

Annual Report 2023 | 2024



MINDBREEZE
ILLUMINATING INFORMATION

The transporter is experiencing a lack of speed regulation

Settings | Philipp Star | Help

EVERYTHING SERVICE CALLS PROCEDURES MANUALS IMAGES CONTRACTS

The speed control of the conveyor is not working > Service Call 360

SPEED CONTROL OF CONVEYOR

CUSTOMER

Legrowayn Group

ASSET

ABE 31-041D TBA755R

ROOT CAUSE

The speed control of the conveyor is not working.

SUMMARY

The customer is having trouble with the speed control of their ConveyMaster II conveyor.

SOLUTION

The frequency of the motor controller was changed to 56, which resolved the issue.

KNOWLEDGE BASE

EVERYTHING PROCEDURE MANUAL IMAGES CONTRACTS



Design Manual.pdf

Open | Open Parent | Preview | Collect | Service Call 360

4/11/23 9:41 PM - Category: File

This document is designed to provide you with guidelines and instructions for achieving consistency and visual coherence in your design projects. Within these pages, you will find valuable insights on branding, typography, color schemes, layouts, and usage guidelines.



Procedure - No speed control in the conveyor.docx

Open | Open Parent | Preview | Collect | Service Call 360

4/11/23 9:44 PM - Category: File

1. Verify the issue: Ask the customer to describe the problem with the speed control of the conveyor to ensure that it is not working properly. 2. Check the speed controller: Ask the customer to check the speed controller on the conveyor to make sure that it is not damaged or loose. 3. Trouble...

7

CHAT



David Johnson

Alright, in that case, let's try changing the frequency of the motor controller to see if that helps. Can you please try changing the frequency to 56 and see if that works?

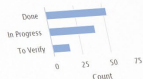
SUPPORT

Topic



- Maintenance
- Feature Requests
- Projects

Status



- Done
- In Progress
- To Verify

CONTACTS



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FEEDBACK

KEY DATA

in kEUR	2023/2024	2022/2023	Change
Sales revenue	80,950	69,227	16.9 %
Result before income taxes	13,113	9,843	33.2 %
EBIT (Operating result) ¹⁾	13,385	9,987	34.0 %
EBITDA ¹⁾	21,598	16,755	28.9 %
Result for the year	9,629	6,825	41.1 %
Equity at end of period	30,638	26,718	14.7 %
Cash flows from operating activities	19,477	7,025	177.3 %
Cash and cash equivalents at end of period	25,068	26,563	-5.6 %
Employees at end of period	497	451	10.2 %
Basic earnings per share (in EUR)	0.83	0.57	45.6 %

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

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Integrated annual report

This annual report of the Fabasoft Group contains all topics which are of relevance to Fabasoft and its stakeholders. The report not only features economic and legal information, it also integrates information on the sustainable aspects of the business activities.



LETTER FROM THE MANAGING BOARD

**Dear Stakeholders,
Ladies and Gentlemen!**

The past financial year has shown that the Fabasoft Group is on the right track with its consistent pursuit of the Fabasoft Ecosystem strategy.

In the reporting period (1 April 2023 - 31 March 2024), the Fabasoft Group generated revenues of kEUR 80,950, an increase of 16.9% compared to the previous year. It should be noted in particular that the Group's recurring revenues from software and services, which had already increased in the previous financial year, grew again (from kEUR 36,617 in the previous year to kEUR 42,638 in the reporting period). This corresponds to a year-on-year increase of 16.4% and a 52.7% share of total revenues. In addition to usage fees for solutions in Ecosystems Fabasoft PROCECO and Mindbreeze BDI and software update fees with existing customers in the government sector, this item also includes revenues from recurring services for major customers who receive ongoing support in areas such as operational management or technical support.

In the reporting period, the Fabasoft Group generated EBIT of kEUR 13,385 (previous year: kEUR 9,987) and EBITDA of kEUR 21,598 (previous year: kEUR 16,755).

As part of the growth measures taken, Fabasoft has been focusing on product innovations, research and development for years and was ranked first among the top 10 companies in Austria with the highest R&D intensity in the EY Innovation Index 2023. In the 2023/2024 financial year, the Fabasoft Group's expenditure on research and development was again at a very high level compared to the rest of the industry, with a research ratio of 31.4% of revenues. Fabasoft focused on the research and development of the company's own software product technology and the Cloud and appliance offerings based on it, as well as fields of application in artificial intelligence (AI).

In addition to the R&D measures, the investment focus in the 2023/2024 financial year was on building up AI capacities in the data centers and further professionalizing the Ecosystem Fabasoft PROCECO by establishing the Fabasoft Competence Centers. These support Fabasoft PROCECO Solutions in growing rapidly, with high quality and in line with strategy by transferring expertise on standards and best practices.

Matthias Wodniok
Member of the Managing Board

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

Ing. Oliver Albl
Member of the Managing Board

In order to ensure that management skills are taught in line with Fabasoft's strategic objectives, we established the Fabasoft Management Academy, an internal training program for managers, during the reporting period.

One important component of the Group's strategy is to make the full Mindbreeze AI scope available in the Fabasoft Ecosystems and to use it to realize beneficial AI use cases for customers.

The strength of the Ecosystem Fabasoft PROCECO in developing and launching high-performance solutions within a short space of time is also evident in the reporting period. In Switzerland, for example, in addition to the digital meeting management Boards on Fabasoft PROCECO, a new generation for digital business administration was created with OneGov GEVER. The broad basic functionality and comprehensive certifications of the Fabasoft PROCECO Cloud enable solution partners to respond quickly to new market requirements such as the Digital Operational Resilience Act and to provide new solutions.

In public administration, a solution based on Mindbreeze's AI functionalities was developed with Done! on Fabasoft eGov, which accelerates and, if necessary, fully automates processes in business administration.

For many years, Fabasoft has pursued a corporate management strategy that is geared towards sustainable and long-term value creation. In order to take responsibility for the greenhouse gases emitted in the course of our business activities, we have once again decided for the 2023/2024 financial year to offset all direct and indirect emissions from business operations, as well as selected indirect emissions from the value chain (Scope 1, 2 and 3), by supporting certified climate projects. This means that our customers receive the Fabasoft Group's services in a CO₂-neutral manner.

As part of our annual sustainability reporting, we evaluate the Group-wide life cycle assessment using scientific methods and voluntarily undertake to comply with the principles of the Global Reporting Initiative (GRI). Together with the Supervisory Board, we again issued a declaration of conformity with the recommendations of the German Corporate Governance Code in March 2024. In addition, the sustainability report was voluntarily audited by EY for the first time in the 2023/2024 financial year.

Together with the Supervisory Board of Fabasoft AG, we resolved in September 2023 to implement a share buyback program for the period from 4 October 2023 to 31 March 2025 at the latest to acquire treasury shares up to a maximum total purchase price of EUR 2 million. The maximum buyback volume was reached on 19 February 2024 and the share buyback program was thus concluded. Fabasoft AG bought back a total of 98,218 no-par value shares at an average price of EUR 20.36. This corresponds to 0.89% of the share capital as at the balance sheet date of 31 March 2024.

Together with the Supervisory Board, we will propose a dividend of EUR 0.10 per dividend-bearing share at the Annual General Meeting on 2 July 2024.

To ensure positive business development in the future, we are continuing to work on creating the right customer benefits with our product innovations.

We would like to thank you very much for accompanying us on this path and for your continued active support. In the new financial year, we will continue to do everything in our power to maintain the trust you have placed in us.

Linz, June 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 OF THE SUPERVISORY BOARD OF FABASOFT AG

The Supervisory Board has fulfilled its responsibilities according to the provisions of law and the articles of incorporation in the 2023/2024 fiscal year.

The Supervisory Board of Fabasoft AG held regular quarterly meetings on 30 May 2023, 25 September 2023, 13 November 2023 and 11 March 2024. Meetings of the Audit Committee were also held on 30 May 2023 and 13 November 2023. All meetings of the Supervisory Board and the Audit Committee were held in person. All members of the Supervisory Board and Audit Committee attended the meetings. No conflicts of interest arose on the Supervisory Board in the 2023/2024 financial year. All resolutions were passed unanimously by all members of the Supervisory Board.

The meetings were convened in good time with an informative agenda. The respective meetings were supplemented by handouts and presentations, which were dealt with in chronological order. Each member of the committee had the opportunity to ask additional questions and/or make suggestions.

Key topics in the committee's work were reporting, discussion of the course of business in the individual quarters, including a comprehensive budget comparison, sales activities, investments, operating locations, personnel development, sustainability and capital market topics, as well as the extension of existing Managing Board contracts.

In addition to the formal meetings, as described above, there were opportunities to meet with the Managing Board and exchange information as required. Through its communicative activities, the Managing Board supports the fulfillment of the tasks of the Supervisory Board and the Audit Committee.

Fabasoft AG supports the members of the Supervisory Board with their induction to office as well as with training and further education measures. Individual members of the Supervisory Board took part in various training measures in the reporting year.

From left to right

Mag.^a Michaela Schwinghammer-Hausleithner, Dr. Andreas Altmann, em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr,
FH-Prof.ⁱⁿ Univ.Do^z.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl

At the Supervisory Board meeting on 11 March 2024, the Managing Board and Supervisory Board of Fabasoft AG renewed the annual declaration of conformity with the German Corporate Governance Code in the (current) version dated 28 April 2022 (published in the Federal Gazette on 27 June 2022) to the extent described therein and made it available to the company's shareholders on the company's website in the Corporate Governance section.

The auditors appointed for Fabasoft AG, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Linz, and the audit committee of the company's Supervisory Board have audited the annual financial statements in accordance with the Austrian Commercial Code as at 31 March 2024 (balance sheet, income statement including notes and management report).

The consolidated financial statements as at 31 March 2024 in accordance with IFRS (balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity including notes and management report) was likewise audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Linz, and by the company's audit committee.

The audit of the annual financial statements and the consolidated financial statements did not give rise to any objections and both have been awarded an audit certificate. The audit committee of the company's Supervisory Board likewise raised no objections. The Audit Committee also took note of the Corporate Governance report and the auditor's reports pursuant to Article 11 of Regulation (EU) No. 537/2014 on the audit of the annual financial statements of Fabasoft AG in accordance with the Austrian Commercial Code (UGB) and the consolidated financial statements in accordance with IFRS as of 31 March 2024. The separate remuneration report has also been prepared and was the subject of the Audit Committee's monitoring activities.

The Supervisory Board has approved the annual financial statements and the appropriation of the result proposed by the Managing Board in its meeting on 28 May 2024. The annual financial statements are hereby approved.

Linz, May 2024

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr
Chairman of the Supervisory Board



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. In the unique Ecosystem Fabasoft PROCECO, Fabasoft unites selected, high-performance software solutions for document-intensive business processes. Numerous well-known private companies and public administration organizations have relied on Fabasoft's quality and experience for more than three decades.

The products help to digitalize, simplify, accelerate and improve the quality of business processes with the use of artificial intelligence use cases in all Fabasoft Ecosystems. They include the receipt, structuring, team- and process-oriented provision, processing and completion, secure storage and context-sensitive finding of all business documents as well as the preparation and provision of content for various publication channels.

Fabasoft offers innovative possibilities for cooperation across organizations and countries, both through informal interaction and structured workflows. Customers benefit from access to information that is independent of both 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 Fabasoft Xpublisher Inc. (a 100% subsidiary of Fabasoft Xpublisher GmbH). The Group is also active in other countries through 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 497 as at 31 March 2024.

Group structure

Fabasoft Group as of 31 March 2024

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
	Wagner-Biro-Strasse 47	8020 Graz, Austria
Fabasoft Approve GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Contracts GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Oblivation GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Talents GmbH ¹	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 InTend 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
Fabasoft Xpublisher GmbH ²	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
Fabasoft Xpublisher Inc. ³	311 West Monroe Street	Chicago, IL 60606, USA

¹⁾ In the 2023/2024 financial year, KnowledgeFox GmbH was renamed Fabasoft Talents GmbH and its registered office was relocated to Honauerstrasse 4, 4020 Linz.

²⁾ In the 2023/2024 financial year, Xpublisher GmbH was renamed Fabasoft Xpublisher GmbH.

³⁾ In the 2023/2024 financial year, Xpublisher Inc. was renamed Fabasoft Xpublisher Inc.

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 on 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 by its own companies. These companies have their own project organizations and, if necessary, take on the role of general contractor for project implementation. In addition, the Group strives to further establish and develop sales and implementation partnerships.

Product Portfolio

The Ecosystem Fabasoft PROCECO

Fabasoft PROCECO is a unique, entrepreneurial business process ecosystem. As a curated ecosystem, it combines digital solutions carefully selected by Fabasoft for document-intensive business processes. The technological basis of the ecosystem is the powerful and certified Fabasoft PROCECO Cloud. This offers companies a secure and scalable environment for the provision and use of Fabasoft PROCECO Solutions.

The Ecosystem Fabasoft PROCECO not only opens up new opportunities for customers, but also accelerates the growth of partners, subsidiaries and affiliates. The Fabasoft Competence and Service Centers support PROCECO partners in the professionalization of their company and offer comprehensive advice and support in all phases of cooperation.

PROCECO partners benefit from the support of the Fabasoft Competence Centers (CC) through know-how transfer, standards and best practices in the areas of organization, product development, AI, marketing, sales and professional services, among others. The Competence Center Products offers support in the development process of Fabasoft PROCECO Solutions, while the Competence Center AI designs and implements the AI use cases of Fabasoft PROCECO Solutions based on Mindbreeze Insight Services. The collaboration with the Competence Center Marketing focuses on the brand, positioning and the sales marketing process, i.e. lead generation via analog and digital channels. The leads generated in this way are further processed by the respective solution sales team with the support of the Competence Center Sales. The Professional Services Competence Center is responsible for the transfer of expertise for the professional support of customer projects, in particular implementation and migration projects.

The Fabasoft Service Centers ensure that the Fabasoft PROCECO Solution Teams can focus on their value-adding activities, their business and the success of their customers. The Service Centers offer comprehensive support in the areas of Accounting, Purchasing, Employer Branding, Recruiting, Payroll, Controlling, Invoicing, Internal Infrastructure, Internal Systems and Sustainability.

One shared business reality

Customers of Fabasoft PROCECO Solutions benefit from agile products that are focused on their needs, can be implemented and expanded quickly and ensure efficiency and security. The seamless interaction of all PROCECO Solutions creates a common, cross-organizational process and data world for customers (“One Shared Business Reality”). This enables a fast and consistent exchange of information across departments and locations, thereby increasing transparency and decision-making reliability while simultaneously reducing process costs.

The Fabasoft PROCECO Cloud forms the technological basis for the shared process and data world. It meets all the requirements of modern Business Process Management (BPM), Enterprise Content Management (ECM) and Enterprise Records Management (ERM) software and creates the basis for seamless and efficient collaboration within the company and across company boundaries. The powerful feature set, as the basis of Fabasoft PROCECO Solutions, enables organizations of all sizes to optimize their digital business processes and drive digital transformation.

SEAMLESS INFORMATION TRANSFER

The shared process and data world creates a fast and consistent exchange of information across departments and locations. Everyone involved works with the same information and thus benefits from greater transparency and decision-making security. The comprehensive ECM functions of the Fabasoft PROCECO Cloud ensure efficient management, access from any location and at any time, and the audit-proof storage of documents. Sensitive data is also protected by security technologies such as encryption, authorization concepts and audit trails.

Collaboration and the exchange of documents with internal and external business partners takes place in secure “team rooms”. Role-based authorizations clearly regulate who can view, edit or create which content.

