Authorities at federal, state, cantonal and municipal level use the Fabasoft eGov-Suite to increase efficiency and transparency in their areas of activity and for rapid interaction with citizens, companies and other organizations.

Contracts on Fabasoft eGov

Contracts on Fabasoft eGov enables efficient and legally compliant contract management in public administration. The Fabasoft eGov Solution Contracts automates routine tasks such as obtaining approvals or reminding of renewals and comprehensibly documents all phases of the contract lifecycle. Text modules and clause libraries enable standardized template and contract creation. An intelligent search function also ensures that contracts and the required information can be found quickly.

Done! on Fabasoft eGov

Done! on Fabasoft eGov supports administrative staff with innovative automations. Text extraction identifies and extracts relevant information from incoming documents and queries. Through automatic classification, the Fabasoft eGov-Suite understands the context of incoming documents and processes them. Subsequently, this data is used to fill the required form fields with suitable suggestions and thus to support the user in everyday tasks. The intelligent assignment of incoming documents and the generation of process suggestions shortens the processing time of inquiries and applications and thus improves service quality.

Talents on Fabasoft eGov

Talents on Fabasoft eGov ensures efficient, digital personnel file management in public administration. The personnel file reduces administrative effort through automation and improves communication between employees and the HR department. With end-to-end encryption, all sensitive data within an authority is secured with a customizable authorization concept. In addition, a simple connection of common e-government applications and standards to Fabasoft Talents can be realized quickly. This makes it possible to work without media discontinuity and carry out personnel processes quickly.

Fabasoft Folio

The Fabasoft Folio business software helps to securely capture, organize and store digital documents and files and to easily digitize business processes. The product is used for the efficient modeling and implementation of individual, document-centric business applications and workflows. The intuitive user interface allows users to access documents from anywhere and at any time. Fabasoft Folio includes numerous interfaces via standard protocols and can thus be quickly integrated into an existing IT landscape. In addition, the tool offers out-of-the-box integrations for common business applications such as SAP.

Fabasoft 4teamwork

OneGov GEVER

The OneGov GEVER software solution is the records management system proven in numerous public administrations in Switzerland. With this user-friendly web application, all business-relevant information can be created, edited and managed throughout the entire lifecycle. In addition, OneGov GEVER offers seamlessly integrated workflows, e-mail archiving, document scanning and individual standard workflows. The intuitive interface enables business cases to be processed barrier-free, independent of location and time, even via mobile devices. In addition to cantons, municipalities and administration-related organizations in Switzerland are increasingly relying on OneGov GEVER, often also as a SaaS solution from the cloud.

teamraum

teamraum enables internal and external project teams to collaborate easily and securely: planning and conducting meetings, jointly storing documents, and exchanging information. The product is easy to use via a web app and can be accessed from any device. All of a team's work tasks can thus be completed completely online. The standardized interface between teamraum and OneGov GEVER also ensures greater efficiency in everyday work.

MYCOLEX 2.0

With the object management software MYCOLEX 2.0, memory and cultural institutions digitize and inventory their holdings and enable location- and time-independent access. MYCOLEX is used by both large and small organizations. Thanks to the flexibility and the standardized data model based on DCMI Metadata Terms, ISAD(G) and the specifications of Spectrum, it is possible to easily map the everyday work and the various fields of work of institutions with different disciplines, such as museums, archives, collections, monument preservation or archaeology. Interfaces to standards databases such as the Integrated Authority File (GND) also allow standardized data to be integrated and reused.

Digital Reading Room DLS

The digital reading room offers archives and memory institutions the possibility to make their historical treasures available to the public and the administration in an appealing way in a web application around the clock. The product is characterized by a service-oriented structure, uses state-of-the-art technologies and integrates archive information systems and digital long-term archives. A well thought-out security system also enables sensitive information to be encrypted and made available in secure rooms.

Mindbreeze

Mindbreeze Business Decision Insights Ecosystem

With the innovative business ecosystem Mindbreeze BDI (Business Decision Insights) a professional basis was created to perfectly implement unique business models based on Mindbreeze InSpire and Mindbreeze Insight Services.

Mindbreeze BDI supports entrepreneurs in professionalizing their business and increasing their economic success. Thanks to careful selection of entrepreneurs and solutions as well as seamless and consistent integration, Mindbreeze creates an ecosystem that offers customers a first-class user experience.

Mindbreeze BidForce

The Mindbreeze BidForce bid management software supports sales teams throughout the entire bidding process - from pre-selection and planning to compiling and responding to bid documents. With Mindbreeze InSpire as the technological foundation, insightful answers to relevant business questions can be extracted from both structured and unstructured enterprise data. Artificial intelligence (AI) is used to analyze and enrich company data. Consequently, Mindbreeze BidForce is able to identify subject matter experts within the company to help sales teams answer complex questions. In addition, Mindbreeze BidForce enables the creation of structured libraries that store all knowledge about past tenders. As a result, responding to bid documents is much more efficient and the entire bid management process is optimized.

Mindbreeze InSpire

Mindbreeze InSpire (Insight Engine) analyzes information, understands it and thereby enables a variety of use cases such as a consolidated view of corporate knowledge - regardless of where (data sources) and how (structured, unstructured) it is stored. After connecting the relevant corporate data sources via an extensive range of connectors, for example for e-mail or document management systems, archives or even industry-specific specialist applications, Mindbreeze InSpire also analyzes structured and unstructured information using artificial intelligence methods.

This is made possible by the Insight Services developed by Mindbreeze. These combine a wide range of artificial intelligence techniques to understand and link information. They include services in the areas of entity recognition, classification, semantic relation, proactive insight, knowledge extraction and natural language processing. Mindbreeze InSpire provides users with a 360-degree view of the relevant information (documents, structured data, etc.) on the topic they are searching for.

Understanding the information is enabled by Mindbreeze developments in generative AI or Large Language Models (LLM). Mindbreeze InSpire forms the perfect product solution to overcome the typical hurdles in the use of LLMs such as data hallucinations, authorizations, critical intellectual property issues, expensive training costs or generally the technical implementation with confidential corporate data.

For example, the internal enterprise data that has been connected to the Insight Engine with the multitude of connectors serves as the basis for machine learning. Thus, the data and the models trained with it are always owned by the respective company and do not feed into a public model. Both existing and generated content are thus secure, correct, trustworthy and, above all, traceable. Since the solution references the source in addition to the answer, users are able to validate the answers at any time if necessary.

Mindbreeze leaves the selection of LLMs to its customers. The Insight Engine is delivered with pretrained models. However, due to the use of Transformer Models and open standards, models from communities such as Hugging-face can also be used very easily. If a customer already has a specific model in use, this can also be integrated. In addition, Mindbreeze offers customers qualified support in the selection of a suitable LLM and the associated use cases.