With the Fabasoft web cloud client and the seamless integration of common Office software, users can also edit their documents directly in their familiar working environment. The Cloud folder also enables the synchronization of content stored in the Fabasoft PROCECO Cloud with the end devices, so that all participants always have access to the latest version (single source of truth) – whether in the web client or saved locally. Thanks to the mobile apps for iOS and Android, users also benefit from flexible task management. This means that users always have their important documents and tasks to hand, regardless of their location and device.

FULL PROCESS AUTOMATION

The shared process and data world ensures consistent business processes while simultaneously reducing errors and process costs. Companies benefit not only from increased productivity, but also from the ability to model, optimize, automate and monitor processes seamlessly across departmental and company boundaries. The Fabasoft PROCECO Cloud features powerful workflow technology to achieve efficiency and transparency in business processes. Ad-hoc processes and a graphical BPMN 2.0 editor are available to users for creating workflows, enabling them to model business processes even without programming knowledge.

BPMN 2.0 (Business Process Model and Notation) support allows individual business processes to be modelled and the benefits of platform-independent notation to be realized. The process diagrams created are executed directly using the workflow engine. Ad-hoc processes allow users to react flexibly to situations and invite internal or external persons to participate in process steps such as “check”, “release” or “approve”, etc.

By integrating digital signatures into existing workflows, companies can also design binding processes more efficiently and without media discontinuity. In addition to simple electronic signatures, the Fabasoft PROCECO Cloud also offers the option of adding a personal qualified electronic signature to documents. This signature meets the high security standards of the eIDAS Regulation.

EFFICIENT TASK MANAGEMENT

All tasks and process steps from all Fabasoft PROCECO Solutions are summarized in a clearly arranged individual to-do list, the worklist. In addition, employees receive push- and e-mail-notifications about new tasks. These tasks can be processed in a structured manner using a PC, tablet or smartphone. This means that employees always have an overview and benefit from the efficient completion of their tasks.

The Fabasoft PROCECO Cloud offers companies a range of innovative ERM functions that ensure the protection, availability and integrity of business-critical information. The “Time Travel” function in the Fabasoft PROCECO Cloud, for example, enables documents, metadata or even Teamrooms to be viewed at any points in time in the past. All changes can be tracked at any time. Older versions can be restored if required. The “Auditing” function logs all access to objects. It is also possible to automatically add dynamic watermarks to documents. The Fabasoft PROCECO Cloud is suitable for the audit-proof and GoB-compliant storage of documents so that they are equivalent to the paper original in electronic form. This seamless versioning of documents and automatic audit-proof archiving make an important contribution to fulfilling the compliance management system.

INNOVATIVE AI FUNCTIONALITIES

The powerful combination of the Fabasoft PROCECO Cloud and Mindbreeze enables companies to tap into their knowledge, use it effectively and thus improve their decision-making. With the semantic full-text search and the Insight apps, users can find the information they need more quickly and thus make well-founded decisions more efficiently. AI-generated 360-degree views also provide companies with personalized views of relevant information such as customers, projects or products. Mindbreeze InSpire prepares information for specific roles in the company. This gives employees an activity- and role-dependent view, even if they are searching for the same facts. With Large Language Models and Mindbreeze InSpire, companies also receive summaries of facts in natural language. Through the combination of large language models and insight engines (via RAG – Retrieval Augmented Generation), such as Mindbreeze InSpire, can companies guarantee the long-term security of their corporate data. Information is not passed on to third parties or analyzed. The precise and fact-based answers can also be checked at any time using the sources provided.

CONSISTENT USER EXPERIENCE

All Fabasoft PROCECO Solutions are characterized by a uniform functionality and user interface. This enables users to work intuitively and onboard new colleagues quickly. The accessible and responsive user interface enables easy operation and navigation, regardless of previous technical knowledge or language barriers – the Fabasoft PROCECO Cloud is available in 22 different languages.

The complete responsiveness of the Fabasoft PROCECO Cloud ensures a consistent user experience on all end devices. Regardless of whether users are working on a desktop, laptop, tablet or smartphone, the Cloud automatically adapts to the respective screen size. What's more, the Fabasoft PROCECO Cloud is accessible to all users, regardless of their abilities or limitations. It supports users with visual impairments with both input and display. The web client also enables full keyboard operation and therefore efficient working without a mouse. Support for the WAI-ARIA standard also ensures that the content is recognized and interpreted by screen readers and other aids.

The user interface of the Fabasoft PROCECO Cloud is clearly structured, easy to navigate and self-explanatory. The tree structure and breadcrumbs quickly lead you to the desired storage location, even for complex structures. Thanks to comprehensive drag-and-drop functions, users can complete their tasks quickly and easily. Files and entire folder structures can be conveniently imported or downloaded using drag-and-drop. Within the web client, drag-and-drop is used to move documents and folders. In addition, the Fabasoft PROCECO Cloud offers extensive options for adapting the user interface to the customer-specific corporate design to ensure a uniform appearance.

SIMPLE EXTENSION

Fabasoft PROCECO Solutions are easy to expand thanks to their consistent functionality and user interface. Companies thus benefit from rapid adaptation to their needs. Extensive low-code/no-code functionalities in the Fabasoft PROCECO Cloud ensure simple and individual adaptation of the solutions to the respective company – without any programming knowledge. Intuitive graphical interfaces and modular building blocks enable specialist departments to implement new requirements independently and without additional IT staff.

With user-defined forms, existing objects can be easily extended with individual data fields (e.g. metadata) using drag-and-drop fields. Users can also use low-code expressions to control the behavior or logic of form fields. Intelligent functions such as calculations, field validations and visibility rules are available for the implementation of complex use cases.

Template management enables companies to create and manage individual template and text module collections and make them available for all users. Cloud administrators have control and an overview of all existing and approved templates. In addition, each user has the option of defining personal templates, processes and default settings.

HIGH DATA SECURITY

Both the Fabasoft PROCECO Cloud as the technological basis and the Fabasoft PROCECO Solutions have comprehensive and certified security measures that guarantee the protection of company data at the highest level. External and internal security analyses as well as audits of the technical, physical and organizational security measures and operating processes contribute significantly to the security of the Fabasoft PROCECO Cloud. Further information on the current certifications can be found in this report from page 38 onwards.

Data is stored in European data centers. Optionally in Germany, Austria and Switzerland. Access to user data is authorized via Teamrooms. Access rights can be assigned to team members for each Teamroom. The search for user data takes access rights into account. Only hits that the respective user is authorized to access are displayed.

Authentication during login is always carried out using secure authentication methods, such as two-factor authentication. This creates a protected and trustworthy working environment. The Fabasoft PROCECO Cloud also enables login via digital certificates, single sign-on via Active Directory Federation Services (AD FS) or SAML 2.0, so that users can log in to the Cloud without having to enter an additional login and password.

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

INTEGRATED DEVELOPMENT ENVIRONMENT

With the integrated development environment in the Fabasoft PROCECO Cloud, developers create customized applications and solutions seamlessly and efficiently. Fabasoft app.ducx, Fabasoft app.test and Fabasoft app.telemetry support developers in realizing new PROCECO solutions quickly and easily.

With Fabasoft app.ducx, the intuitive and powerful development system of the Fabasoft PROCECO Cloud, solution developers realize new applications in the shortest possible time. Based on several declarative modeling languages that should be familiar to C++, C# and Java programmers, app.ducx offers the perfect combination of fast application development and the power of the Fabasoft PROCECO Cloud. With Fabasoft app.ducx, developers can intuitively create object models, methods, user interfaces, processes, access authorizations, etc. in domain-specific languages.

Fabasoft app.test is the tool for the functional automation of software tests in the Fabasoft PROCECO Cloud. During test automation, Fabasoft app.test ensures that the software is tested in the same way that real users use the application, namely by actually interacting with the user interface in the web browser. The tests can be recorded either via a tree view of the user interface or via a click recorder and then executed locally at the workstation.

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 the transactions triggered by requests, maps their path through the hardware and software infrastructure and thus makes it possible to analyze the execution in Fabasoft products and in instrumented third-party products. With this information, the DevOps and support teams can quickly identify time-critical or conspicuous sequences and components and take appropriate measures. The functions for monitoring the availability of extensive services or individual workflows round off the support for operating processes.

The Fabasoft PROCECO Solutions

Approve on Fabasoft PROCECO

The technical document management Fabasoft Approve is the Fabasoft PROCECO Solution for the efficient management of technical data and documents in the industry. Cross-company processes network project partners along the value chain and digitally map the entire information life cycle for industrial products. Thanks to the simple adaptability via no-code/low-code, customer-specific requirements in the area of technical documentation, quality management or transmission management can be implemented within a very short time. Fabasoft Approve is suitable for handling large-scale industrial projects, sometimes in the infrastructure sector or in special machine and plant construction.

Boards on Fabasoft PROCECO

The digital meeting management Fabasoft Boards is the Fabasoft PROCECO Solution for the efficient organization and execution of meetings at management level. The functionalities include planning meetings, submitting motions and conducting votes. The audit-proof and unalterable minutes are then created. These can be digitally checked and approved using a circulation process. The product enables all meeting participants to prepare and follow up meetings efficiently and from any location and supports organizations in meeting their compliance requirements.

Contracts on Fabasoft PROCECO

The digital contract management Fabasoft Contracts is the Fabasoft PROCECO Solution for the simple creation, transparent management and audit-proof archiving of contracts. It also promotes secure collaboration between internal and external stakeholders, including in legal matter management. The 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 thanks to customizable lists and dashboards.

Integrated workflow and deadline management with a reminder function provides support when concluding contracts and meeting deadlines. In addition, the system's own legally valid digital signature speeds up the signing process. Fabasoft Contracts is used across all industries for all legal matters.

Oblivation on Fabasoft PROCECO

The AI-based reporting software Fabasoft Oblivation is the Fabasoft PROCECO Solution for automated CDP sustainability reporting. More than 25,000 companies report to the CDP every year.

Fabasoft Oblivation uses AI capabilities to optimize data collection and collaboration between finance and sustainability teams. By combining the core capabilities of Mindbreeze and Fabasoft PROCECO, companies are able to identify critical data points, collaborate with subject matter experts, and improve their CDP scores through accurate score estimates and actionable recommendations.

OneGov GEVER on Fabasoft PROCECO

The digital business administration OneGov GEVER is the Fabasoft PROCECO solution for the legally compliant creation, processing and management of dossiers. The solution enables the simple and intuitive design of individual business processes and their AI-supported automation. Powerful low-code/no-code functions ensure the rapid implementation of new requirements – even without programming knowledge. With the native app for mobile devices, users can also process activities from anywhere and at any time.

Talents on Fabasoft PROCECO

The digital personnel file Fabasoft Talents is the Fabasoft PROCECO Solution for efficient and transparent personnel 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 is used for effective, verifiable and sustainable knowledge transfer. A web-based rapid authoring interface with a predefined "MicroLearning" structure is used to prepare the training content on the basis of neuroscientific findings. Short units in the mobile app, adapted to the individual level of knowledge, promote an active, playful learning experience and regular use. The fields of application include hard and soft skills and range from pre- and onboarding, to training for sales and external partners, to the training of specialists and managers.

Xpublisher on Fabasoft PROCECO

The multichannel publishing software Fabasoft Xpublisher is the Fabasoft PROCECO Solution for the intuitive creation, efficient management and automated publication of content in different channels. 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. 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 digitizes the entire publication process in media and publishing houses as well as companies in various industries.

The Ecosystem Fabasoft eGov

Fabasoft eGov is the Ecosystem for the digital transformation of public administration. Based on the Fabasoft eGov-Suite, it offers selected solutions that are perfectly coordinated and tailored to the needs of the public sector. The focus is on intelligent automation and online services that improve interaction with citizens and companies, accelerate processes and increase service quality.

Fabasoft eGov-Suite

The Fabasoft eGov-Suite is the leading product for electronic administrative 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 seamless documentation and audit-proof archiving. Business transactions can be processed barrier-free, regardless of location and time, including 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.

Fabasoft Online Services offer a service platform for end-to-end digital interaction between citizens, businesses and public administration. Process data is transferred directly into the electronic file of the Fabasoft eGov-Suite via the application process. This enables complete digitalization from the creation and status information to the download of the final procedure result. The use of low-code/no-code enables administrative staff to add new forms easily and independently, without in-depth programming knowledge.

Contracts on Fabasoft eGov

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

Done! on Fabasoft eGov

Done! on Fabasoft eGov supports administrative staff with innovative automation. Text extraction identifies and extracts relevant information from incoming documents and requests. Through automatic classification, the Fabasoft eGov Suite understands the context of incoming documents and processes them. This data is then used to fill in the required form fields with suitable suggestions and thus support users with everyday tasks. In addition, the intelligent and transparent automation of business processes shortens the processing time for inquiries and applications, thereby improving service quality.

Talents on Fabasoft eGov

Talents on Fabasoft eGov ensures efficient, digital personnel file management in public administration. The digital personnel file lays the foundation for transparent and secure personnel processes, reduces administrative effort through automation and improves communication between employees and the HR department. With end-to-end encryption, all sensitive data within a public authority is consistently secured with a customizable authorization concept. It is also easy to connect common e-government applications and standards to Fabasoft Talents. This enables seamless work and fast personnel processes.

Fabasoft Folio

The Fabasoft Folio business software contributes to the secure capture, organization and storage of digital documents and files as well as the simple digitization of business processes. The product is used for the efficient modeling and implementation of individual, document-centric specialist 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 therefore be quickly integrated into an existing IT landscape. The application also offers out-of-the-box integrations for common business applications such as SAP.

The Ecosystem Mindbreeze BDI

Mindbreeze BDI (Business Decision Insights) is an innovative business ecosystem for the professional implementation of business models and insight solutions for intelligent knowledge management.

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

Mindbreeze InSpire

The Mindbreeze InSpire insight engine analyzes information and creates a consolidated view of corporate knowledge – regardless of where data is stored and whether it is structured or unstructured. Employees receive search results and relevant facts in so-called 360-degree views. Company data sources are connected via an extensive range of connectors, for example for email or document management systems, archives or industry-specific specialist applications.

Mindbreeze InSpire combines numerous artificial intelligence methods to understand and link information. These include services in the areas of entity recognition, classification, semantic relation, proactive insight, knowledge extraction and natural language processing.

The understanding of information is made possible by Mindbreeze developments in the field of generative AI and Large Language Models (LLMs). Mindbreeze InSpire is 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 the handling of confidential company data in general.

Mindbreeze InSpire uses the internal company data, which has been connected to the Insight Engine with the multitude of connectors, as the basis for machine learning. The data and the models trained with it are therefore always owned by the respective company; they do not flow into a public model and are not passed on to third parties. Both existing and generated content is therefore secure, correct, trustworthy and, above all, traceable. As the solution references the source in addition to the answer, users are able to validate the answers at any time if required, and Mindbreeze leaves the selection of LLMs to its customers.

Mindbreeze leaves the selection of LLMs to its customers. The Insight Engine is delivered with pre-trained models (pre-trained models). Due to the use of Transformer Models and open standards, however, 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 be integrated. Mindbreeze also 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 therefore aimed at employees in the respective department. In this way, the different needs of the specialist departments are quickly met by individual Insight apps and work steps are significantly simplified and shortened.

Mindbreeze InSpire is used in various areas of the company, such as customer service, maintenance and repair, project management and people and culture management. The Insight Apps available for this purpose are tailored to the requirements of the specific areas and therefore provide an important basis for supporting business process transformation, as Mindbreeze InSpire helps companies to manage data effectively. In day-to-day work, for example, insight apps serve as a research tool or for the creation of graphically prepared summaries.

Mindbreeze InSpire also provides interfaces and services so that software manufacturers, integrators and developers can easily use the proven Mindbreeze technology in their own products, projects and solutions.

Mindbreeze InSpire is characterized by short implementation times and can therefore be quickly and easily integrated into existing IT infrastructures. These features also make Mindbreeze an excellent choice for companies building their private or hybrid cloud infrastructures. In addition to the AWS and Microsoft Azure Marketplace, Mindbreeze InSpire is now also available worldwide via the Google Cloud Marketplace.

Mindbreeze InTend

Mindbreeze InTend supports sales teams in RFP and proposal management throughout the entire tendering process – from identification and pre-selection to compilation and response to tender documents. With Mindbreeze InSpire as the technological foundation, insightful answers to relevant business questions can be extracted from both structured and unstructured company data. With the help of generative artificial intelligence, Mindbreeze InTend creates customized answers to company queries and thus enables the automation of question catalogs. Mindbreeze InTend also enables the creation of structured libraries that store all knowledge about past tenders. This makes the creation of tender documents much more efficient and optimizes the entire tender management process.



TOPICS WORTHY OF MENTION IN THE FISCAL YEAR

1st quarter (1 April 2023 – 30 June 2023)

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 Ecosystem Mindbreeze BDI (Business Decision Insights) 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.

*After the balance sheet date of 31 March 2024, the former Mindbreeze BidForce GmbH was renamed Mindbreeze InTend GmbH.

Certification of audit security according to IDW PS 880 granted again

KPMG Advisory GmbH again audited Fabasoft PROCECO Cloud (formerly 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.

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.

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.

2nd quarter (1 July 2023 – 30 September 2023)

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.

3rd quarter (1 October 2023 – 31 December 2023)

Fabasoft egovdays 2023

The Fabasoft egovdays on 26 September 2023 at the Humboldt Carré in Berlin and on 5 October 2023 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 Ecosystem Fabasoft eGov 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 BMENet seal of approval for contract management

The German Association of Materials Management, Purchasing and Logistics (BME) has once again awarded Fabasoft Contracts the “BMENet 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

In November 2023, the successful recertification audits were carried out at the premises of Fabasoft Linz, Fabasoft Vienna and Fabasoft 4teamwork in Bern and remotely via video conference with the Munich (Fabasoft Xpublisher) and Erfurt locations 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 Ecosystem Fabasoft PROCECO, 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 Fabasoft 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.

4th quarter (1 January 2024 - 31 March 2024)

Foundation of Fabasoft Oblivation GmbH

Fabasoft Oblivation GmbH was founded on 3 January 2024. This is a subsidiary of Fabasoft AG, which holds a 51% stake. Fabian Fallmann and Daniel Coss Heneghan, the managing directors of Fabasoft Oblivation GmbH with independent power of representation, each hold 24.5% of the remaining shares.

1st Fabasoft eGov Community Event: Fabasoft Connect | Bavaria 2024

On 30 January 2024, the first Fabasoft eGov Community Event took place at Le Méridien in Munich, which was dedicated to the transfer of know-how and the exchange of ideas on digital transformation in public administration. The event focussed on the Fabasoft eGov Ecosystem with sessions on the role of the Fabasoft eGov Suite in digital transformation and the Done! on Fabasoft eGov solution. A guest lecture provided insights into the project status of the e-file in the state capital of Munich.

Mindbreeze positioned as a “Leader” in the IDC MarketScape

The global market research and consulting company IDC (International Data Corporation) has positioned Mindbreeze as a “Leader” in the IDC MarketScape: Worldwide Knowledge Discovery Software for Internal-Facing Use Cases 2023-2024 Vendor Assessment.

#nextlevel-Talk: DORA: Challenges and solutions for the financial sector

The Digital Operational Resilience Act (DORA) aims to strengthen the digital operational resilience of the European financial sector and reduce systemic IT risks. The associated increased due diligence and reporting obligations pose challenges for financial companies: Audit-proof documentation of outsourcing, secure contracts and the ability to provide information at any time. How can digitalization help to implement these EU requirements efficiently and reliably? What special challenges arise when outsourcing ICT services to third parties? These and other questions were the topic of the #nextlevel talk on 1 February 2024 at k47 in Vienna, moderated by Jakob Zirm (Head of Economist, “Die Presse”). The panel included Gerald Kogler (Head of Insurance Industry Team, EY Austria), Anna Muri (Senior Specialist IT Risk Supervision, Financial Market Authority), Florian Polt (Head of Group Security, UNIQA Insurance Group AG) and Robin Schmeisser (Managing Director, Fabasoft Contracts GmbH).

Expert:innen-Talk: Efficient administration with digital services and automation

Austria is considered a European pioneer in digital administration and has already made a very early and targeted start on implementation. Nevertheless, public authorities are currently facing a number of challenges that require new approaches due to the shortage of skilled workers, the wave of retirements and the increasing demands of citizens. How can the digital transformation help to overcome these challenges? Does the state need to be rethought? And what potential can public authorities exploit? Peter Parycek (Head of the Center for E-Government at Danube University Krems), Wolfgang Pinkl (Director Business Transformation at EY), Petra Stummer (Head of the IT Department at the Office of the Lower Austrian Provincial Government) and Bastian Drugowitsch (Managing Director of Fabasoft Austria GmbH) discussed these and other topics at the Expert:innen-Talk on 27 February 2024 in the “Die Presse” studio. The event was moderated by Jakob Zirm (Head of Economist at the daily newspaper “Die Presse”).

1st Fabasoft Community Day

Sharing experiences, expanding networks and discussing innovations: On 13 March 2024, the first Fabasoft Community Day for representatives from various Austrian administrative authorities took place at the headquarters in Linz. Derived from a workshop at the Fabasoft egovday 2023 in Vienna, Fabasoft, in collaboration with Sourcing International, aims to further strengthen the exchange within the eGov community. The event focused on the digital transformation of public administration and the optimal use of Fabasoft eGov products.

“Digital State 2024” congress in Berlin

The “Digital State” congress, which took place in Berlin from 12 March to 13 March 2024, dealt with current developments and trends in the digital administration of the future. Numerous forums, workshops and accompanying specialist events focused on the topics of digital sovereignty, the Online Access Act (OZG) and the creation of the Municipal Pact.

Introduction of the digital personnel file in Rhineland-Palatinate (DiPa RLP)

The Council of Ministers decided to introduce the digital personnel file in the state administration. It is based on the Fabasoft eGov-Suite and the add-on Talents on Fabasoft eGov, as a supplement to the SAP personnel administration and payroll accounting system of the state of Rhineland-Palatinate. The Ministry of Labour, Social Affairs, Transformation and Digitization is responsible for the introduction and implementation. The project will start in May 2024, with the pilot installation of the standard software and the introduction of the digital personnel file at the State Office of Finance planned for 2025. This will cover pay, remuneration, travel expenses and allowances. When completed, the system will manage up to 400,000 personnel files (including around 200,000 active personnel cases).

Developed in Switzerland: OneGov GEVER sets new standards in digital business administration

The launch of the new generation of OneGov GEVER took place on 20 March 2024. As part of the Ecosystem Fabasoft PROCECO, the software for digital business administration in cantons, municipalities and administrative organizations combines proven strengths and innovative features, including processes, automation and AI-supported functions. For the first time, the PROCECO solution OneGov GEVER developed in Switzerland is designed as a cloud-native application. It therefore meets requirements such as high availability with low maintenance and operating costs, maximum IT security standards and simple scalability.

Outsourcing of the GLAM business unit of Fabasoft 4teamwork

The development of software products for cultural and heritage institutions within Fabasoft 4teamwork AG in recent years has shown that a stronger focus on the needs of this customer group is of great importance. For this reason, the GLAM (Galleries, Libraries, Archives and Museums) business unit was outsourced as part of a management buy-out. Under the management of Jared Hevi and Jonas Baumann, both long-standing and experienced employees of Fabasoft 4teamwork AG, histify ag, which they founded, will commence operations in St. Gallen on 1 April 2024. It provides all services as well as operation, support and maintenance for the "Digital Reading Room" and "MYCOLEX 2.0" applications. The branch office of Fabasoft 4teamwork AG in St. Gallen was dissolved as a result of this outsourcing.



This report includes both the management report of Fabasoft AG and the Group management report. Where required to provide a true and fair view of the actual assets, financial and profit situation, the information has been specified separately.

MANAGEMENT REPORT OF FABASOFT AG AND THE FABASOFT GROUP

1) Report on the business performance and economic situation of Fabasoft AG and the Fabasoft Group

1.1. Business performance of Fabasoft AG and the Fabasoft Group

In the past financial year 2023/2024, the Fabasoft Group recorded sales revenue of kEUR 80,950 (kEUR 69,227 in the corresponding period of the previous year). The increase in revenue reflects the continued positive development of recurring revenue and further growth in the project business in the 2023/2024 fiscal year.

Despite ongoing investments in the development and expansion of the Fabasoft Ecosystems, as well as higher personnel expenses, the Fabasoft Group generated EBITDA¹⁾ of kEUR 21,598 in the 2023/2024 fiscal year (kEUR 16,755 in the corresponding period of the previous year) and EBIT¹⁾ of kEUR 13,385 (kEUR 9,987 in the corresponding period of the previous year).

With a research and development ratio¹⁾ of 31.4% in relation to sales revenue, investments in research and development (kEUR 25,458) of the Fabasoft Group (Fabasoft AG has no research and development activities) were again on a very high level compared with the industry as a whole (kEUR 21,268 in the 2022/2023 fiscal year).

These investments were made in research and development in connection with the company's own software product technology and the cloud and appliance offerings based on it, as well as in fundamental topics in the field of digital transformation and artificial intelligence (AI).

The equity ratio¹⁾ of the Fabasoft Group on the balance sheet date (31 March 2024) was 40.1% (38.0% on 31 March 2023).

The amount of cash and cash equivalents decreased in the Fabasoft Group from kEUR 26,563 (as at 31 March 2023) to kEUR 25,068 respectively in the Fabasoft AG from kEUR 693 (as at 31 March 2023) to kEUR 483 as at the balance sheet date 31 March 2024.

The Fabasoft Group employed a workforce of 497 on 31 March 2024 (451 on 31 March 2023).

¹⁾ Definition of the key figures in the management report section 1.4

1.2. Report on the regional presence of the Fabasoft Group

Subsidiaries of Fabasoft AG on the balance sheet date (31/03/2024)

Company	Direct share	Country	Headquarters	Offices
Fabasoft International Services GmbH	100 %	Austria	Linz	Vienna
Fabasoft R&D GmbH	100 %	Austria	Linz	Vienna
Fabasoft Austria GmbH	100 %	Austria	Linz	Vienna, Graz
Fabasoft Approve GmbH	80 %	Austria	Linz	
Fabasoft Contracts GmbH	80 %	Austria	Linz	
Fabasoft Oblivation GmbH	51 %	Austria	Linz	
Fabasoft Talents GmbH*	100 %	Austria	Linz	Vienna
Mindbreeze GmbH	85.5 %	Austria	Linz	Vienna
Fabasoft Deutschland GmbH	100 %	Germany	Frankfurt am Main	Berlin, Erfurt, Munich
Fabasoft Xpublisher GmbH**	60 %	Germany	Munich	Deggendorf
Fabasoft 4teamwork AG	70 %	Switzerland	Bern	St. Gallen

* In the 2023/2024 financial year, KnowledgeFox GmbH was renamed Fabasoft Talents GmbH and its registered office was relocated to Honauerstrasse 4, 4020 Linz.

** In the 2023/2024 financial year, Xpublisher GmbH was renamed Fabasoft Xpublisher GmbH.

Subsidiaries of Mindbreeze GmbH on the balance sheet date (31/03/2024)

Company	Direct share	Country	Headquarters	Offices
Mindbreeze Corporation	100 %	USA	Chicago	
Mindbreeze InTend GmbH*	80 %	Austria	Linz	Vienna

* After the balance sheet date, the former Mindbreeze BidForce GmbH was renamed Mindbreeze InTend GmbH.

Subsidiaries of Fabasoft Xpublisher GmbH on the balance sheet date (31/03/2024)

Company	Direct share	Country	Headquarters
Fabasoft Xpublisher Inc.*	100 %	USA	Chicago

* In the 2023/2024 financial year, Xpublisher Inc. was renamed Fabasoft Xpublisher Inc.

Changes in the Group structure and company acquisitions

On 27 April 2023, a subsidiary of Mindbreeze GmbH, Mindbreeze BidForce GmbH, based in the political municipality of Linz, was founded. On 8 May 2024, Mindbreeze BidForce GmbH was renamed Mindbreeze InTend GmbH. Mindbreeze GmbH holds an 80 % stake in this company, with the remaining shares being held by the management of Mindbreeze InTend GmbH. The company was fully consolidated for the first time when it was founded.

Fabasoft AG reduced its shareholding in Fabasoft Contracts GmbH from 100% to 80% on 27 April 2023. The shares were acquired by the management of Fabasoft Contracts GmbH.

On 3 January 2024, a subsidiary of Fabasoft AG, Fabasoft Oblivation GmbH, based in the political municipality of Linz, was founded. Fabasoft AG holds a 51% stake in this company, while the remaining shares are held by the management of Fabasoft Oblivation GmbH.

1.3. Financial and non-financial performance indicators of Fabasoft AG and the Fabasoft Group

Financial performance indicators of Fabasoft AG

(individual financial statements in accordance with the Austrian Commercial Code)

in kEUR	2023/2024	2022/2023
Sales revenue	5,700	4,719
Result before income taxes	7,168	6,992
EBIT ¹⁾	-3,134	-4,385
EBITDA ¹⁾	-557	-2,162
Annual net profit	7,879	7,810
Equity at end of period	46,119	43,540
Equity ratio ¹⁾	71.1%	74.9%
Cash flows from operating activities	9,815	15,714
Cash and cash equivalents at end of period	483	693
Employees at end of period	6	6

Financial performance indicators of the Fabasoft Group

(consolidated financial statements in accordance with IFRS)

in kEUR	2023/2024	2022/2023
Sales revenue	80,950	69,227
Result before income taxes	13,113	9,843
EBIT ¹⁾	13,385	9,987
EBITDA ¹⁾	21,598	16,755
Annual net profit	9,629	6,825
Equity at end of period	30,638	26,718
Equity ratio ¹⁾	40.1%	38.0%
Cash flows from operating activities	19,477	7,025
Cash and cash equivalents at end of period	25,068	26,563
Employees at end of period	497	451

¹⁾ Definition of the key figures in the management report section 1.4

Non-financial performance indicators of the Fabasoft AG and the Fabasoft Group

Employees as a success factor

Our employees are a key success factor for the Fabasoft Group. Their innovative strength, expertise and commitment form the basis for sustainable growth. Fabasoft attaches great importance to promoting the skills and career development of its employees and offers a wide range of further training opportunities.

The Fabasoft Management Academy, the internal training program for managers established during the reporting period, is specifically designed to impart management skills in line with Fabasoft's strategic objectives. The new training program is therefore a key component in promoting the long-term success of the Group.

In addition, the Group's own training center, the Fabasoft Academy, coordinates other internal and external training courses. Particular attention is paid to internationally recognized certifications from IPMA or Scrum Alliance. As at the balance sheet date, the Fabasoft Group employed 57 certified (senior) project managers in accordance with the IPMA standard as well as 94 Scrum Masters and 37 Product Owners.

Personal communication and knowledge transfer

Personal communication and direct exchange are essential components of Fabasoft's corporate culture. Regular face-to-face meetings enable internal experts to network and promote the development of innovative ideas and solutions and are therefore essential for the company's success. This is why Fabasoft regularly organizes events such as Fabasoft SUCCESS, the Group-wide employee conference, and Fabasoft Enlight, the internal think tank for innovation.