The Mindbreeze Insight App Designer allows users to design their own applications without any programming knowledge and is thus aimed at employees in the respective department. In this way, the different needs of the departments are quickly met by individual insight apps and work steps are significantly simplified and shortened. Insight Services and Insight Apps form the basis for supporting companies in the area of applied artificial intelligence for business units.

Mindbreeze InSpire is used in various business areas such as customer service, maintenance and repair, project management or human resource management. The insight apps available for this purpose are tailored to the requirements of the areas and thus provide an important basis for supporting business process transformation and in everyday work, for example as a research tool or for creating graphically prepared summaries. In addition, Mindbreeze InSpire provides interfaces and services so that software manufacturers, integrators and developers can easily use the proven Mindbreeze technology in their own products and solutions.

The comprehensive capabilities of Mindbreeze InSpire, especially in semantic search and insight apps, combined with the outstandingly short implementation times – given the appliance and service character – also qualify the product particularly well as an essential component of in-house private and hybrid cloud infrastructures.

Technology products

Fabasoft app.telemetry

Fabasoft app.telemetry provides the ideal basis for service level management and user support by monitoring the availability and response time behavior of applications. The product tracks transactions triggered by requests, thus reflecting their progression through the hardware and software infrastructure and enabling analysis of execution in Fabasoft products and instrumented third-party products. With this information, DevOps and support teams can quickly and accurately identify time-critical or conspicuous sequences and components and take appropriate action. The functions for monitoring the availability of extensive services or individual workflows round off the support of the operational processes.

Fabasoft Mindbreeze Enterprise

Fabasoft Mindbreeze Enterprise is the on-premises full text search for Fabasoft Folio and the Fabasoft eGov-Suite. Fabasoft Mindbreeze Enterprise searches structured content (metadata) as well as documents and displays the results clearly. Existing user rights are taken into account and the application context is preserved. Users continue to work seamlessly with the search hits, because the required application opens directly from the search hit.

Fabasoft Secomo

The Fabasoft Secomo appliance enables secure end-to-end encryption for the Fabasoft Cloud. End-to-end encryption protects data already at the workstation or mobile device. The keys remain exclusively with the appliance operator. The keys are protected with a hardware security module (HSM) that meets FIPS 140-2 Level 4 requirements. Fabasoft Secomo can also be used in combination with Fabasoft Cloud to store corporate certificates for a legally compliant digital signature of PDF documents.



REPORT ON THE FIRST NINE MONTHS OF THE 2023/2024 FISCAL YEAR

Business status

In the first nine months of the 2023/2024 fiscal year the Fabasoft Group recorded sales revenue of EUR 60.7 million (EUR 49.9 million in the corresponding period of the previous year). The increase in revenue reflects the continuing positive development of recurring revenue, further growth in project business throughout the reporting period and high license revenue from one-off licenses in the third quarter of the 2023/2024 fiscal year.

Despite ongoing investments in the development and expansion of Fabasoft PROCECO Solutions, higher personnel expenses and increased sales activities, the Fabasoft Group generated EBITDA¹⁾ of kEUR 16,801 in the first nine months of the 2023/2024 fiscal year (kEUR 11,948 in the same period of the previous year) and EBIT¹⁾ of kEUR 10,965 (kEUR 6,978 in the same period of the previous year).

The equity ratio¹⁾ of the Fabasoft Group on the interim balance sheet as at 31 December 2023 was 41.4% (38.4% as at 31 December 2022).

The balance of cash and cash equivalents changed in the period under review from kEUR 22,797 as at 31 December 2022 to kEUR 21,506 as at 31 December 2023.

The Fabasoft Group employed a workforce of 493 on the interim balance sheet date 31 December 2023 (447 employees on 31 December 2022).

In the first nine months of the 2023/2024 fiscal year the sales revenue of Mindbreeze GmbH and its subsidiaries Mindbreeze Corporation and Mindbreeze BidForce GmbH amounted to kEUR 13,041 (kEUR 12,730 in the corresponding period of the previous year). With EBITDA¹⁾ at kEUR 4,259 (kEUR 5,600 in the corresponding period of the previous year) EBIT¹⁾ was kEUR 3,111 (kEUR 4,337 in the corresponding period of the previous year).

Third quarter of the 2023/2024 fiscal year (1 October 2023 – 31 December 2023)

In the third quarter of the 2023/2024 fiscal year the sales revenue of the Fabasoft Group amounted to kEUR 21,271 (kEUR 18,148 in the corresponding period of the previous year).

With EBITDA¹⁾ at kEUR 6,337 (kEUR 3,852 in the corresponding period of the previous year) EBIT¹⁾ was kEUR 4,268 (kEUR 2,115 in the corresponding period of the previous year).

¹⁾ Definition of the key figures: www.fabasoft.com under Investors, Business Reports, Alternative Performance Measures

Topics worthy of mention

Fabasoft Approve at the Hannover Messe 2023

The Hannover Messe, one of the world's most important industrial trade fairs, took place this year from April 17 to 21 under the leading theme "Industrial Transformation - Making the Difference". 4,000 exhibitors and 130,000 visitors from all over the world were on site. The Fabasoft Approve team around CEO Andreas Dangl presented the software and the functions of Approve in live demos and with the help of VR glasses. Also the Austrian ambassador in Berlin, Dr. Michael Linhart, visited the Approve booth and informed himself about the possibilities of the data and document management system.

#nextlevel-Talk: "Digital contract management: the stepchild in companies?"

Contracts form the basis for entrepreneurial action. As a result, it requires active management in digital form in order to recognize and exploit the associated potential and risks. It is therefore all the more surprising that knowledge of contract content is often limited to just a few people in the company. What are the advantages of digitizing contract management? What are the reasons for the current relatively low level of application? And what does it take to successfully automate the associated business processes? Georg Harer, lawyer at EY Austria, Sophie Martinetz, Director Legal Tech Center at the Vienna University of Economics and Business, and Robin Schmeisser, Managing Director of Fabasoft Contracts GmbH, discussed these and other questions at the #nextlevel-Talk on 18 April 2023 at k47 Vienna. Jakob Zirm, Head of Economist at the daily newspaper "Die Presse", acted as moderator.

New subsidiary: Mindbreeze BidForce GmbH

On 27 April 2023 the foundation of the Mindbreeze subsidiary "Mindbreeze BidForce GmbH" took place. Felix Breiteneder takes over the management of the company. As the first solution in the Mindbreeze "Business Decision Insights (BDI)" Ecosystem and with Mindbreeze InSpire as its technological basis, Mindbreeze BidForce understands company information and is thus able to provide insightful answers to important business questions. For example, Mindbreeze BidForce supports sales teams in creating, editing, and closing bid documents and optimizes the entire bid management process. Managing Director Felix Breiteneder specialized in artificial intelligence and the optimization of business processes through the use of intelligent technologies in his studies. An internship at Mindbreeze was followed by a permanent position as a technical consultant, where he was able to gain numerous experiences in supporting proof of concepts with customers from a wide range of sectors.