Sustainability at the Fabasoft Group

Fabasoft understands sustainability to mean making decisions based on ecological, social and economic aspects (ESG aspects). An important factor here is the efficient, sparing and economical use of resources. In order to raise awareness of sustainability within the Group, reduction targets were set in fall 2022 in line with the Science Based Target initiative (SBTi) and monitored by the SBTi. Since 2023, Fabasoft has only purchased electricity from Austrian hydropower at its sites in Linz and Vienna. Wherever possible, business trips are made using public transport or the electric or hybrid cars provided for this purpose. Fabasoft has expanded the charging infrastructure at its headquarters in Linz and at its Vienna site for this purpose.

In order to take responsibility for the greenhouse gases emitted in the course of its business activities, Fabasoft has once again decided for the 2023/2024 financial year to offset all direct and indirect emissions from its business operations (Scope 1 and 2) by supporting certified climate projects.

Fabasoft is pursuing the goal of operating its entire value chain in a CO₂-negative manner, which requires that more CO₂ is removed from the atmosphere than is emitted. This means that customers receive the Fabasoft Group's services CO₂-free.

Fabasoft communicates its commitment in this area in the annual sustainability report, which is an integral part of the annual report.

1.4. Alternative Performance Measures of the Fabasoft Group

Within the scope of its periodical and obligatory reporting Fabasoft publishes alternative performance measures (APM). These performance measures are not defined in the existing accounting policy pursuant to the International Financial Reporting Standards (IFRS). Fabasoft calculates the APM with the aim of enabling comparability of the performance measures over time or a sectorial comparison. Fabasoft calculates the following APM:

- Nominal change in sales revenue
- EBIT or operating result
- EBITDA
- Equity ratio
- Research & development ratio (is published in each case with the full annual report)

Nominal change in sales revenue

The nominal change in sales revenue is a relative indicator. It indicates the change in the sales revenue in percent compared to the previous year.

EBIT or operating result

EBIT stands for Earnings Before Interest and Taxes and shows the operative result of a company without the impact of effects arising from inconsistent taxation systems and different financing activities. EBIT (operating result) is calculated as follows:

Reconciliation

Results before income taxes

- Finance income

+ Finance expenses

= EBIT (operating result)

EBITDA

EBITDA stands for Earnings Before Interest, Taxes, Depreciation and Amortization. In addition to interest and taxes this indicator of success also neutralizes the distortionary effects of operative business activities arising from different depreciation methods and valuation latitude. EBITDA is calculated on the same basis as EBIT plus depreciation and amortization affecting income in the period or less reversals of impairment losses on intangible assets and property, plant and equipment.

Reconciliation

EBIT

+ / - depreciation / amortization / reversals of impairment losses on intangible property and assets, plant and equipment

= EBITDA

Equity ratio

The equity ratio indicates the proportion of equity in total capital.

$$\frac{\text{Equity}}{\text{Total Capital}} \times 100$$

Research & development ratio

Indicator that sets expenses for research and development in relation to the revenue.

$$\frac{\text{Expenses for research and development}}{\text{Revenue}} \times 100$$

2) Report on the expected development and risks of Fabasoft AG and the Fabasoft Group

2.1. Major opportunities of Fabasoft AG and the Fabasoft Group

Major opportunities for the Fabasoft Group and consequently also for the result of Fabasoft AG are seen in the following areas in particular:

2.1.1. The Ecosystem Fabasoft PROCECO

Fabasoft PROCECO – Business Process Ecosystem

The shared process and data world (“One Shared Business Reality.”) in the Ecosystem Fabasoft PROCECO is based on the certified Fabasoft PROCECO Cloud and enables seamless information transfer between departments and across organizational boundaries. Companies benefit from increased process quality, process speed and process reliability, while at the same time reducing process costs. The consistent user interface and the common basic functional scope across all Fabasoft PROCECO solutions also enable native integration and fast user onboarding.

With a curated selection of solution areas, Fabasoft creates an ecosystem of entrepreneurs who develop high-performance solutions for digital business processes. As a strategic partner, Fabasoft ensures the financial stability, strategy development and brand positioning of the scale-ups, which gain additional trust and reputation through their affiliation with a stock listed group. Thanks to certified administrative processes, the entrepreneurs can focus entirely on their value-adding activities. They also benefit from best practices, sales coaching and access to new marketing and sales channels.

Fabasoft PROCECO Cloud

With the Fabasoft PROCECO Cloud, the technological basis of the Ecosystem Fabasoft PROCECO, developers of new solutions benefit from Fabasoft's many years of experience in cloud-native technology as well as from the basic functionalities of the Ecosystem Fabasoft PROCECO and thus from a significantly accelerated time-to-market efficiency.

All Fabasoft PROCECO solutions are based on the Fabasoft PROCECO Cloud infrastructure with a common user interface. In addition to secure, traceable data exchange across organizational and national borders, this also includes automated checking and approval processes including encryption and digital signatures. All assigned tasks are clearly displayed in the shared task list and those responsible receive reminders of open tasks and deadlines.

Intelligent automation through AI-supported process optimization relieves employees of repetitive duties. In addition, individual processes can be designed efficiently with the graphical BPMN editor, even without programming knowledge. Low-code/no-code functionalities enable, for example, the simple creation of forms and the independent addition of metadata fields. Overall, accelerated business processes that meet maximum quality and security standards contribute to greater customer satisfaction.

In addition, the Fabasoft PROCECO Cloud has received numerous international certifications and awards for reliability, data and data center security and accessibility.

Opportunities and growth potential in the Ecosystem Fabasoft PROCECO

There is growth potential in increasing the number of Fabasoft PROCECO Solutions through organic and inorganic growth of the Fabasoft Group. Fabasoft Competence Centers support the rapid, high-quality and strategic growth of Fabasoft PROCECO Solutions by transferring know-how on standards, processes, tools, best practices and key figures.

Opportunities arise from the expansion of the number of users, both through the comprehensive roll-out to existing customers and the acquisition of new customers.

With the use of artificial intelligence, existing resources can be better utilized and routine tasks can be automated. In order to meet the requirements of demographic change, Fabasoft is already increasingly relying on the use of AI in the form of solution-specific use cases in the Ecosystem Fabasoft PROCECO, which can be monetized directly with both new and existing customers.

Fabasoft sees additional opportunities and growth potential in the sale of further Fabasoft PROCECO Solutions to key accounts (cross-selling), whereby customers benefit from the consistent user interface and the common basic functional scope across all Fabasoft PROCECO Solutions as well as native integration and fast onboarding of users ("One Shared Business Reality").

2.1.2. The Ecosystem Fabasoft eGov

Fabasoft eGov is an ecosystem for solutions in public administration. As a curated ecosystem, it combines digital solutions selected by Fabasoft for document-intensive business processes. The technological basis is formed by the powerful and certified Fabasoft eGov-Suite (reference architecture) and the Fabasoft PROCECO Cloud (cloud-native architecture, both Public Cloud and Private Cloud).

The Ecosystem Fabasoft eGov consists of coordinated solutions that specifically meet the specific technical requirements of public administration and enable rapid project planning.

The implementation of a cloud-native architecture makes a significant contribution to strengthening the resilience of public administration by providing a flexible, scalable and secure infrastructure that can meet the challenges of the modern digital landscape. The Ecosystem Fabasoft eGov thus addresses the current and future challenges of public administration.

Fabasoft eGov-Suite

The Fabasoft eGov-Suite as the established cross-sectional application for electronic file management and document control is at the heart of the Ecosystem Fabasoft eGov and provides administration-specific use cases. Thanks to years of experience with public administration in the DACH region, the Fabasoft eGov-Suite optimally maps the requirements of this customer segment.

New requirements due to changes in the social, legal and technical framework conditions can be implemented flexibly and efficiently through low-code/no-code, automation and AI-supported use case optimizations. Realized best practices are incorporated into further product development via the Fabasoft community.

The focus is on improving the quality of service in the interaction with citizens and companies, accelerating internal and external processes and providing the best possible support for employees.

Opportunities and growth potential in the Ecosystem Fabasoft eGov

Demographic change in Europe is a social and economic challenge that will lead to a further increase in demand for qualified specialists in the coming years, while the working population as a whole will decline.

The use of artificial intelligence technologies in public administration is increasingly changing interactions with citizens and companies as well as internal working methods. The Ecosystem Fabasoft eGov supports administrative staff with AI methods and innovative automation, significantly increasing the quality and speed of process handling. Low-code/no-code technology enables employees in public administration to quickly define new internal government processes, even without IT expertise. This improves the quality of service provided by the authority and also reduces the workload of employees.

By strengthening sales and marketing, Fabasoft is addressing the potential in the market segment to use other additive solutions from the Ecosystem Fabasoft eGov in public administration.

The potential of these solutions in the Ecosystem Fabasoft eGov is seen as an opportunity to increase the share of recurring revenues in the eGov segment.

As a long-standing and proven provider with a high-performance product range and excellent references, Fabasoft therefore considers itself to be very well positioned for upcoming tender procedures and will continue to participate intensively in these.

2.1.3. The Ecosystem Mindbreeze BDI

With the Ecosystem Mindbreeze BDI (Business Decision Insights), Mindbreeze offers companies the opportunity to build on a market-leading technology and benefit from the associated network effects. Mindbreeze supports entrepreneurs in the professionalization of their company and in the development of highly specialized insight solutions for specialist areas based on the ecosystem. Mindbreeze also provides advice on the development and expansion of sales channels and marketing. This shortens the go-to-market process, as entrepreneurs can focus on their core business with Mindbreeze as a strategic partner. Opportunities for Mindbreeze arise on the one hand from the development of specific use cases for special industries or target groups and on the other hand from the shortening of the go-to-market phase.

Mindbreeze has been working in the fields of enterprise search, information insight, knowledge management and artificial intelligence for almost two decades. Mindbreeze InSpire, the technological basis for the Ecosystem Mindbreeze BDI, has been in productive use with renowned international customers for many years. The company's achievements in this area are also reflected in numerous positive evaluations by analyst firms. The resulting visibility on the international market provides a good starting point for further growth with major international customers and partners who are specifically looking for AI-based technologies for corporate use.

Opportunities and growth potential in the Ecosystem Mindbreeze BDI

The extensive use of Mindbreeze technology within the Ecosystem Fabasoft PROCECO enables users to use AI applications such as a 360-degree view of an object (file, component) directly in their familiar working environment. Mindbreeze sees opportunities in the provision of AI applications for public administration or industry that are subject to special security requirements. Accordingly, the strategic goal is to implement further specializations that can be realized by the user through Insight Apps and Insight Solutions using low-code/no-code. Analyzing and processing natural language is an essential prerequisite for understanding information, which Mindbreeze addresses through the use of generative AI in the form of Large Language Models (LLM).

In addition to the partner model with a focus on value-added resellers (VAR), Mindbreeze is also making efforts with regard to independent software vendors (ISV). By integrating Mindbreeze InSpire and Mindbreeze Insight Services into "content-leading" software products (content management systems), they are able to provide their customers with the benefits of AI-based applications such as 360-degree views without a lengthy development project. The partner programs are intended to further expand and strengthen the company's presence in Europe and North America and to tap into new customer groups. Mindbreeze sees opportunities for further growth by expanding key account management, introducing add-on solutions such as Mindbreeze InTend to existing customers and partners or expanding existing installations (upselling).

Mindbreeze InTend was the first Mindbreeze BDI solution to be developed in the reporting period. The solution optimizes tender management by relieving sales teams of the burden of responding to tenders.

2.1.4. Certifications

The protection of customer and company data is an exceptionally high priority for Fabasoft. This is underpinned by targeted, consistent certifications and audits in accordance with internationally recognised standards. Ensuring the highest quality, security and service standards is guaranteed by an integrated and certified management system in accordance with ISO 9001, ISO 27001 including ISO 27018 and ISO 20000-1, among others. The certificates in accordance with ISO standards 9001, 27001 including 27018 and 20000-1 were renewed in November 2023 as part of a cross-company certification audit by the accredited certification body Quality Austria - Trainings-Zertifizierungs und Begutachtungs GmbH. The integration of further Fabasoft Group companies into the Fabasoft Group's existing ISO certificates will continue in the coming years.

At product level, this certification strategy is supplemented by demanding audits and certifications for the Fabasoft PROCECO Cloud (formerly Fabasoft Cloud) and the Fabasoft PROCECO Solutions Approve on Fabasoft PROCECO, Boards on Fabasoft PROCECO, Contracts on Fabasoft PROCECO, Talents on Fabasoft PROCECO and Xpublisher on Fabasoft PROCECO developed on it, as well as for Mindbreeze InSpire SaaS Services:

The test report in accordance with the requirements of the requirements catalogue C5:2020, issued by the BSI (German Federal Office for Information Security), is a recognised and reliable proof of the high level of information security of the Fabasoft PROCECO Cloud and the Fabasoft PROCECO Solutions Approve on Fabasoft PROCECO, Boards on Fabasoft PROCECO, Contracts on Fabasoft PROCECO, Talents on Fabasoft PROCECO and Xpublisher on Fabasoft PROCECO as well as Mindbreeze InSpire SaaS Services developed on it.

The BSI's catalogue of requirements specifies the minimum requirements that cloud service providers must fulfil. The defined information on the framework conditions ensures transparency with regard to jurisdiction and locations, availability and troubleshooting in normal operation, restart parameters in emergency operation, availability of data centres, handling of investigation requests from government agencies and certifications or attestations. Fabasoft and Mindbreeze completed the audit again at the beginning of 2024 in accordance with the requirements of the current BSI C5:2020 requirements catalogue. Fabasoft commissioned Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Germany, as the auditor. The corresponding audit reports were issued by PwC for Fabasoft PROCECO Cloud Services and Mindbreeze InSpire SaaS Services.

The SOC 2 audit was conducted in the 2023/2024 fiscal year for the Fabasoft PROCECO Cloud and the Fabasoft PROCECO Solutions Approve on Fabasoft PROCECO, Boards on Fabasoft PROCECO, Contracts on Fabasoft PROCECO, Talents on Fabasoft PROCECO and Xpublisher on Fabasoft PROCECO as well as for Mindbreeze InSpire SaaS Services.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Germany, audited whether the Trust Service Criteria (TSC) for security – issued by the American Institute of Certified Public Accountants (AICPA) – were complied with. As part of an ISAE 3000 audit, the implementation of controls was tested during a defined audit period. The audit results were finally reported to Fabasoft and Mindbreeze in an ISAE 3000 SOC 2 report.

As part of the ISAE 3402 Type 2 audit, the design and effectiveness of selected controls (derived from the COBIT 2019 framework) in the audit period from 1 January 2023 to 31 December 2023 for the Fabasoft PROCECO Cloud and the Fabasoft PROCECO Solutions Approve on Fabasoft PROCECO, Boards on Fabasoft PROCECO, Contracts on Fabasoft PROCECO, Talents on Fabasoft PROCECO and Xpublisher on Fabasoft PROCECO as well as for Mindbreeze InSpire SaaS were audited.

In May 2021, SCOPE Europe, as the responsible monitoring body, confirmed the compliance of the Fabasoft PROCECO Cloud with the requirements of the EU Cloud Code of Conduct at the highest conformity level 3 for the first time. Security and transparency are top priorities for Fabasoft. This is clearly reflected in Fabasoft's commitment to creating a trustworthy environment for European Cloud customers. In May 2023, conformity was reconfirmed by SCOPE Europe at conformity level 3.

The EU Cloud CoC was developed by representatives of European and multinational companies and organisations that are significantly involved in cloud computing. The focus was on requirements that enable cloud service providers to demonstrate their ability to comply with the GDPR. Specifically, the Code offers cloud-specific approaches and recommendations that are based on the GDPR and international standards such as ISO 27001 and ISO 27018.

The EU Cloud Code of Conduct aims to make it easier for cloud customers to decide whether certain cloud services are suitable for their intended purpose. Through its transparency, the EU Cloud CoC will create more trust and a high level of data protection in the European cloud computing market.