Certification of audit security according to IDW PS 880 granted again

KPMG Advisory GmbH again audited Fabasoft Cloud with regard to audit security in accordance with Austrian, German and Swiss commercial and tax law and issued the certificate in accordance with IDW PS 880. Fabasoft Cloud thus complies with the required storage regulations (GAAP-compliant archiving) in Germany, Austria and Switzerland.

BSI C5, SOC2, ISAE 3402 and EU Cloud Code of Conduct

Fabasoft and Mindbreeze again passed the audit at the beginning of 2023 in accordance with the requirements of the current BSI C5:2020 requirements catalog and the SOC-2 Trust Service Criteria (TSC) for Security. The corresponding certificates were issued for the Fabasoft Cloud and for Mindbreeze InSpire SaaS Services. As part of the ISAE 3402 Type 2 audit performed, the design and effectiveness of the corresponding controls (based on COBIT 2019) were tested in relation to the services defined by Fabasoft. In addition, Fabasoft has again achieved Compliance Level 3 of the EU Cloud Code of Conduct (CoC) for the Fabasoft Cloud including the solutions Approve on Fabasoft PROCECO and Contracts on Fabasoft PROCECO.

Luftfahrt-Bundesamt: Migration to the e-file Bund completed

Following the roll-out of the federal e-file last year, the German Federal Aviation Authority Luftfahrt-Bundesamt (LBA) has now also completed the migration of data to the new system. In a total of three productive migrations, more than 50,000 files, 330,000 processes, approximately 1.5 million documents and more than two terabytes of content were migrated.

Change of name KnowledgeFox GmbH to Fabasoft Talents GmbH

The change of name of Knowledgefox GmbH to Fabasoft Talents GmbH as well as the relocation of the registered office from Vienna to Linz took place at the beginning of June 2023. The address of the Fabasoft Talents GmbH Vienna branch remains unchanged at Laxenburger Strasse 2, 1100 Vienna.

Eight out of nine Austrian provinces are working productively with Fabasoft eGov-Suite

Since March 2023, the eighth Austrian province has been actively using the Fabasoft eGov-Suite. As of this date, the first district administration of Burgenland (Eisenstadt-Umgebung) was set productive. At the beginning and middle of May, the district administrative offices of Neusiedl am See and Mattersburg followed. The roll-out is progressing rapidly thanks to an innovative training concept.

BayWa AG digitizes contract management with Fabasoft Contracts

A broad network of suppliers results in tens of thousands of contracts at BayWa AG every year, which have to be actively managed. In order to be able to map the different business processes of the individual divisions of energy, agriculture and construction in an uniform manner and at the same time design them flexibly, the internationally active trading and service company digitized its supplier agreements with Fabasoft Contracts. The decision was made in favor of Fabasoft because of its intuitive usability and high quality and security standards. With the help of transparent workflows and clear document preparation, the company is always informed about all contract contents and deadlines. This also means that current governance and compliance regulations are always taken into account.

European Alliance for industrial data, edge and cloud presents its first results

The European Alliance for Industrial Data, Edge and Cloud presented the first roadmap for the development and deployment of the next generation of highly secure, resource efficient and interoperable cloud and edge technologies in Europe to the European Commission on 4 July 2023. Fabasoft is an active member and was involved in the chapters "Opportunities and Challenges of Digital Sovereignty", "Climate Positivity, Resource Efficiency and Circular Economy", "Application and Data Services" and "Cybersecurity". Further roadmaps are planned as the next steps, with Fabasoft taking on the topic of "Trust-forwarding for interconnecting Data Spaces and Cloud-Ecosystems".

Austrian Federal Government uses Fabasoft mobile app for digital decisions

At the beginning of July 2023, the Austrian federal government decided to adopt circular resolutions electronically by way of a resolution of the Council of Ministers. The constitutional option for such resolutions already existed.

In the future, however, this will no longer be possible only by means of collecting signatures of the government members on paper, but also with the mobile app from Fabasoft. The app enables government members to sign resolutions while on the move, which improves the flexibility and efficiency of work.

Knowledge management specialist Mindbreeze makes Generative AI fit for real enterprise use

Mindbreeze, a leader in knowledge management and information insight, enables customers to securely leverage innovations in generative AI for their sensitive enterprise data. The use of advanced Large Language Models (LLM) together with the Mindbreeze InSpire insight engine delivers exceptional customer experiences in natural language processing, text generation and data security.

Fabasoft Approve receives BMENet seal of approval for Supplier Relationship Management

The German Association of Materials Management, Purchasing and Logistics (BME) has awarded Approve on Fabasoft PROCECO the "BMENet Supplier Relationship Management Seal of Approval" for the second time. Approve fulfills all of the 126 mandatory and 33 of 34 optional test criteria. The audit is based on comprehensive criteria catalogs that reflect the requirements defined by BME. The BMENet seal of approval is awarded to software products and electronic platforms that contribute to the optimization of purchasing and logistics processes and is intended to give users and purchasing managers assurance that they are purchasing software with tested quality standards.

Mindbreeze honored in Forrester report "The Cognitive Search Platforms Landscape, Q3 2023"

The independent market research and advisory firm Forrester has recognized Mindbreeze as a notable vendor in the "Compliance & Risk Management" and "Customer 360 and customer understanding" categories in "The Cognitive Search Platforms Landscape, Q3 2023" report.

Fabasoft Robotics Camp 2023

For the sixth time Fabasoft and the association Talente OÖ organized the "Fabasoft Robotics Camp" at the Fabasoft headquarters in Linz in the summer of 2023. A total of 36 children and young people in different groups ("Rookies" and "Advanced") had the opportunity to gain early knowledge from the world of technology. In three consecutive camps at RoboLab, the kids diligently programmed "mBot Ranger" robots. At the closing event on the last day of each camp the children presented their great ideas and results to their parents.

Fabasoft is actively involved in the "WAI-ARIA" project as part of its membership of the W3C

Fabasoft has always focused on maximum security, ease of use and universal accessibility for its products. As a member of the World Wide Web Consortium (W3C), the global standardization organization for the web, Fabasoft experts are actively involved in the Accessible Rich Internet Applications (WAI-ARIA) Working Group. The WAI-ARIA specification regulates the way in which dynamic Internet applications are to be designed so that the meaning of their user interface elements can also be determined automatically and thus accessibility can be achieved. As most Fabasoft Solutions are web applications, active participation in the web standardization process is a logical step.

Mindbreeze InSpire again trend-setting product 2023

KMWorld once again honored Mindbreeze InSpire as a Trend-Setting Product 2023. The US magazine KMWorld compiles an annual list of innovative software solutions that enable companies to process information efficiently, reduce the workload of their employees, and drive digital transformation.

Fabasoft egovdays 2023

The Fabasoft egovdays 2023 on 26 September at the Humboldt Carré in Berlin and on 5 October at the Palais Wertheim in Vienna were all about innovation for the digital transformation of public administration. For the first time, the event took place in a new format as a full-day event. In addition to exciting experience reports from experts in public administration, participants were given information about innovations and features of the Fabasoft eGov-Suite. Break-out sessions offered specialist input on individual focal points, from specific project successes to new trends and technologies. The focus was on the Fabasoft eGov Ecosystem with one presentation each on the solutions Done! on Fabasoft eGov, Talents on Fabasoft eGov and Contracts on Fabasoft eGov. Two further sessions focused on the topics of cloud-native strategy and citizen-oriented services with the help of online services.

Fabasoft Contracts awarded BME seal of approval for contract management

The German Association of Materials Management, Purchasing and Logistics (BME) has once again awarded Fabasoft Contracts the "BME Seal of Approval for Contract Management". The contract management software thus demonstrably contributes to the optimization of purchasing and logistics. The test is based on criteria catalogs defined by the BME, which aim to make the market for software products more transparent. Decision-makers and users can thus ensure compliance with tested quality standards.

NEONEX and Fabasoft Approve drive digitalization at KSB

The management consultancy NEONEX and Fabasoft Approve are supporting the world's leading pump and valve manufacturer KSB in its digital transformation. In order to serve customers optimally, the pilot plant in Pegnitz (Germany) is being transformed into a smart factory with various use cases for digitization. The holistic digitization of documentation and quality management processes enables an annual saving of 7,700 working hours at the site.

EY Innovation Index 2023: 1st place for Fabasoft with highest R&D intensity in Austria

Who invests the most in innovation? EY investigated this question in a study and analyzed the research and development intensity of the 30 listed companies in Austria with the highest expenditure on research and development in the past year. Fabasoft spent around 31 percent of its group revenue on research and development in the 2022/2023 fiscal year and - as in the previous year - came in first place among the top 10 companies in Austria with the highest R&D intensity.

Renewed ISO certification of the Fabasoft Group

In November 2023, the successful recertification audits were carried out by external auditors from "Quality Austria - Trainings, Zertifizierungs und Begutachtungs GmbH". The newly issued ISO certificates attest the compliance with the requirements of ISO 9001 Quality Management, ISO 27001 (including ISO 27018) Information Security Management and ISO 20000 Service Management and are valid for the next three years. Surveillance audits will be carried out in the next two years to maintain their validity.

#nextlevel-Talk: "From scale-up to successful company: Digital ecosystems as trailblazers"

Getting started with an innovative idea is the first step. The decisive growth step from scale-up to a strong, established company requires not only the will for "real entrepreneurship", but above all "smart money". Why does it make sense to bring a strategic partner on board instead of a purely financial investor? What are the advantages of this form of company participation? And how do business ecosystems, above all the unique Fabasoft PROCECO Ecosystem, help ambitious entrepreneurs on their way to entrepreneurial lifework? These and other questions were the topic of the #nextlevel talk on 7 December 2023 at the MQ Libelle in Vienna, moderated by Madlen Stottmeyer (Editor Economist "Die Presse"). The panel included Hans Mühlbacher (Partner IMARK - Institut für Marketing - Strategieberatung GmbH & CoKG), Helmut Fallmann (Founder and CEO Fabasoft AG), Matthias Kraus (CEO Xpublisher GmbH) and Erich Lehner (Managing Partner Markets EY Austria).

Successful recertification with the Cyber Trust Gold Label

Fabasoft successfully completed the external audit for the annually required recertification of the Cyber Trust Gold Label. The prerequisite is proof of meeting the 14 basic security criteria as well as the eleven additional criteria for the advanced security level and an advanced security claim. The Austrian seal of approval for cyber security is based on the Cyber Risk Rating Scheme developed by KSÖ (Kompetenzzentrum Sicheres Österreich) and KSV1870, while the Gold Label is based on a valid KSV1870 CyberRisk A+ rating. The rating assesses companies with regard to the implementation of key requirements in the area of cyber security and proves that they comply with the provisions of the NISG (Network and Information System Security Act) and, in future, the NIS-2 EU Directive.

Mindbreeze once again recognized as a "Strong Performer" in The Forrester Wave: Cognitive Search, Q4 2023

The independent market research company Forrester once again recognized Mindbreeze as a "Strong Performer" and called Mindbreeze InSpire a solid and secure platform in its report.

Outlook

Transformation of the business

Pursuant to a general trend in the software industry as a whole, the software product business of the Fabasoft Group continues to undergo a transformation process: the use of software products is moving away from the model of purchasing user rights for these products against an one-off fee – usually linked to a maintenance contract – more in the direction of an ongoing monthly user fee for cloud services, SaaS offers and/or appliances.

Depending on the target markets, this transformation process is currently developing differently: In public tenders, purchase models for the software are still predominantly in demand. The client then often operates the software in its own data centers with the support of Fabasoft. The majority of private customers are primarily interested in cloud solutions and appliances. The flexibility of the Fabasoft product portfolio continues to support on-premises projects as well as hybrid models, where required.

It must be considered that the structure of the appliance business differs in its nature from the software licence business: the hardware components of the appliances are purchased by Fabasoft or Mindbreeze, the customer undertakes to pay periodically for the use that is agreed for a fixed period of time. The revenue for use is received monthly and the hardware components are also amortized on a monthly basis.

In terms of sales, Fabasoft is continuing its overall efforts to supplement the direct sales model with an indirect, partner-oriented, international sales and marketing model, particularly for Fabasoft PROCECO Solutions and Mindbreeze InSpire.

Development of certain expense items

In order to continue the Fabasoft Group's growth course, investments will continue to focus on the areas of product innovation, strengthening sales and marketing, as well as expanding the workforce and attracting new talent to take advantage of future opportunities.

In particular, Fabasoft will invest in the further development, sales and marketing of content-focused solution offerings based on the three ecosystems. In addition to entrepreneurial organic growth opportunities, inorganic options are to be evaluated and exploited.

In the area of public sector clients, Fabasoft is striving to expand its customer base from the federal government, states, cantons and municipalities in Austria, Germany and Switzerland by strengthening sales and marketing through new products and features, additional services and expanding the circle of users.

Another focus of the required investments is the ongoing development of Mindbreeze InSpire: the company is continuously striving to establish and expand a successful international partner infrastructure. This would entail considerable upfront investments, particularly in international marketing, cross-regional presence, partner support and personnel expansion in this segment.

These expansion and growth measures, as well as the expected increase in personnel costs due to the acquisition of new talent and inflation-related salary increases, will continue to impact the profitability of the Fabasoft Group in the further course of the 2023/2024 fiscal year.

Conclusion

The Fabasoft Group that successfully implements the core issues of digital transformation with its comprehensive and field-proven range of products and services, will remain promisingly positioned for opportunities, even in a difficult market environment characterized by global political and economic upheavals. In particular, the development of Fabasoft PROCECO Solutions again showed strong growth in the reporting period.