In December 2023, the Cyber Trust Austria Gold Label was extended for Fabasoft. The Austrian seal of approval for cyber security is based on the Cyber Risk Rating of the Competence Centre for Secure Austria (KSÖ).

The Fabasoft PROCECO Cloud fulfils the requirements of WCAG 2.1 - AA for accessible web content to a high degree and was once again awarded the WACA certificate (Web Accessibility Certificate) at silver level by TÜV Austria in June 2022, which is valid for three years. This web application does not exclude any users and enables optimal operation for all people, even with the required input/output devices such as keyboard, voice input, screen reader programme, etc.

Mindbreeze InSpire also fulfils the requirements of WCAG 2.1 - AA for accessible web content to a high degree and was awarded the WACA Silver level certificate by TÜV Austria for the first time in November 2022.

The WACA certificate is Austria's first and only seal of quality for recognising accessibility on the web (website/applications) in accordance with the international W3C guidelines. In October 2019, Fabasoft was the first provider of a web app to be awarded the WACA certificate in silver.

2.1.5. Climate-related opportunities

The Fabasoft Group is aware of its role and responsibility with regard to climate change and is clearly committed to actively anticipating and managing its climate-related opportunities. In addition to its climate-related risks, the Fabasoft Group has also identified climate-related opportunities for the 2023/2024 financial year, considering the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

Identification and evaluation of climate-related opportunities

The existing Group-wide assessment of climate-related opportunities was reviewed for completeness and updated in the reporting year.

In order to identify climate-related opportunities, extensive literature research was carried out on publicly available information and topic-specific reporting in the IT sector. In addition, interviews were conducted with several key individuals at the company. The analysis was not limited to the company level, but also included upstream and downstream activities.

As part of the climate-related opportunity assessment, a qualitative scenario analysis was carried out, considering climate and economic forecasts for the relevant time horizons and scenarios. In addition to opportunities that can be realised in the short term, there are in particular transitory opportunities in connection with the transition to a low-carbon economy.

These can take the form of a changing regulatory landscape and the associated penetration of environmentally friendly technologies on the market.

In line with the TCFD recommendations, the analyses were conducted over three different time horizons. The short-term perspective (up to 2026) is intended to identify the immediate potential opportunities, while the medium-term (up to 2030) and long-term (up to 2050) time horizons focus on the broader international political environment, which also includes the regulations of the Paris Agreement and the EU Green Deal.

Management of climate-related opportunities

Measures to utilize climate-related opportunities are documented in a separate, internal company register. This register is reviewed annually by the sustainability officers and key management personnel and updated as necessary. Existing and emerging regulatory requirements in connection with climate change are also considered.

The opportunities identified included the decarbonising effect of digitalizing documentation processes as well as increasing the company's attractiveness as an employer by positioning itself well in the area of climate change. Existing evaluations were considered when assessing the impact and likelihood of all climate-related opportunities.

In all cases, the assessment of the opportunities was below the internally defined materiality threshold. The overall impact on Fabasoft's business model, income statement and balance sheet is categorised as immaterial.

2.2. Significant risks and uncertainties for Fabasoft AG and the Fabasoft Group

Significant risks and uncertainties for the Fabasoft Group and consequently also for the result of Fabasoft AG are seen in the following areas in particular:

2.2.1. Market and product risks

Risks in business with public sector clients

A significant part of Fabasoft's business is generated from government customers, especially in the German-speaking region. Projects in the public sector are characterized by lengthy lead and decision times, formal tendering requirements, demanding allocation procedures, and long-drawn-out testing. In project agreements and tendering procedures, such clients frequently specify increasingly stringent contractual requirements.

Any changes in this customer group, such as the impacts of budget cuts and planned savings, short-term or sustained budget freezes, alterations to product and technology specifications, project priorities or award criteria plus the emergence of new competitors or new offers from existing players can have a considerable effect on the business of the Fabasoft sales companies concerned and as a consequence also on the Fabasoft Group as a whole.

Fabasoft endeavors to counter these risks overall by providing intensive, high-quality services to existing customers, benefit-generating product and project innovations and the submission of tenders for new projects that are as competitive as possible. Furthermore, stronger positioning is planned in particular for the new cloud and appliance offers for the expansion of the customer target groups and the sales and distribution channels, both over and above the public sector and beyond the geographical focus on Europe adopted to date.

Product risks

The development of software products is always subject to the risk of software errors, security gaps and functional restrictions, which even the use of extensive quality management and test procedures can never entirely exclude. Neither can it be ruled out completely that the protected legal positions of third parties are violated in the course of development or project implementation activities. This applies to both Fabasoft and third-party products and technologies on which Fabasoft products are based or with which they interact. Such errors or restrictions may have a negative impact on customer and partner satisfaction, data security, market reputation, chances for new business and the success of implementation and operational projects, or online offers.

In order to reduce these risks, during product development and project implementation, Fabasoft not only employs manual test procedures, but also automated checks. In addition, products and service offers are also being subjected to extensive certification processes.

A risk with regard to software products and online offers based on these products is seen in the possible deferral of delivery times. This can affect not only Fabasoft's own products, but also third-party products or technologies on which the products of the Fabasoft Group are based or with which they interact. Such delays could lead to impairment of the company's market and competitive position, revenue shifts or revenue losses and even consequences such as contractual penalties, liability claims, substitute performance or reversed transactions in the project business. Furthermore, prolonged development times also cause a corresponding increase in development costs.

Partner business risks

Risks in the partner business lie in particular in the limitation or complete lack of direct customer contact and thus also in the lack of direct customer feedback for Fabasoft and the general dependency on product and sales strategies of the partners in the respective region, the possibility of reduced product loyalty of partners and the danger of the product manufacturer's reputation also being damaged in the event of problems with the project – if even they may lie within the scope of responsibility of a sales partner. Furthermore, partner business frequently restricts Fabasoft's opportunities for positioning its own brand, safeguarding company secrets and acquiring additional business. From a commercial point of view, the partner conditions granted reduce the attainable profitability and price margins in the respective individual business transactions.

With partner business in general there may also be the danger of tough competition between partners, for example in the acquisition phase for the same end client, as well as the risk of conflicts between sales channels. A further risk is seen in Fabasoft not finding sufficient or the right partners to develop and market high-quality software solutions based on the Fabasoft Group's technology in order to achieve the necessary market penetration in the intended markets.

Project business risks

Where Fabasoft companies provide project services themselves, for example on the basis of fixed price quotations, there is a particular risk of unclear or misunderstood specifications, miscalculations, deadline overshoots, penalties, problems regarding technical implementation or operation, software errors, difficulties with project management, warranty and liability claims (compensation), and issues concerning human resources (for example if key members of staff are unavailable in critical project phases). These risks may affect the Fabasoft companies directly and also indirectly via their subcontractors or suppliers. In order to encounter such risks, Fabasoft uses a tried-and-tested procedures model for project work that is subject to continuous further development.

The implementation of extensive software projects is a process which frequently necessitates significant contributions and involvement on the part of the customer. This also gives rise to certain risks that are partially or entirely beyond the company's direct scope of influence, but may have a significant impact on the overall success of the project.

In the event of project business being conducted with the help of subcontractors or suppliers, Fabasoft may be exposed to a risk as a general contractor if the partner companies fail to fulfil their contractual commitments or only do so partially or inadequately. This could entail both a negative impact on the revenue development of the Fabasoft Group as well as compromise its reputation.

Competition

The software sector in general and the enterprise content management, information insight and cloud computing segments in particular, are undergoing an intensive wave of consolidation that is giving rise to larger and more international competitors with increasingly apparent economies of scale through mergers and acquisitions. There is also still an unabated trend towards smaller manufacturers forming alliances or significantly increasing their capital resources by bringing investors on board, in order to gain a stronger presence in the marketplace. In addition there are signs that software manufacturers who already dominate markets are beginning to enter further market segments with new or new positioned products, which in turn will result in even greater pressure on prices and margins and make the task of acquiring new partners more difficult. Moreover, the acceptance and establishment of new software offers is being further complicated by the increasing degree of saturation and consolidation in the software sector.

2.2.2. Strategic risks

Risks concerning company acquisitions

There are fundamental operative risks for acquired companies or parts of companies, as also presented in this report for companies of the Fabasoft Group. There are also specific risks involved in the market review, acquisition and integration phases.

The services of external consultants are normally used in the market review phase for identifying takeover candidates, whereby the ensuing fees do not normally depend on success or only do so in part. Frustrating external and internal expenses are incurred where no suitable takeover targets can be found or an acquisition cannot be concluded. Despite the commissioning of external consultants, there are risks involved in the acquisition phase in that the risks or bad debts of the target company are not identified or quantified correctly or that synergy potential or the future business development are not correctly assessed. Risks involved in the integration phase include among others the merging of different corporate cultures, market accesses, management styles, key technologies and corporate processes. As the acquisition procedure is normally carried out confidentially, it is mostly impossible to gain knowledge of the stance of existing customers to an acquisition in advance. For this reason negative reactions of the existing customer base cannot be precluded. Furthermore, keeping key success-critical individuals in the company, and motivated also presents a challenge. There is also the risk in connection with the above-mentioned uncertainties that the acquisition target is purchased at a too high price and that the funds invested might well be lacking elsewhere for the corporate activities of the entire Group. If such risks occur during or after the integration phase, this could lead in particular to negative impacts on sales and revenues and as a consequence on balance sheet valuations and therefore also for the Group as a whole.

Internationalization risks

Entering new markets also entails certain risks. A lack of target market knowledge and lower company recognition levels than those in the home market, strong local competition, long lead times, high start-up costs, difficulties in finding staff for key positions, internationalization and localisation expenses for the products, and possible deficits in communication and control are exemplary note in this context. The aim is to limit these and similar risk factors by additionally concentrating on a partner-oriented model that is intended to reduce the immediate project risks that may arise from the company's own tendering in complex project situations and during project implementation.

General political and economic framework conditions in the individual countries, in particular trade restrictions and contradictions or overlapping in regulatory or tax provisions, could constitute additional risk factors for more intensively internationalized business operations.

Diversifikation risks

The efforts aimed at reducing the risks of excessive specialization and thus the dependency upon a narrow and volatile target segment through greater product, market segment and sales channel diversification also create new and increased risk potential. These include higher marketing and research and development expenses, multiple investment projects for market preparation, risks from strategic planning and increased planning uncertainty, heterogeneous sales and organizational structures, positioning risks and risks arising from a diversified and dislocated organizational and business structure.

Special importance is attached to recruitment and internal basic and further training as a defence against these risks. Moreover, internal reporting and controlling measures are continually supplemented and further developed.

2.2.3. Operational risks

IT risks

Malfunctions, for example in the hardware, data storage or network infrastructure, in the software, data transmission lines or on the part of Internet operators, operating errors, cyber attacks, DDoS attacks, viruses, phishing attacks, Trojans, ransomware and the like or events based on force majeure, can all have a negative impact on the operation of the systems of the company as well as important systems with which these are linked can jeopardize seamless data security and recovery.

One possible consequence of such problems can be the limitation or failure of online services, sales, development and administrative activities and the online presence of the company, including statutory or regulatory prescribed announcements on the website, data error, unauthorized data access or losses as well as a limited ability to make data transmissions. This can lead subsequently to comparable effects on other companies or organizations, which use the company's (online) services for a fee or free of charge. After taking costs and risks into consideration, the company has introduced organizational and technical precautions to provide defined service levels for its internal systems. Nevertheless, the complete exclusion of such risks, especially with regard to the targeted use of criminal energy, espionage resources or weaknesses and backdoors contained in third party components, is not possible.

Risks involved in the use of artificial intelligence technologies, in particular machine learning

Artificial intelligence technologies and processes, in particular machine learning, are used in the company's products to a varying extent and in varying forms. This involves the creation of requirement-specific models and the use of a large number of (historical) inventory data to "train" these to recognize relevant patterns in future, to carry out allocations and categorisations and to supply better results and forecasts in the case of comparable tasks. In accordance with the nature of these processes, no fixed programmatic procedure is prescribed for finding solutions, instead the system "learns" incrementally within a specific framework with the aid of the available database. It is therefore that models, output data and training cycles determine the quality of the supplied results to a significant extent. Whereby under certain circumstances and depending on the model and data this could – sometimes even after a longer period of use – result in distortions, false identifications, non-detection and overfitting of the models, for example. This would subsequently lead to incorrect, incomplete or undesired results.

Risks with regard to information security and data protection

Fabasoft attaches great importance to the protection of confidential information and personal data. Nevertheless, the risk of unauthorized third parties gaining access to this sensitive material cannot be entirely ruled out. In view of the increase in global cyber attacks on companies in all sectors, Fabasoft is making intensive efforts to continuously expand its cyber resilience.

Various organizational, technical and physical barriers and measures have been put in place to prevent unauthorized access. A catalog of criteria implemented in the procurement workflow supports the selection of security-relevant suppliers. All security-relevant contractors, such as data centers, hardware and software suppliers or special service providers, must meet defined Fabasoft requirements, such as relevant certifications, contractually defined service levels, demonstrable compliance with security precautions, order processing agreements and signed confidentiality declarations. The information security management system installed in the company is regularly reviewed by internal and external audits to ensure that it is up to date and effective.

In addition to the purely technical aspects of information security, there is also the risk of cyber attacks in combination with manipulation and fraud on a social level. In order to raise employees' awareness of the resulting risks, professional awareness training sessions are held regularly and possible threat scenarios are simulated. In addition, Fabasoft products and cloud services are regularly audited by external bodies and the corresponding audit reports are prepared.

2.2.4. Organizational risks

Risks concerning dependence on suppliers

Customer benefits are not only determined by the performance features of the software developed by the Fabasoft Group, but also to a large extent by third-party products such as hardware and software components from external suppliers. In this context, there are risks of delays, damage or loss in transportation and warehouse logistics, both in the procurement process and in delivery to the customer. There is also a risk of complete supplier failure, for example as a result of production interruptions, capacity bottlenecks or other delivery disruptions along the supply chain.

In order to reduce dependence on individual suppliers, Fabasoft's procurement process is based on a broad range of carefully selected sources of supply and appropriate quality management measures. In addition, the Fabasoft Group endeavors to counter the risk described above through defined, documented and certified business processes as well as continuous training and further education of the team members involved.

Personnel risks

It is essential for Fabasoft's growth path to find a sufficient number of additional highly qualified specialists and to retain them in the company in the long term. The demand for specialists in the IT sector in particular clearly outweighs the supply on the labor market. There is therefore a risk that personnel requirements cannot be met with sufficiently qualified staff.

There is also a risk that a large number of employees could leave the company at short notice and that no adequate replacement could be found in the short term. This would have a negative impact on business development and the company's ability to meet existing obligations and would likely lead to a negative development in customer satisfaction and revenue, including possible contractual penalties, liability claims or other adverse consequences for the company.

Understaffing can also mean that potential business opportunities cannot be realized or can only be partially realized. If such personnel risks materialize at suppliers, sales or implementation partners, this can also have a negative impact on the company.

Compliance and awareness risks

Fabasoft's business activities in all business fields are subject to the highest standards of information security, data protection, and adherence to comprehensive legal provisions and compliance standards. There is a risk that members of governing bodies or employees of the Fabasoft Group may violate legal provisions and internal company guidelines through conscious or unconscious misconduct, which could result in regulatory or even criminal consequences for the actors involved as well as considerable damage to Fabasoft's reputation.

In order to meet these strict requirements, Fabasoft attaches particular importance to its extensively implemented control mechanisms and internal compliance processes and guidelines. The valid and internationally recognized system and product certifications as well as internal training and awareness programs reflect Fabasoft's high level of compliance and ensure that key business activities meet both our own expectations and those of our partners and other stakeholders, in addition to legal requirements, in order to minimize compliance and awareness risks as far as possible.