The positive customer response reflects the innovative strength and solutions expertise in the Fabasoft Group. Further development will depend greatly on the extent to which and how quickly this positive market response can be realized in the form of correspondingly large (new) customer orders and further scaling of the business model can be achieved.

Even in a difficult environment, the company intends to take advantage of opportunities as they arise, for example in recruiting high-caliber talent or in pursuing inorganic expansion and growth options.

Furthermore, the pursuit of topics deemed to be future-oriented and sustainable will be given priority over shortterm profitability considerations where appropriate.

Consolidated interim balance sheet as at 31 December 2023

Assets in kEUR	Note	31/12/2023	31/03/2023
Non-current assets			
Property, plant and equipment	3.1./3.4.	20,960	16,519
Intangible assets	3.1.	8,006	7,443
Other financial assets	3.3.	153	153
Other non-financial assets		368	413
Deferred income tax assets		734	490
		30,221	25,018
Current assets			
Trade and other receivables		18,606	15,653
Contract assets		2,360	3,058
Income tax receivables		77	82
Cash and cash equivalents		21,506	26,563
		42,549	45,356
Total assets		72,770	70,374
Equity and liabilities in kEUR			
	Note	31/12/2023	31/03/2023
Equity			
Capital and reserves attributable to the Parent Company's equity holders			
Share capital		11,000	11,000
Capital reserves		19,555	19,555
Treasury shares	3.2.1.	-1,146	0
Other reserves		-666	-666
Adjustment item for currency conversion		448	115
Retained earnings		-1,741	-5,996
		27,450	24,008
Non-controlling interest		2,685	2,710
		30,135	26,718
Non-current liabilities			
Provisions for severance payments		2,856	2,708
Deferred income tax liabilities		205	666
Other payables	3.3./3.4.	7,262	6,965
Investment grants	3.4.	105	139
		10,428	10,478
Current liabilities			
Trade and other payables		12,287	12,954
Liabilities for income taxes		2,802	1,472
Contract liabilities	3.4.	17,118	18,752
		32,207	33,178
Total equity and liabilities		72,770	70,374

Consolidated statement of comprehensive income for the first nine months of the 2023/2024 fiscal year

in kEUR	Note	April - Dec 2023	April - Dec 2022
Sales revenue	5.	60,749	49,940
Other operating income		308	521
Expenses for purchased services		-3,474	-3,064
Employee benefits expenses		-31,765	-26,881
Depreciation and amortization expenses	5.	-5,836	-4,970
Other operating expenses		-9,017	-8,568
Operating result	5.	10,965	6,978
Finance income		40	66
Finance expenses		-289	-115
Result before income taxes		10,716	6,929
Income taxes		-2,802	-1,759
Result for the period		7,914	5,170
Other result (possible reclassification in result for the period):			
Change in adjustment item for currency conversion		417	-138
Other result (no reclassification in result for the period):			
Revaluation effects severance payments and pensions net deferred taxes		0	110
Other result		417	-28
Total result		8,331	5,142
Result for the period attributable to:			
Equity holders of the Parent Company		7,354	4,756
Non-controlling interest		560	414
Total result attributable to:			
Equity holders of the Parent Company		7,687	4,641
Non-controlling interest		644	501
Diluted and basic earnings per share in terms of the result for the period for result attributable to the equity holders of the Parent Company in the fiscal year (expressed in EUR per share)		0.67	0.43

Consolidated statement of comprehensive income for the third quarter of the 2023/2024 fiscal year

in kEUR	Note	Oct -Dec 2023	Oct - Dec 2022
Sales revenue		21,271	18,148
Other operating income		48	252
Expenses for purchased services		-1,060	-1,230
Employee benefits expenses		-10,945	-9,956
Depreciation and amortization expenses		-2,069	-1,737
Other operating expenses		-2,977	-3,362
Operating result		4,268	2,115
Finance income		26	27
Finance expenses		-100	-38
Result before income taxes		4,194	2,104
Income taxes		-1,061	-410
Result for the period		3,133	1,694
Other result (possible reclassification in result for the period):			
Change in adjustment item for currency conversion		218	-220
Other result (no reclassification in result for the period):			
Revaluation effects severance payments and pensions net deferred taxes		0	36
Other result		218	-184
Total result		3,351	1,510
Result for the period attributable to:			
Equity holders of the Parent Company		2,923	1,489
Non-controlling interest		210	205
Total result attributable to:			
Equity holders of the Parent Company		3,095	1,222
Non-controlling interest		256	288
Diluted and basic earnings per share in terms of the result for the period for result attributable to the equity holders of the Parent Company in the fiscal year (expressed in EUR per share)		0.27	0.14

Consolidated cash flow statement for the first nine months of the
2023/2024 fiscal year

in KEUR	Note	April –Dec 2023	April –Dec 2022
Cash flows from operating activities			
Operating result		10,965	6,978
Adjustments in non-cash items			
Depreciation and amortization expenses	5.	5,836	4,970
Effects from currency conversion		-10	-281
Changes in non-current provisions		148	-187
Revaluation effects severance payments and pensions		0	143
Changes in other non-financial assets recognized in profit and loss		45	44
Loss from disposal of property, plant and equipment		203	7
Income from the dissolution of investment grants	3.4.	-34	-41
		17,153	11,633
Adjustments in net current assets			
Changes in trade and other receivables (without income tax receivables)		-2,928	-2,946
Changes in contract assets		728	-996
Changes in trade and other payables (without income tax and lease liabilities)		-1,380	14
Changes in contract liabilities		-1,680	-1,695
		-5,260	-5,623
Cash generated from operations		11,893	6,010
Interest received		31	2
Interest paid		-264	-91
Income taxes paid		-2,085	-4,490
Net cash generated from operating activities		9,575	1,431
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	3.1.	-8,450	-3,155
Proceeds from sale of property, plant, and equipment and intangible assets		2	8
Acquisition of subsidiaries less cash acquired		0	-626
Investment grants received	3.4.	88	97
Net cash used in investing activities		-8,360	-3,676
Cash flows from financing activities			
Redemption of lease liability		-1,447	-1,283
Acquisition of treasury shares	3.2.1.	-1,146	0
Dividend distribution		-3,300	-8,250
Dividend distribution to non-controlling interest		-686	-565
Payments from transactions with non-controlling interest	2.2.2.	157	292
Payments for transactions with non-controlling interest		0	-53
Redemption of financial liabilities		0	-942
Net cash used in financing activities		-6,422	-10,801
Changes in cash and cash equivalents		-5,207	-13,046
Development in cash and cash equivalents			
Cash and cash equivalents at beginning of period		26,563	35,823
Effect of exchange rates changes		150	20
Decrease		-5,207	-13,046
Cash and cash equivalents at end of period	4.	21,506	22,797

Consolidated statement of changes in equity for the first nine months of the 2023/2024 fiscal year

		Attributable to equity holders of the Parent Company								
in kEUR	Note	Share capital	Capital reserves	Treasury shares	Other reserves	Adjustment item for currency conversion	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 March 2023		11,000	19,555	0	-666	115	-5,996	24,008	2,710	26,718
First time application IAS 12.22 A		0	0	0	0	0	61	61	0	61
Balance at 1 April 2023		11,000	19,555	0	-666	115	-5,935	24,069	2,710	26,779
Other result		0	0	0	0	333	0	333	84	417
Result for the period		0	0	0	0	0	7,354	7,354	560	7,914
Total result		0	0	0	0	333	7,354	7,687	644	8,331
Dividend		0	0	0	0	0	-3,300	-3,300	-686	-3,986
Transactions with non-controlling interest	2.2.2.	0	0	0	0	0	140	140	17	157
Acquisition of treasury shares	3.2.1.	0	0	-1,146	0	0	0	-1,146	0	-1,146
Balance at 31 December 2023	3.2.	11,000	19,555	-1,146	-666	448	-1,741	27,450	2,685	30,135

		Attributable to equity holders of the Parent Company								
in kEUR	Note	Share capital	Capital reserves	Treasury shares	Other reserves	Adjustment item for currency conversion	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 March 2022		11,000	19,555	0	-950	394	-4,605	25,394	1,860	27,254
Other result		0	0	0	108	-223	0	-115	87	-28
Result for the period		0	0	0	0	0	4,756	4,756	414	5,170
Total result		0	0	0	108	-223	4,756	4,641	501	5,142
Dividend		0	0	0	0	0	-8,250	-8,250	-565	-8,815
First time consolidation of subsidiaries		0	0	0	0	0	0	0	1,417	1,417
Transactions with non-controlling interest		0	0	0	0	0	569	569	-368	201
Adjustment of first time consolidation of subsidiaries		0	0	0	0	0	0	0	-246	-246
Balance at 31 December 2022	3.2.	11,000	19,555	0	-842	171	-7,530	22,354	2,599	24,953

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1) Company details

Fabasoft is a European software manufacturer and provider of cloud services for digital document, process and records management in Europe. With the unique Fabasoft PROCECO Ecosystem, Fabasoft unites selected powerful software solutions for document-intensive business processes. Fabasoft's products help digitalize, accelerate, simplify and boost the quality of business processes. They include the receipt, structuring, team and process-oriented provision, processing and handling, secure storage and context-sensitive finding of all business documents as well as the preparation and provision of content for different publication channels. This is complemented by digital, sustainable knowledge transfer based on neuroscientific findings.

Fabasoft AG with its headquarters at Honauerstrasse 4, 4020 Linz, Austria is the Group Parent Company.

Company shares have been quoted in the Prime Standard of the Frankfurt Stock Exchange (WKN (D) 922985).

The reporting period for the consolidated interim financial statements is from 1 April 2023 to 31 December 2023.

2) Accounting policies

2.1. Basis of preparation

The consolidated interim financial statements dated 31 December 2023 were drawn up in compliance with the International Financial Reporting Standard 34 (IAS 34).

The consolidated interim financial statements were drawn up in accordance with generally recognized accounting policies, which require the use of estimates and assumptions. These estimates and assumptions influence the amount and return on assets and liabilities shown in the balance sheet, the disclosed contingent assets and liabilities on the interim balance sheet date as well as the income and expenditures for the period under consideration. Although these estimates are calculated to the best knowledge based on current transactions, actual values may deviate from these estimates.

Due to the amendment of IAS 12 "Deferred taxes", it was clarified that in certain cases there is no exemption to the recognition of deferred taxes, which is why from 1 April 2023, deferred taxes will also be recognized for the initial recognition for transactions that simultaneously give rise to equal taxable and debuctible temporary differences. Specific cases of application in the group are leases for which corresponding deferred taxes were recognized retrospectively. Otherwise, the same accounting and valuation principles applied for the last consolidated financial statements as at 31 March 2023 were also applied for the preparation of the interim consolidated financial statements. Further amendments to the standards from 1 April 2023 have no significant impacts on the assets, liabilities, financial position and profit or loss of the Group.

The consolidated interim financial statements are prepared in thousands of Euros (kEUR), as are entries in the notes.

2.2. Consolidation

The consolidated interim financial statements of subsidiaries included in the interim financial statements were drawn up Group-wide on 31 December 2023 and in accordance with IFRS, as adopted by the EU.

2.2.1. Consolidation scope

As at the interim balance sheet date, 31 December 2023, the following companies in addition to Fabasoft AG, as the Parent Company, have been fully consolidated and are included in the consolidated financial statements:

Entity	Location of Headquarters	Direct share of Fabasoft AG as a %
Fabasoft International Services GmbH	Linz/Austria	100
Fabasoft R&D GmbH	Linz/Austria	100
Fabasoft Austria GmbH	Linz/Austria	100
Mindbreeze GmbH	Linz/Austria	85.5
Fabasoft Talents GmbH	Linz/Austria	100
Fabasoft Approve GmbH	Linz/Austria	80
Fabasoft Contracts GmbH	Linz/Austria	80
Fabasoft Deutschland GmbH	Frankfurt am Main/Germany	100
Xpublisher GmbH	Munich/ Germany	60
Fabasoft 4teamwork AG	Bern/Switzerland	70

Entity	Location of Headquarters	Indirect share of Fabasoft AG as a %
Mindbreeze Corporation	Chicago/USA	85.5
Mindbreeze BidForce GmbH	Linz/Austria	68.4
Xpublisher Inc.	Chicago/USA	60

2.2.2. Changes to the scope of consolidation

A subsidiary of Mindbreeze GmbH, Mindbreeze BidForce GmbH, with its registered office in the political municipality of Linz, was founded on 27 April 2023. Mindbreeze GmbH holds an 80% interest in this company, the remaining shares are held by the management of Mindbreeze BidForce GmbH.

Full consolidation of Mindbreeze BidForce GmbH was effected for the first time with date of establishment.

On 27 April 2023 Fabasoft AG reduced its holding in Fabasoft Contracts GmbH from 100% to 80%. The shares were purchased by the management of Fabasoft Contracts GmbH.

2.2.3. Foreign currency translation

Interim financial statements in foreign currencies have been translated at the average relevant exchange rate. According to this method, the items on the interim balance sheet were translated at the exchange rates valid on the interim balance sheet date, whereas the items on the statement of comprehensive income were translated at the average exchange rate for the reported period. Differences in these currency conversions are recorded in the other result. Exchange differences which may occur when converting transactions and accounting items into foreign currencies are calculated using the valid exchange rate at the time of the transaction or valuation and recognized in profit or loss.

3) Notes to the balance sheet and the consolidated statement of comprehensive income

3.1. Investments

The purchases of property, plant and equipment and intangible assets mainly concern hardware and other office equipment.