2.2.5. External risks

Risks from the effects of the macroeconomic and geopolitical environment

Fabasoft operates neither subsidiaries nor branches in Ukraine, in the Russian Federation, in Belarus or in Israel, nor does it obtain any relevant development services from these countries. There is likewise no relevant end customer or partner business in any of the countries mentioned above. It is currently not possible to gauge what impacts the effects of the armed conflicts and the related sanction measures against Russia will have on customers and partners of the company, for example due to adverse effects on supply chains, the overall economic climate, public budgets etc. and as a consequence on the business of the company. It is equally impossible to quantify the heightened risk of cyber attacks and other attacks on critical infrastructures.

Risks from pandemics and environmental disasters

Although the last remaining coronavirus protection measures in Fabasoft's target markets were completely lifted at the beginning of the reporting period, it cannot be ruled out that a renewed spread of a pandemic or any environmental or natural disasters on a comparable scale could lead to repeated significant disruptions to operational business processes and public life.

Fabasoft took comprehensive measures at an early stage to ensure the best possible continuation of business operations, which will be maintained and evaluated on an ongoing basis should the need arise. Tried and tested emergency and crisis plans and defined measures are adapted or expanded to take account of new findings if necessary.

2.2.6. Climate-related risks

Climate change is an extremely challenging issue for our society that requires all sectors to participate in the transition to a decarbonised economy. The IT industry, together with the ongoing digitalization, will make a significant contribution to the decarbonisation of the economy, but is also itself exposed due to energy consumption and the use of rare earths. The Fabasoft Group is aware of its role and responsibility with regard to climate change and is clearly committed to actively anticipating and managing its climate-related risks. For the 2023/2024 fiscal year, the Fabasoft Group has assessed its climate-related risks considering the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

Identification and assessment of climate-related risks

The existing Group-wide assessment of climate-related risks was reviewed for completeness and updated in the reporting year. Risks were originally identified on the basis of an extensive literature review of publicly available information and reporting on climate risks in the IT sector. In addition, interviews were conducted with several key persons within the company, e.g. in the areas of risk, energy and strategy. The analysis was not only carried out at company level, but also included upstream and downstream activities.

As part of the climate-related risk assessment, twelve risks were identified for Fabasoft. A qualitative scenario analysis was carried out for all risks, considering publicly available sources as well as climate and economic forecasts for the relevant time horizons and scenarios. This information was used to assess the probability and consequences of the risk, whereby the risks were categorised according to the existing dimensions and assessments along the risk management framework already established in the company. Existing controls to minimise the detected risks were identified and - where relevant - included in the risk assessment. Two scenarios were used for the analysis in order to understand the potential extent of the impact on Fabasoft:

- Paris-aligned: The scenario is aligned with the general goals of the Paris Agreement to limit global warming to below two degrees Celsius, using the Shared Socio-economic Pathway (SSP) 1 - 2.6 of the Intergovernmental Panel on Climate change (IPCC) and the Sustainable Development Scenario of the International Energy Agency (IEA) as a benchmark. In this scenario, the transition risks were primarily assessed.
- Hot House World: This scenario is based on the assumption of global warming of around four degrees Celsius, based on the IPCC's SSP 5 - 8.5 scenario. This scenario was mainly used to assess physical risks.

In line with the TCFD recommendations, the analyses were conducted over three different time horizons. The short-term perspective (up to 2026) is intended to identify the immediate risk exposure, while the medium-term (up to 2030) and long-term (up to 2050) time horizons focus on the broader international political environment, which also includes the regulations of the Paris Agreement and the EU Green Deal.

When assessing climate-related risks, a distinction was made between acute and chronic physical impacts on business activities and transitory risks to the business model. Physical risks are natural events such as floods, forest fires or extreme heat, which primarily have an impact on the supply chain, the locations of offices and data centres or lead to price fluctuations due to a shortage of resources. Transitory risks exist in connection with the transition to a low-carbon economy. These can take the form of higher operating costs due to carbon prices, a changing regulatory landscape and the associated costs on the market.

Management of climate-related risks

Risk minimisation measures are documented in a separate, internal climate risk register. This register is reviewed annually by the sustainability officers and key management personnel and updated as necessary. Existing and emerging regulatory requirements in connection with climate change are also considered. In line with general Fabasoft risk management, risks categorised as “catastrophic” are escalated by the risk owners and assessed directly by the Managing Board. In addition, existing controls are evaluated and appropriate mitigation strategies are developed.

A total of twelve risks were identified as relevant to the Fabasoft Group. These include, for example, disruptions in the supply chain for raw materials that could affect the timely delivery of hardware or regional power outages that could lead to operational disruptions. Existing controls were considered when assessing the impact and probability of all climate-related risks.

In all cases, the assessment of the residual risk was below the internally defined materiality threshold, which would require further risk management measures to minimise the risk down to the risk appetite in accordance with general Fabasoft risk management. The overall impact on Fabasoft’s business model, income statement and balance sheet is therefore classified as immaterial.

The Fabasoft Group’s current control environment, combined with its business model and the scope of climate-related opportunities, creates a relatively low risk environment with regard to climate change.

2.2.7. Financial risks

There is a risk that customer expectations of individual AI use cases of the Fabasoft Group will not be met in the medium term in such a way as to compensate for the significant initial investments and the resulting increase in monthly expenses. For example, if use cases prove not to be useful from the customer’s perspective or if artificial intelligence is used in areas for which it is not suitable. This can lead to a reduction in revenues and a simultaneous increase in expenses, which can have a negative impact on earnings.

Due to the customer structure and the resulting constellation of customer requirements the risk of defaults on receivables is still considered to be relatively low. Especially where usage fees are concerned, such fees are received at the start of the term and are coupled with performance of the service. An interest rate risk occurs in the case of other financial assets. As these can be converted into cash at short notice, the interest risk is therefore deemed immaterial. Exchange rate risks occur mainly when receivables or assets at financial and insurance institutions exist in a currency other than the local currency of the company.

Depending on the extent and duration of a macro-economic shock, higher risks could occur, for example, with regard to the security and impairment of assets at financial and insurance institutions and receivables as well as the difficulty entailed in maintaining the purchasing power of assets and revenues from ongoing obligations in a conceivable highly inflationary overall scenario.

The existing continuing obligation contracts of the company with customers and partners for recurring revenues normally include possibilities for inflation adjustment. This is usually measured based on a general, published index. The adjustment is often possible to specific effective dates or according to specific deadlines and after a specific threshold value has been exceeded. This normally gives rise to a time lag between the rise in inflation and the effectiveness of the respective price adjustments on sales. It can furthermore be observed that the price increases, in particular with regard to relevant suppliers and the upward trend of prices for personnel costs and personnel acquisition costs, are sometimes significantly higher than the published indices upon which contract adjustments are based. With regard to the company’s cash and cash equivalents, there is still a risk that the gap between the current interest rate level and the loss of purchasing power as a result of rising inflation will widen further.

2.3. Forecast report

Transformation of the business

In line with a general trend in the software industry, the Fabasoft Group's software product business continues to undergo a transformation process: the use of software products is shifting from the model of acquiring usage rights to these products for a one-off fee, usually combined with a service contract, towards an ongoing monthly usage fee for cloud services, SaaS offerings and/or appliances.

This transformation process is currently progressing differently depending on the target markets: in public tenders, purchase models are still predominantly required for the software. The customer then often operates the software in its own data centers with the support of Fabasoft. Fabasoft is increasingly supporting its customers in the transformation of their IT infrastructure to cloud-native. Private customers are particularly interested in cloud solutions. If required, the flexibility of the Fabasoft product portfolio continues to support on-premises projects as well as hybrid model variants.

In terms of sales, Fabasoft continues to strive to supplement the direct sales model with an indirect, partner-oriented, international sales and marketing model, particularly for Fabasoft PROCECO Solutions and Mindbreeze InSpire.

The Fabasoft Group, which successfully implements the core topics of digital change with its comprehensive and tried-and-tested range of products and services, will continue to be well positioned in a difficult market environment characterized by global political and economic upheaval.

The Fabasoft Ecosystems for digital business processes

In line with the trend towards digital transformation, the focus remains on further developing and expanding the Fabasoft Ecosystems for internal and cross-company business processes. Increasing the market presence of existing and future solutions and their visibility in the individual target markets remain key tasks. Fabasoft will continue to focus on standardization and rapid usability in order to meet customer requirements for immediately usable solutions.

Applications of artificial intelligence

IT trends are characterized by AI application solutions. The biggest challenge in a society and economy shaped by algorithms will be to underpin artificial intelligence ethically – with humans at the center – and to make its decision-making explainable. In December 2023, the European Union was the first major economic area to create and progressively implement a reliable framework for the use of artificial intelligence with a proposed regulation to establish harmonized rules for AI systems.

Fabasoft will support its customers in two directions in particular. Firstly, to increase the degree of automation in those business processes in which sufficient training material is available for AI to be able to extract sufficient semantics and assign documents, thereby counteracting the ongoing labor shortage.

The second approach is to utilize the linguistic competence of generative AI. Retrieval Augmentation Generation (RAG) offers the possibility of optimizing the output of the Large Language Model (LLM) used with specific information. In order to provide reliable answers, it is necessary to supply the model with current and valid company data. With the help of insight engines such as Mindbreeze and the use of RAG, LLM are able to provide context-related and specific answers to internal queries more quickly.

Investments in growth measures

In order to continue the Fabasoft Group's growth path, investments in the 2024/2025 financial year will continue to focus on product innovation, artificial intelligence (including the expansion of AI capacities in the data centers), strengthening sales and marketing and attracting new talent to take advantage of future opportunities.

Fabasoft will continue to invest in the development, distribution and marketing of content-focused solutions based on the Fabasoft Ecosystems. In addition to entrepreneurial organic growth opportunities, inorganic options will also continue to be evaluated and pursued.

SAP forms the financial backbone of the Fabasoft Group, just as it does for our customers. Fabasoft is switching from SAP R/3 to SAP S/4HANA Public Cloud and SAP SuccessFactors for all Group companies in order to continue its growth and further standardize and professionalize its Group-wide financial processes. As part of this greenfield project, all financial processes are being rethought and the document-centric business processes in Fabasoft PROCECO Solutions are being integrated with SAP across the board. By consistently using the possibilities offered by the AI of the Fabasoft PROCECO Cloud and the automation potential in the SAP Cloud, the aim is to increase the efficiency of digital processes and offer users an even higher level of support, for example through the SAP Analytics Cloud, in their decision-making.

The aim is also to establish and expand successful international partner infrastructures for the Fabasoft Ecosystems. This would involve considerable upfront investments, particularly in international marketing, supra-regional presence, partner support and personnel expansion.

These investments, expansion and growth measures as well as the increase in personnel costs due to the recruitment of new talent and inflation-related salary increases (collective agreement) will continue to impact the profitability of the Fabasoft Group in the 2024/2025 financial year. Furthermore, the focus on topics that are considered future-oriented and sustainable will be given priority over short-term profitability considerations where necessary.

3) Report on research and development within the Fabasoft Group (Fabasoft AG does not undertake any research or development)

Fabasoft invested around 31.4% of its revenue in research and development in the reporting period. Investment focused in particular on user-oriented applications of artificial intelligence in the Fabasoft Group's high-performance solutions. AI-based functionalities open up completely new opportunities for users to exploit the potential of their data.

Within the Fabasoft Group, dedicated product teams are responsible for product-related research and software development. The development activities of these teams follow the agile method framework "Scrum" with the aim of creating innovation and added value in accordance with the principles of "Quality, Usability & Style". Regular feedback from existing customers and from discussions with analysts as well as continuous market observation are used to identify market trends at an early stage and incorporate them into product development. Furthermore, research topics in the context of digitalization are dealt with in international collaborations.

3.1. The Ecosystem Fabasoft PROCECO

The focus of research and development for the Fabasoft PROCECO Cloud in the 2023/2024 financial year was on evaluating possible use cases for artificial intelligence and further improving and simplifying the programming of Fabasoft PROCECO Solutions.

The Mindbreeze Insight Services, such as the use of semantic and vector-based search or 360-degree views, are now part of the basic functionalities of the Fabasoft PROCECO Cloud.

In addition, a large number of enhancements have been implemented in the Fabasoft PROCECO Cloud (formerly Fabasoft Cloud). In particular, the new functions such as the simpler object comparison, the additional automatisms in the area of text modules, the qualified electronic signature, unstructured contact rooms and organization-internal support coordinators are worth to be highlighted.

Approve on Fabasoft PROCECO

Fabasoft Approve focussed on the further development of quality management in order to implement customer requirements with regard to quality-relevant processes along the entire value chain. The team also focused on use cases in the field of artificial intelligence in the context of technical document and quality management.

Boards on Fabasoft PROCECO

In the reporting period, the focus was on completing the development of the digital meeting management solution based on Fabasoft PROCECO. The solution's range of functions enables the efficient planning, organization, implementation and follow-up of strategic meetings.

Contracts on Fabasoft PROCECO

For Fabasoft Contracts, the team conducted intensive research into the extended use of AI for the automatic classification of contracts and the automated recognition of structured data (contracting party, start date, term, notice period, etc.) from contract documents. The core of this AI technology is a model trained with Mindbreeze InSpire, which is constantly being developed further.

Oblivation on Fabasoft PROCECO

Since its foundation, Fabasoft Oblivation's research and development focus has been on the development of a solution for AI-based CDP reporting based on the generative AI services of the Fabasoft PROCECO Cloud.

OneGov GEVER on Fabasoft PROCECO

With OneGov GEVER on Fabasoft PROCECO, Fabasoft 4teamwork has developed a new generation of digital business administration for the Swiss administration. This solution is produced in Switzerland and operated in its own Fabasoft PROCECO Cloud location in Switzerland.

Talents on Fabasoft PROCECO

Fabasoft Talents focussed on the further development of KnowledgeFox on Fabasoft PROCECO (skills management), in particular the design of the user interface. The technical and content development was driven forward on the basis of a revised design concept.

Xpublisher on Fabasoft PROCECO

With Fabasoft Xpublisher, a particular focus of research was on artificial intelligence use cases, such as the automated classification and storage of content. Various connected production services such as Adobe InDesign or Antenna House enable the partially or fully automated creation of print products for customers.

3.2. The Ecosystem Fabasoft eGov

In the 2023/2024 financial year, the Fabasoft eGov-Suite development team worked on the further development of the specialist files fully integrated into the product for processing specific transactions in the course of business administration.

In addition, asynchronous searches in the form of search requests were integrated into Fabasoft eGov-Suite. The search of large amounts of data based on search terms and personal data is thus commissioned by users and processed by the system.

Work has also begun on transforming the Fabasoft eGov-Suite software stack for use in cloud-native operation. Based on a roadmap, Fabasoft will work with customers to implement the transition from the existing reference architecture to Cloud-Native architecture (both Public Cloud and Private Cloud).

Boards on Fabasoft eGov

The meeting management solution Boards on Fabasoft eGov has been integrated with the Fabasoft eGov Suite, both for the reference architecture and for Cloud-Native, and enables the efficient planning, organization, execution and follow-up of strategic meetings.

Done! on Fabasoft eGov

With Done! on Fabasoft eGov, a solution was developed that provides the automation use cases. Done! on Fabasoft eGov enables convenient training of a model based on Mindbreeze Insight Services for text classification and extraction directly from the Fabasoft eGov Suite. In addition, the processing of the supplied information has been upgraded to a low-code/no-code model in order to speed up future processes in business administration or, if necessary, to be able to automate them completely.