3.2. Equity

As at 31 December 2023, the company's share capital was kEUR 11,000 (31/03/2023: kEUR 11,000). It is comprised of 11,000,000 individual shares (31/03/2023: 11,000,000) at a nominal value of EUR 1.00 per share.

The capital reserve amounting to kEUR 19,555 (31/03/2023: kEUR 19,555) affects premiums to the amount of kEUR 17,173 (31/03/2023: kEUR 17,173). The remainder results in an amount of kEUR 2,069 (31/03/2023: kEUR 2,069) from reorganizations and in an amount of kEUR 313 (31/03/2023: kEUR 313) from former options programmes.

The following resolutions, among others, were made at the Fabasoft AG Annual General Meeting on 3 July 2023:

A dividend of EUR 0.30 per dividend-bearing share shall be paid out for the 2022/2023 fiscal year.

The Managing Board is authorized for the period of 30 months to acquire its own shares pursuant to Section 65 (1) (4) of the Austrian Stock Corporation Act for the purpose of issuing them to employees, company executives and members of the Managing Board of the company or an affiliated company respectively to Section 65 (1) (8) of the Austria Stock Corporation Act and up to a maximum holding of 10% of the total share capital of the company. The equivalent value permissible at repurchase must not exceed 10% above and must not be 20% at the least below the average price at the close of Xetra trading on the Deutsche Börse AG of the last five stock exchange trading days prior to the fixing of the purchase price.

The Managing Board is authorized with the approval of the Supervisory Board to increase the share capital of the company within five years of this amendment to the articles being entered in the company register – possibly in several tranches – by up to nominally EUR 5,500,000.00 through the issue of up to 5,500,000 no-par-value shares both against cash deposit and also pursuant to Section 172 of the Austrian Stock Corporation Act against non-cash contribution to up to EUR 16,500,000.00 and stipulate the conditions of issuance in agreement with the Supervisory Board (authorized capital in the sense of Sections 169 ff Austrian Stock Corporation Act), whereby the Managing Board shall also be authorized to issue the new shares possibly with the exclusion of the subscription rights that the shareholders are otherwise entitled to (Section 170 (2) Austrian Stock Corporation Act).

3.2.1. Treasury shares

The resolution of the Managing Board dated 27 September 2023, made after approval of the Supervisory Board, to make use of the authorization of the General Meeting on 3 July 2023 to purchase its own shares according to Section 65 (1) (4) and Section 65 (1) (8) of the Austrian Stock Corporation Act (Aktiengesetz, AktG) was made public on 29 September 2023 and can be viewed in detail on the investors section of www.fabasoft.com. The share buyback programme of Fabasoft AG started on 4 October 2023 and will run until 31 March 2025 at the latest, with own shares being bought back via the stock exchange up to a maximum total purchase price (excluding incidental costs) of EUR 2 million. The company regularly provides information about the share buyback on its website.

A total of 57,907 own shares are held on the closing date 31 December 2023. The costs this entailed for the company amounting to kEUR 1,146 are disclosed in a separate adjustment item in equity.

No treasury shares were sold in the period under review.

3.3. Financial instruments

The financial instruments measured at fair value on 31 December 2023 break down as follows:

Balance sheet item in kEUR	Category to IFRS 9	Book value	Fair Value - Level I (through profit and loss)	Fair Value - Level III (through profit and loss)	Amortized costs
Other financial assets	At fair value through profit and loss	153	145	8	0
Other payables*	At fair value through profit and loss	1,258	0	1,258	0

*Book values cannot be adjusted with the respective balance sheet item as this itemization applies only to financial instruments.

The financial instruments on 31 March 2023 broke down as follows:

Balance sheet item in kEUR	Category to IFRS 9	Book value	Fair Value - Level I (through profit and loss)**	Fair Value - Level III (through profit and loss)	Amortized costs
Other financial assets	At fair value through profit and loss	153	145	8	0
Other payables*	At fair value through profit and loss	1,234	0	1,234	0

*Book values cannot be adjusted with the respective balance sheet item as this itemization applies only to financial instruments.

**In the recurring evaluation of other financial assets, it was determined that the allocation to "Fair Value - Level I (through profit and loss)" is considered more appropriate. Accordingly, these other financial assets are now presented as "Fair Value - Level I" instead of "Fair Value - Level II". The adjustment of the allocation does not lead to any accounting amendment.

Other financial assets relate to securities (investment certificates) to the amount of kEUR 145 (31/03/2023: kEUR 145) and other receivables to the amount of kEUR 8 (31/03/2023: kEUR 8). The fair values of the securities are derived from the current market value. Other receivables result from the acquisition of 4teamwork AG and derive from the valuation at fair value of the contingent purchase price.

Part of the purchase price was paid into an escrow account and will be paid out to the seller by 31 March 2025 at the latest, subject to compliance with the defined key performance indicators and the defined integration steps. The discounted cash flow method was used for the evaluation.

As of the reporting date of 31 March 2023, the defined performance indicators and the defined integration steps have been achieved. Therefore a first part of the contingent purchase price in the amount of TCHF 150 was paid in the second quarter of 2023/2024 fiscal year.

The amount reported under other payables measured at fair value constitutes the earn-out component from the acquisition of Xpublisher GmbH. The discounted cash flow method was used for the evaluation.

On attainment of the specific performance indicators, the undiscounted, potentially payable amount in the fiscal years ending on 31 March 2024 or 31 March 2025 is kEUR 1,300 (31/03/2023: kEUR 1,300). Should the specific performance indicators fall short of the targets no earn-out payment is made.

3.4. Further notes to the balance sheet and the consolidated statement of comprehensive income

The contract liabilities resulting from service contracts pursuant to IFRS 15 amounted to kEUR 789 as at 31 December 2023 (31/03/2023: kEUR 264), the remaining amount of kEUR 16,329 (31/03/2023: kEUR 18,488) relates to deferred revenue, in particular from software updates, fees for right of use and recurring professional services.

The right-of-use assets pursuant to IFRS 16 are reported in the balance sheet item "Property, plant and equipment" and amounted to kEUR 7,569 as at 31 December 2023 (31/03/2023: kEUR 7,106), the leasing liabilities are reported at an amount of kEUR 6,004 as at 31 December 2023 (31/03/2023: kEUR 5,731) in non-current other payables and at an amount of kEUR 2,054 (31/03/2023: kEUR 1,761) in current trade and other payables.

Investment premiums are shown in the balance sheet item "Investment grants". These are grants from the Austrian Federal Government of up to 14% of the investments made. They were recognized as a liability to the amount of kEUR 105 (31/03/2023: kEUR 139) and to the amount of kEUR 34 (corresponding period of the previous year: kEUR 41) as other operating income due to the dissolution over the period of the useful life of the assets.

4) Consolidated cash flow statement

The cash flow statement has been drawn up according to the indirect method. It shows the change in cash and cash equivalents for the Group during the reporting year through the inflow and outflow of funds.

On the cash flow statement, a differentiation is made between cash flows from operating activities, investment activities and financing activities.

5) Segment reporting

The Group's reporting format is structured according to geographical segments in terms of the location of the assets.

April - December 2023 in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	41,191	29,882	5,972	6,295	83,340
Less intersegmental sales	-20,365	-1,437	-153	-636	-22,591
Sales with external customers	20,826	28,445	5,819	5,659	60,749
Operating result	6,236	4,153	533	43	10,965
Depreciation and amortization expenses	3,912	787	428	709	5,836

Reconciliation in kEUR

Operating result segments	10,965
Financial result Group	-249
Result before income taxes	10,716

April – December 2022 in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	32,965	24,463	2,935	6,495	66,858
Less intersegmental sales	-16,252	-431	-99	-136	-16,918
Sales with external customers	16,713	24,032	2,836	6,359	49,940
Operating result	3,758	3,320	-311	211	6,978
Depreciation and amortization expenses	3,097	884	174	815	4,970

Reconciliation in kEUR

Operating result segments	6,978
Financial result Group	-49
Result before income taxes	6,929

In order to take account of the general trend in the software industry in the reporting – namely the transformation process away from the model of purchasing rights of use against an one-off fee and in the direction of an ongoing monthly usage fee – a breakdown of sales by recurring revenue from ongoing obligations with varying terms or residual terms (recurring revenue) and sales not based on ongoing obligations (non-recurring revenue) follows.

Breakdown of sales by type of contract:

in kEUR	April – December 2023	April – December 2022
Recurring revenue	31,960	26,667
Non-recurring revenue	28,789	23,273
thereof software	2,468	1,004
thereof professional services	26,321	22,269
Total	60,749	49,940

Recurring revenue includes in particular software updates, fees for right of use for Mindbreeze InSpire, Fabasoft PROCECO Solutions and recurring professional services (e.g. for support and operation management).

Non-recurring revenue includes one-off licenses (software) and sales of consulting services (professional services).

6) Other statements

6.1. Details of affiliated persons and employees

6.1.1. Average number of employees

	April - December 2023	April - December 2022
Employees	478	411

6.1.2. Managing Board of Fabasoft AG

Prof. Dipl.-Ing. Helmut Fallmann, Linz
Ing. Oliver Abl, Haag am Hausruck
Matthias Wodniok, Hofheim Wallau

6.1.3. Supervisory Board of Fabasoft AG

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr, Linz (Chairman of the Supervisory Board)
FH-Prof.ⁱⁿ Univ.Do^z.ⁱⁿ DJⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl, Linz
Prof. Dr. Andreas Altmann, Innsbruck
Mag.^a Michaela Schwinghammer-Hausleithner, Linz

6.1.4. Other affiliated companies and employees

Fallmann & Bauernfeind Privatstiftung, Linz, main shareholder of Fabasoft AG

Mag.^a Birgit Fallmann, wife of Prof. Dipl.-Ing. Helmut Fallmann, employee of Fabasoft AG (continuous emoluments kEUR 44, corresponding period of the previous year kEUR 44).

There are no further business relationships with other affiliated companies and employees in the first nine months of the 2023/2024 fiscal year.

6.2. Direct and indirect impacts of the macroeconomic and geopolitical environment

Fabasoft does not operate any subsidiaries or branches in Ukraine, the Russian Federation, in Belarus or in Israel, nor does it procure relevant development services from any of these countries. Likewise, there is no relevant end customer or partner business in any of the aforementioned countries. The impact of the armed conflicts and the associated sanctions against Russia and similar measures on the company's customers and partners, for example by impairing supply chains, the overall economic climate, public budgets, etc., and thus possibly subsequently on the company's business, cannot currently be estimated. The increased risk of cyber attacks or other attacks on critical infrastructures cannot be quantified either. Inflation-related effects and the changing interest rate level are included in the general risk assessment and are taken into account accordingly in the relevant business processes.

6.3. Climate related risks and opportunities of the Fabasoft Group

The Fabasoft Group is fully aware of its role and responsibility with regard to climate change and is clearly committed to regularly collecting and actively managing its climate-related risks and opportunities taking into consideration the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

The assessment of the residual risk for all identified climate-related risks and opportunities is below the materiality threshold defined internally, so that the overall impact on the business model, income statement and balance sheet of the Fabasoft Group are classified as immaterial.

6.4. Events after the balance sheet date

On 3 January 2024 Fabasoft AG founded a 51% subsidiary, Fabasoft Oblivation GmbH, with its registered office in the political municipality of Linz. The remaining shares are held by the management of Fabasoft Oblivation GmbH.

The purchase agreement dated 3 August 2021 with which Fabasoft AG acquired land in KG 45214 Katzbach measuring 11,121 m² and 4,811 m² was approved by the local real estate transfer authority in accordance with the application in a decision dated 7 December 2023. The decision was served on 11 December 2023 and became legally effective on 12 January 2024 in accordance with the confirmation issued by the authority. The agreed purchase price was paid into the escrow account in a timely manner on 26 January 2024. This provides the basis for the entry of the purchase agreement in the land register.

No other significant events in respect of this interim financial statement occurred after 31 December 2023.

Linz, 7 February 2024

Prof. Dipl.-Ing. Helmut Fallmann
Chairman of the Managing Board

Ing. Oliver Albl
Member of the Managing Board

Matthias Wodniok
Member of the Managing Board

REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Fabasoft AG, Linz, for the period from 1 April 2023 to 31 December 2023. These condensed consolidated interim financial statements comprise the consolidated interim balance sheet as of 31 December 2023 and the consolidated statement of comprehensive income, the consolidated cashflow statement and the consolidated statement of changes in equity for the period from 1 April 2023 to 31 December 2023 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Financial Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial and third parties. Our liability towards the Company and towards third parties is limited in accordance with Section 275 (2) of the Austrian Commercial Code (UGB).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Financial Reporting as adopted by the EU.

Linz, 7 February 2024

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Marion Raninger mp
Wirtschaftsprüferin / Certified Public Accountant

Mag. Erich Lehner mp
Wirtschaftsprüfer / Certified Public Accountant

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Future-related and other statements:

This report contains data which relate to expected future developments. These forward-looking statements are normally but not exclusively paraphrased with words such as “expect”, “assume”, “plan” etc. If these assumptions on which the statements have been based do not prove true or if risks materialise – such as those mentioned for example in the issue prospectus or in the risk report or if the current situation changes in the future, the actual results may deviate from the result expected at present. The forward-looking statements assert no claim to correctness or completeness, are not updated and should therefore be treated with all due caution.

This report has been compiled with the highest degree of diligence and all data published have been checked. Rounding, typesetting and printing errors cannot be excluded, however. The addition of rounded amounts and percentages may result in differences in figures calculated due to use of automatic calculation aids. The translation of the original German version of the report has been included for the convenience of our English-speaking shareholders. The German version is authoritative.

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