Talents on Fabasoft eGov

The solution for the digital personnel file Talents on Fabasoft eGov was made available for the Fabasoft eGov-Suite for both the reference architecture and for Cloud-Native.

3.3. The Ecosystem Mindbreeze BDI

Mindbreeze InSpire

At Mindbreeze InSpire, the focus of research and development in the 2023/2024 fiscal year was on semantic search and generative AI with large language models.

Numerous optimizations were made for AI-based understanding and finding answers based on natural language questions. Another aspect was the use of LLM by providing own models as well as the possibility of using models from other providers such as OpenAI, Microsoft Azure and Aleph Alpha.

In addition, the Mindbreeze InSpire AI Chat was implemented on the basis of Insight Services for Retrieval Augmented Generation (RAG). Mindbreeze InSpire AI Chat enables secure access to company data via queries in natural language, combining the strengths of LLMs with the strengths of the Mindbreeze InSpire Insight Engine.

The creation and administration of generative AI pipelines based on the Insight Services Administration, which users can utilise for the InSpire AI Chat, has also been further developed.

The team also implemented a number of innovations in the Insight App Designer. The main focus was on the visual development of 360-degree views, improved filters and the display of additional answers to hits.

Another innovation was the availability of Mindbreeze InSpire via the Google Cloud Marketplace, for which a virtual machine image of the current Mindbreeze InSpire version was made available via the Google Cloud infrastructure.

The development team also focussed intensively on the topic of further simplifying the handling of the overall system during commissioning, configuration and maintenance.

Mindbreeze InTend

At Mindbreeze InTend, the focus in the reporting period was on the integration and further development of retrieval augmented generation (RAG) and generative AI in tender processes. In addition, investments were made in the optimization of prompts through targeted prompt engineering with the aim of specifically improving interactions with AI systems for the tendering area.

4) Report on the stock, purchase and sale of the company's own shares

Share buyback programme Fabasoft AG

On 27 September 2023, the Managing Board of Fabasoft AG resolved, with the approval of the Supervisory Board, to make use of the authorization granted by the Annual General Meeting on 3 July 2023 to acquire treasury shares in accordance with Section 65 (1) (4) and Section 65 (1) (8) of the Austrian Stock Corporation Act (AktG) and to launch a share buyback program for the period from 4 October 2023 to 31 March 2025 at the latest.

According to this share buyback program, shares in the company were to be acquired up to a maximum total volume excluding incidental acquisition costs of EUR 2 million. On 19 February 2024, the maximum buyback volume of EUR 2 million (excluding incidental acquisition costs) was reached and the share buyback program was thus concluded.

The buy-back volume under the share buy-back program amounted to 98,218 shares. The total number of treasury shares held by Fabasoft AG as at 19 February 2024 was 98,218. The share buyback was led by a bank that made its decisions on the timing of the acquisition of the shares independently of and uninfluenced by the company. The acquisition was carried out via the stock exchange in compliance with the safe harbor rule in Art. 5 of Regulation (EU) No. 596/2014 with the exception of the purpose of the repurchase. This is broader than provided for in Art. 5 (2) of Regulation (EU) No. 596/2014. The shares can therefore be used for all purposes specified in the authorization of the Annual General Meeting on 3 July 2023.

The average purchase price paid on the stock exchange was EUR 20.3627 per share. Shares were bought back at a total purchase price of EUR 1,999,988.55 (excluding incidental acquisition costs).

No treasury shares were sold in the 2023/2024 financial year. The company is not entitled to any rights from treasury shares.

5) Reporting of significant features of the internal control and the risk management system with regard to the financial reporting process at Fabasoft AG and the Fabasoft Group

As part of its overall responsibility, the Managing Board of Fabasoft AG defines the principles of an internal control and risk management system which enables those responsible for control and processes to identify risks at an early stage, analyze them and take appropriate countermeasures.

The people responsible for controls and processes ensure that the controls and processes assigned to them are appropriate, effective and efficient. They ensure that internal and external sources of information relevant to the functioning of the controls and processes are taken into account and that controls are carried out at the defined time or interval. They communicate the necessary information on control objectives and implementation (control execution) to those performing the control.

The group-wide risk management system of the Fabasoft Group aims to identify significant developments that could jeopardize the continued existence of the company at an early stage using an early risk detection system. Climate-related opportunities and risks are also integrated into the risk management system.

Information pursuant to Section 243a (2) of the Austrian Commercial Code

The Fabasoft Group has an extensive reporting system based on key figures for the early identification of risks. Finance is the organizational unit responsible for reporting. The data comprises strategic and operative figures that are put together for reporting on a monthly basis. The regular reviews between the Managing Board and the organizational units are used to coordinate the detailed plans for the overall plan, the target/actual comparison and an outlook for the following quarters. In addition to this an internal control system (ICS) has been established as follows: Fabasoft has installed an internal control system in the areas of Human Resources, Purchasing, Revenue Cycle and Tax that uses control points based on the two person principle and appropriate process definitions and guidelines to ensure that laws and standards are complied with and prevent dishonest and unlawful activities.

The ICS guidelines for Human Resources, Purchasing, Revenue Cycle and Tax have been thoroughly documented in writing and each one linked to a coordinated control matrix. These matrices contain all the automated and manual internal controls that must be carried out. The documents (ICS guideline and control matrix) are revised and updated once a year or as required in the event of fundamental changes. Observance of the control points is examined at regular intervals with random checks. Risk management and the internal control system (ICS) contain responsibilities and competencies, apply to all subsidiaries and are managed centrally from the Linz headquarters.

ICS Purchasing

The ICS Purchasing guideline regulates the procurement of goods and services for the entire Fabasoft Group. The aim of ICS Purchasing is to procure the required economic goods and services with the desired quality, in the right amount, with optimum prices and to schedule.

ICS Human Resources

The ICS Human Resources covers all processes in connection with personnel matters within the Fabasoft Group, from recruiting to the employee's last day at work. The aim is to ensure a legally compliant approach in all areas and aspects of human resources, promote employee qualifications and further development and ensure that the accounting procedures for salaries and non-wage labour costs are proper so that human resources are used effectively and economically.

ICS Revenue Cycle

The ICS Revenue Cycle describes all activities and controls within the Fabasoft Group concerning the generation of sales from market reviews and analyses to the receipt of payment from the customer. The aim is to use technology-supported and clearly defined and documented processes and responsibilities to standardize and verify the business activities in the Group's companies (performance status, execution, invoicing, payment, additional financial information).

ICS Tax

The tax control system (ICS Tax) covers all activities, processes and risks in connection with taxes within the Fabasoft Group. The targets it pursues are legal and planning security, reduction of tax risk through the earliest possible binding clarity in tax management for professional matters, reduction of compliance costs and ensuring the prompt and legally compliant levying of taxes.

Annual financial statements and consolidation

The annual financial statements of Fabasoft AG are drawn up in accordance with the Austrian Commercial Code stipulations in force by the Managing Board and approved by the Supervisory Board.

The consolidated financial statements of the Fabasoft Group are drawn up in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the commercial stipulations pursuant to Section 245a of the Austrian Commercial Code. The consolidated financial statements are drawn up by the Managing Board and presented to the Supervisory Board for approval and release prior to disclosure.

Interim consolidated financial statements are drawn up in accordance with the International Accounting Standard 34 (IAS 34) and disclosure follows approval by the Managing Board.

The Accounting Manual documents standards and guidelines to ensure smooth processes in accounting and balance sheet preparation. The guidelines specified therein are valid for accounting and balance sheet preparation at Fabasoft AG and its subsidiaries. Furthermore, the Accounting Manual also documents the consolidation process in writing.

The use of IT systems ensures the transparent and clear handling and audit-proof archiving of company data. The systems have interfaces that enable data exchange.

Budget and sales planning is carried out once a year by the managers of the organizational units and is approved by both the Managing and Supervisory Board.

6) Information on capital, share, voting and control rights and associated obligations

Information pursuant to Section 243a (1) of the Austrian Commercial Code

1. The capital stock of Fabasoft AG is divided into 11,000,000 individual shares.
2. The Managing Board is not aware of any restrictions beyond the scope of legislation that concern voting rights or the transfer of shares.
3. The company has at its disposal the following records of capital interests amounting to at least 10 of one hundred:
 - Fallmann & Bauernfeind Privatstiftung: 42.90 %.
 - AIM International Mutual Funds (Invesco International Mutual Funds): 10.06 %.
4. There are no shares with special control rights.
5. There is no control over voting rights of employees who are also shareholders.
6. None of the terms relating to the appointment and discharge of the members of the Managing Board deviate from legislation. Resolutions on article amendments in accordance with Section 146 (1) of the Austrian Stock Corporation Act – insofar the nature and purpose of the business is not affected - require a simple majority of the share capital represented at the resolution. The Supervisory Board is required to adhere to a rotation plan in which one member of the Supervisory Board is elected yearly.

7. Authority of the members of the Managing Board that does not arise from legislation and concerns in particular the possibility of issuing or buying back shares:

Authorized capital:

Further to the annual general meeting resolution of 3 July 2023 the Managing Board is authorized, pursuant to Section 169 (1) of the Austrian Stock Corporation Act, to increase capital stock by up to EUR 5,500,000.00 to reach a total of up to EUR 16,500,000.00 by 9 September 2028 (entry 69, commercial register FN 98699x at Linz provincial court).

Acquisition of own shares in accordance with Section 65 (1) (4) of the Austrian Stock Corporation Act:

Annual general meeting resolution of 3 July 2023 on the authorization for the acquisition of 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 for the period of 30 months and up to a maximum holding of 10 per cent of the total share capital of the company. The equivalent value permissible at repurchase must not exceed 10% and must not be under 20% of the average price at the close of Xetra trading on the Deutsche Börse AG of the last 5 stock exchange trading days prior to the fixing of the purchase price. Own shares purchased under the terms of this authorization may not, when added to other own shares already purchased by the company and still in the company's possession, exceed 10% of the capital stock of the company. The respective repurchase programme and its duration are to be made public.

Acquisition of own shares in accordance with Section 65 (1) (8) of the Austrian Stock Corporation Act:

Annual general meeting resolution of 3 July 2023 on authorization for the acquisition of own shares pursuant to Section 65 (1) (8) of the Austrian Stock Corporation Act for the period of 30 months and up to a maximum holding of 10 per cent of the total share capital of the company. The equivalent value permissible at repurchase must not exceed 10% and must not be under 20% of 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. Own shares purchased under the terms of this authorization may not, when added to other own shares already purchased by the company and still in the company's possession, exceed 10% of the capital stock of the company. The respective repurchase programme and its duration are to be made public.

This authorization also encompasses the purchase of shares by subsidiaries of Fabasoft AG (Section 66 Austrian Stock Corporation Act). The purchase can be effected via the stock exchange, by way of a public offering or any other legally permissible means and for every legally permissible purpose.

The Managing Board is further authorized to withdraw own shares after an effected buyback as well as those own shares part of the stock of Fabasoft AG without requiring a separate resolution from the annual general meeting. The Supervisory Board is authorized to resolve any amendments to the articles arising from the withdrawal of shares.

This authorization may be exercised in full or in part as well as in several parts.

Utilization and sale of own shares:

Resolution of the annual general meeting from 3 July 2023 concerning the authorization, subject to the approval of the Supervisory Board and without the need of a separate resolution from the annual general meeting, to sell or utilize within five years, up to and including 3 July 2028, own shares after an effected buyback as well as those own shares of Fabasoft AG part of the stock of Fabasoft AG in a form other than via the stock exchange or by means of a public offering, in particular to utilize own shares

- (i) for issue to employees, company executives and/or members of the Managing Board/Management of the company or an affiliated company, including servicing of stock transfer programmes, in particular stock options, Long Term Incentive Plans or other participation programmes;

- (ii) to service if necessary any convertible bonds issued;
 - (iii) as consideration for the acquisition of companies, stakes in companies or other assets and
 - (iv) for any other legally permissible purpose; and to hereby exclude shareholders' subscription rights (exclusion of subscription rights), whereby the authorization may be exercised in full or in part as well as in several parts and for the pursuit of several purposes. Within this framework, the Managing Board shall also have the possibility of offering the shares by means of indirect subscription rights, i.e. via an intermediary credit institution. In this case the intermediary credit institution assumes the new shares with the obligation of offering these to shareholders for subscription.
8. With the exception of the information specified under section 9, significant agreements of the company which, as a result of a change of control in the company due to a takeover bid, become effective, change or terminate, and the effects of such agreements, are not disclosed, as this would be extremely damaging to the company, and other legal stipulations state that the company is not expressly obliged to disclose such information.
9. No compensation agreements exist between the company and the members of its Managing Board, Supervisory Board or workforce in the event of a public takeover bid.

Linz, 24 May 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



CORPORATE GOVERNANCE REPORT

Information pursuant to sections 243c and 267b of the UGB (Austrian Commercial Code)

Fabasoft AG is a stock corporation under Austrian law. The company's shares are traded on the Frankfurt Stock Exchange in the Prime Standard market segment as part of the regulated market.

Pursuant to the Austrian Stock Corporation Act, the Managing Board manages the company without instructions under its own responsibility as required by the best interests of the company, considering the interests of the shareholders and employees in particular. The Supervisory Board supervises the management of the company and supports the Managing Board in decisions of fundamental importance.

Pursuant to Section 243c of the UGB (Austrian Commercial Code), a stock corporation whose shares are admitted to trading on a regulated market must prepare a Corporate Governance Report.

As an Austrian company, Fabasoft AG is not obliged to issue a declaration of conformity pursuant to Section 161 of the German Stock Corporation Act. Nevertheless, in view of its stock market listing in Germany, Fabasoft AG voluntarily commits to the recommendations of the German Corporate Governance Code in the version adopted on 28 April 2022 and published in the (German) Federal Gazette on 27 June 2022 (hereinafter referred to only as the "German Corporate Governance Code") to the extent of the respective declaration of conformity. This Code is available at www.dcgk.de.

Principles of corporate governance

Fabasoft AG has pursued a strategy of sustainable and long-term value development for many years. As a result of its chosen listing on the Frankfurt Stock Exchange Fabasoft AG already complied with many of the now implemented requirements prior to the development of the national Corporate Governance Codes and before domestic implementation of the Transparency Directive.

The Managing Board and the Supervisory Board are committed to the responsible management and control of Fabasoft AG and its subsidiaries. The value-oriented principles of good corporate governance are an essential part of this corporate policy. The essential contents defined in the German Corporate Governance Code have therefore been part of Fabasoft AG's corporate and management culture for many years and contribute to strengthening investor confidence.

The German Corporate Governance Code is based on the provisions of German Stock Corporation, Stock Exchange and Capital Market Law as well as the OECD Guidelines for Corporate Governance. The recommendations of the Code gain validity through the voluntary commitment of the companies.

1) Declaration of Conformity with the German Corporate Governance Code

Managing Board and Supervisory Board last issued the following declaration of conformity in March 2024:

The Managing Board and Supervisory Board of Fabasoft AG declare as follows:

As Fabasoft AG has its registered office in Austria, it is not obliged to issue a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act. As a company listed on the Frankfurt Stock Exchange, the Managing Board and Supervisory Board of Fabasoft AG declared in March 2023 that in future they would voluntarily submit to the German Corporate Governance Code in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022) with the exceptions described therein. This declaration of conformity is to be submitted annually and is now renewed as follows:

Declaration of Conformity with the German Corporate Governance Code

The Managing Board and Supervisory Board of Fabasoft AG declare their compliance with the recommendations of the German Corporate Governance Code in accordance with Section 243c of the Austrian Commercial Code (UGB):

The Managing Board and Supervisory Board of Fabasoft AG have complied with the recommendations of the German Corporate Governance Code since the last Declaration of Conformity was issued in March 2023, unless a deviation is explicitly declared below and provided that this does not violate mandatory Austrian law.

Fabasoft AG declares a deviation from recommendations D.4 (Formation of a Nomination Committee), G.3 (Peer Group Comparison of Managing Board Remuneration) and G.10 (investment of variable remuneration amounts granted to Managing Board Members in shares of the Company).

According to recommendation D.4, the Supervisory Board should form a nomination committee for proposals for the election of Supervisory Board members. Fabasoft AG declares a deviation in this respect because the Supervisory Board of Fabasoft AG consists of only four members in any case and therefore it is not necessary to form a committee.

Recommendation G.3 stipulates that the Supervisory Board should use a suitable peer group and disclose the composition in order to assess the customary level of specific Managing Board remuneration compared to other companies. The purpose of this provision, as expressly stated in the German Corporate Governance Code, is to prevent an automatic upward trend. Fabasoft AG declares a deviation from recommendation G.3, as there is no company in Austria or Germany comparable to Fabasoft AG - in terms of turnover, number of employees, industry - and therefore a peer group comparison would not be possible. In any case, there has been no significant upward trend in Managing Board remuneration in recent years. In this context, please refer to the current remuneration report at <https://www.fabasoft.com/en/investor-relations/corporate-governance> and the disclosures in the consolidated financial statements.

Recommendation G.10 stipulates that the variable remuneration amounts granted to the Managing Board should be predominantly invested in shares of the company or granted on a share basis, considering the respective tax burden. As a precautionary measure, Fabasoft AG declares a deviation from this recommendation, as remuneration in the form of shareholdings does not currently appear to make sense in view of the tax burden. In Austria, such participation models would have to be assessed as a benefit from the employment relationship and would lead to a special tax burden.

Fabasoft AG will continue to comply with the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the Federal Gazette on 27 June 2022) with the aforementioned exceptions, provided that this does not violate mandatory Austrian law.

Linz, 11 March 2024

2) Information on corporate governance

The company is a stock corporation under Austrian law. It is therefore subject in particular to the provisions of Austrian stock corporation law and capital market regulations as well as the provisions of the Articles of Association and the Rules of Procedure for the Managing Board and Supervisory Board.

There is a two-tier management and supervisory structure consisting of the Managing Board and the Supervisory Board. Both bodies are committed to the good of the company. The Annual General Meeting is the third body of the Company. It serves to form the will of the shareholders.

2.1. Managing Board

The Managing Board represents the company externally. It conducts its business in accordance with the law, the Articles of Association and the Rules of Procedure for the Managing Board and ensures appropriate risk management. The Managing Board develops the strategic direction of the company, coordinates it with the Supervisory Board and ensures its implementation. The task of the Managing Board is thus to create sustainable value on its own responsibility.

As of 31 March 2024, the Managing Board consisted of the following three members:

- **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

The Managing Board reports to the Supervisory Board regularly, in a timely manner and comprehensively on all key aspects of business development, significant business transactions and the current earnings situation, including the risk situation and risk management. Deviations in the course of business from plans and targets are explained and justified to the Supervisory Board and discussed with it. In addition, the Managing Board reports regularly on compliance, i.e. the measures taken to comply with legal requirements and internal company policies for which the Managing Board is responsible.

The Supervisory Board has set an age limit for the Managing Board. The members of the Managing Board shall not be older than 70.

The Supervisory Board concludes the employment contracts with the members of the Managing Board. When determining the total remuneration of individual Managing Board members, the Supervisory Board shall ensure that it is commensurate with the duties and performance of the Managing Board member and with the situation of the company, and that it does not exceed the customary level of remuneration without special justification. In the case of listed companies, the remuneration structure shall be geared to the sustainable and long-term development of the company. Variable remuneration components shall therefore have a multi-year assessment basis; for extraordinary developments, the Supervisory Board shall agree a cap.

In implementation of the Second Shareholders' Rights Directive, the Supervisory Board of a listed company accordingly adopts a clear and comprehensible system for the remuneration of Managing Board members. Subsequently, the Annual General Meeting of the listed company decides on the remuneration system for Managing Board members presented by the Supervisory Board whenever there is a significant change to the remuneration system, however, at least every four years.

In accordance with the statutory provisions, the resolved system of remuneration for the members of the Managing Board was submitted to and approved by the Annual General Meeting in 2023.

The resolution and the remuneration system and the remuneration policy explained therein have been published on the Company's website at <https://www.fabasoft.com/en/investor-relations/corporate-governance> and are to be kept publicly accessible free of charge for the duration of the validity of the remuneration system, however, for at least ten years.

2.2. Supervisory Board

In accordance with Section 8 of the Articles of Association, the Supervisory Board of Fabasoft AG consists of at least three and at most six members elected by the Annual General Meeting and is tasked with advising and overseeing the Managing Board in its management of Fabasoft AG.

As of 31 March 2024, the Supervisory Board consisted of the following four members:

- **em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr:** Chairman of the Supervisory Board
- **FH-Prof.ⁱⁿ Univ.-Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl:** Member of the Supervisory Board
- **Prof. Dr. Andreas Altmann:** Member of the Supervisory Board
- **Mag.^a Michaela Schwinghammer-Hausleithner:** Member of the Supervisory Board

The members of the Supervisory Board are elected in accordance with the provisions of the Annual General Meeting for a maximum period up to the end of the Annual General Meeting which resolves on the ratification of actions for the fourth financial year after the beginning of the term of office. The fiscal year in which the term of office begins is not included. The Supervisory Board appoints and dismisses the members of the Managing Board, decides on the compensation system for the Managing Board members and agrees their respective compensation.

The Supervisory Board is involved in all decisions of fundamental importance to the company. The Supervisory Board may make certain transactions subject to its approval. The Supervisory Board's main duties also include proposing candidates for election to the Supervisory Board and for the appointment of the auditor.

The principles of cooperation of the Supervisory Board are set out in the Rules of Procedure of the Supervisory Board. The Rules of Procedure of the Supervisory Board are published on the company's website at <https://www.fabasoft.com/en/investor-relations/corporate-governance>.

The Supervisory Board has set an age limit for the Supervisory Board in accordance with the German Corporate Governance Code. The members of the Supervisory Board shall not be older than 75.

At the constituent meeting, the elected members of the Supervisory Board of Fabasoft AG elect a chairperson or deputy chairperson from among their number.

At regular meetings held jointly with the Supervisory Board, the Managing Board provides timely and comprehensive information on all issues relevant to the company, in particular strategy, planning, business development, the risk situation, risk management and compliance. Furthermore, the Supervisory Board also meets regularly without the Managing Board.

In addition, decisions are made at the constituent meeting on the relevant committees as well as on appointments by the members of the Supervisory Board. An Audit Committee has been set up at Fabasoft AG to ensure efficient organization.

As of 31 March 2024, the Audit Committee consisted of the following four members:

- **Prof. Dr. Andreas Altmann:** Chairman of the Audit Committee
- **em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr:** Member of the Audit Committee
- **FH-Prof.ⁱⁿ Univ.-Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl:** Member of the Audit Committee
- **Mag.^a Michaela Schwinghammer-Hausleithner:** Member of the Audit Committee

The members of the Audit Committee as a whole are familiar with the sector in which the company operates. The CVs of the members of the Supervisory Board and the Audit Committee have been published on the company's website at <https://www.fabasoft.com/en/about-us/managing-and-supervisory-board>, which also shows the respective expertise in the following areas:

In this context, Prof. Dr. Altmann has special expertise (knowledge and practical experience) in the fields of finance and accounting as well as reporting. Furthermore, Mag.a Schwinghammer-Hausleithner has special expertise in the field of accounting and em. o. Univ.-Prof. Mag. Dr. Roithmayr has special expertise in the field of auditing.

In addition to reimbursement of their expenses, each member of the Supervisory Board receives remuneration. This remuneration is made up of a fixed amount. When determining the amount of this remuneration, the duties of the Supervisory Board members and the situation of the company are to be taken into account. The amount of remuneration must be in line with these criteria.

In accordance with the statutory provisions, a corresponding resolution proposal was submitted to the Annual General Meeting in July 2023.

The resolution and the applicable remuneration system for the Supervisory Board are available on the company's website at <https://www.fabasoft.com/en/investor-relations/corporate-governance>.

The Supervisory Board regularly discusses the efficiency of its work and that of the Audit Committee as part of a self-assessment. Due to the fact that the Supervisory Board and the Audit Committee currently have only four members, the Supervisory Board has so far refrained from consulting an external consultant for a self-assessment. A self-assessment was last carried out in January 2023. On the basis of a catalog of questions, the Chairman of the Supervisory Board discussed whether there was reason to change the way the Supervisory Board works and what measures should be taken to achieve this.

2.3. The Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting. In particular, they exercise their voting rights there. The Annual General Meeting is held annually within the first eight months of each fiscal year. The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, is also published on the company's website. To facilitate the personal exercise of their rights, the company provides shareholders with a proxy for Annual General Meetings who is bound by instructions. In the notice convening the Annual General Meeting or in the notices to shareholders, it is explained how voting instructions can be issued in the lead-up to the Annual General Meeting.

The Annual General Meeting passes resolutions in the cases expressly specified by law and in the Articles of Association.

2.4. Information on corporate governance practices

At the center of the management culture of the Company and its subsidiaries are values enshrined in statutory regulations and internal policies and organizational directives. On this basis, there is a common understanding among management and employees to combine sustainable growth with economic success.

To achieve this goal, employees should be aware of these requirements and be able and allowed to assume responsibility for them. Personal responsibility and initiative require knowledge of the strategic direction of the company. The Management therefore regularly informs employees about corporate goals, current business developments and the market and competitive environment. Clearly defined corporate structures, areas of responsibility and processes are also an essential basis for efficient corporate management and cooperation. In conjunction with defined processes that are subject to ongoing optimization, this structure enables management processes to be aligned with corporate objectives and regular monitoring of target achievement.

Particular importance is attached to the motivation and appreciation of the company's employees. After all, outstanding commitment, high productivity and efficiency can only be achieved in a working environment that is perceived as positive and with a high level of identification with the company and its goals.

2.5. Sustainability

Fabasoft acknowledges its responsibility to its stakeholders for long-term and sustainable management. In this sense, the sustainability report represents Fabasoft's commitment to sustainable development, considering environmental, social and governance aspects (ESG). For Fabasoft, sustainability means acting responsibly as a business with the goal of uniting commercial objectives with sustainable objectives concerning the interests of both society and the environment in a profitable and beneficial way. In this context, Fabasoft contributes beyond the legal requirements - from the actual business activity, to ecologically relevant topics, to responsibility towards stakeholders and society.

Fabasoft's Sustainability Report is integrated into the Fabasoft Group's Annual Report and is available on the company's website <https://www.fabasoft.com/en/about-us/sustainability-and-compliance>.

2.6. Data privacy and information security

Fabasoft is at the forefront of information security and data protection. This role must be actively embraced. Only those who set the highest standards for themselves and meet them can convince customers of their credibility. For this reason, the protection of customer and company data has absolute priority. This is underpinned by certifications and audits in accordance with internationally recognized standards. We address this need for transparency and information security through the following aspects: the software products are developed in Europe and operated in secure data centers that must meet strict requirements criteria. This builds in particular on the foundation of a European value system for data security, access security, legal security and for certified quality standards.

The information security goals of confidentiality, integrity, availability and authenticity, as well as ongoing review, assessment and evaluation of the effectiveness of technical and organizational measures, are thus core values of Fabasoft in all our business activities.

Furthermore, we maintain our sustainably high level of compliance through extensive control mechanisms in internal processes and through the audited Fabasoft control system, which is also reflected in recognized certifications.

2.7. Financial reporting

The consolidated financial statements of Fabasoft AG are prepared in accordance with the currently applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

The annual financial statements of the Fabasoft AG are prepared in accordance with the provisions of the Austrian Commercial Code (UGB).

Annual financial reports, as well as quarterly and half-yearly reports, are published within the statutory deadlines or in accordance with Recommendation F.2 of the German Corporate Governance Code in line with the requirements of the rules and regulations for the Prime Standard segment of the Frankfurt Stock Exchange.

2.8. Equal participation of women and men

Equal treatment with regard to chances of promotion and compensation is a policy that has already been practised in the Fabasoft Group and in all its subsidiaries on all corporate levels for many years. There are women in managerial positions in various organisational levels, for example heads of division and authorised signatories. Fabasoft makes every effort to help women return to work by creating a female and family-friendly working environment. The corporate childcare center "FABIs Kindernest" opened at the Linz location in January 2021. FABIs Kindernest helps employees reconcile work and family life. The proportion of women at Fabasoft was 28.4% as of 31 March 2024. There are flexible working time models available for those who wish to make use of them, to accommodate the combination of family and work commitments. As at 31 March 2024, 19.7% of all employees in the Fabasoft Group were employed on a part-time basis.

Proportion of women on the Supervisory Board

Already since 2013, one of the four positions on the Supervisory Board of Fabasoft AG has been held by FH-Prof. in Univ.-Doz.in Dlin Dr.in Ingrid Schaumüller-Bichl as female representative. The target quota for the proportion of women on the Supervisory Board was set at 25%. At the Annual General Meeting on 4 July 2022, a further woman, Mag.a Michaela Schwinghammer-Hausleithner, was elected to the Supervisory Board, bringing the proportion of women on the Supervisory Board to 50%.

Proportion of women at management levels below the Managing Board

Within the Fabasoft Group, 19.4% of all management positions were held by women as of 31 March 2024. The aim is to maintain the proportion of female employees at a similarly high level in the future, or to increase it where possible.

3) Composition of the corporate bodies and diversity concept

3.1. Supervisory Board

3.1.1. Objectives for the composition of the Supervisory Board

The Supervisory Board of the company has defined specific objectives and a competence profile for its composition and has also taken diversity into account. Diversity includes aspects such as age, gender, educational or professional background. However, diversity does not mean that people are proposed as candidates for the Supervisory Board solely because they possess a certain personal characteristic, so that no mandatory quotas are set.

In addition to general knowledge of the industry and an understanding of the business model, the competence profile of the Board includes the areas of digitization and IT, software industry, innovation, research and development, finance and accounting, auditing, management and leadership, strategy and M&A, corporate governance, sustainability and the capital market. The aforementioned competencies enable the members to the Supervisory Board to understand and critically scrutinize reports and submissions of the Managing Board and to draw their own conclusions, including the ability to assess the propriety, economic efficiency, expediency and legality of the business decisions to be evaluated or to check them for plausibility.

Proposals of the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time aim to fulfil the competence profile for the entire body.

The implementation status is shown in the following qualification matrix.

Qualification matrix of the Supervisory Board of Fabasoft AG

	em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr	FH-Prof. ⁱⁿ Univ. Doz. ⁱⁿ DI ⁱⁿ Dr. ⁱⁿ Ingrid Schaumüller-Bichl	Prof. Dr. Andreas Altmann	Mag. ^a Michaela Schwingham- mer-Hausleithner
Nationality	Chairman	Second deputy of the chairman	First deputy of the chairman	Member
Sex	Austria	Austria	Austria	Austria
Year of birth	male	female	male	female
Initial appointment	1946	1957	1963	1975
End of term	1999	2013	2014	2022
Independence	2027	2024	2026	2025
Unabhängigkeit	yes	yes	yes	yes
Competencies				
Digitization and IT				
Software industry				
Innovation, research and development				
Finance and accounting				
Auditing				
Management and leadership				
Strategy and M&A				
Corporate Governance				
Risk management and compliance				
Sustainability (incl. sustainability reporting)				
Capital market				

Legend:

Expert

Core competence

Secondary competence

The members of the Supervisory Board are responsible for the training and further education measures required for their tasks. Fabasoft AG supports the members of the Supervisory Board during their induction into office as well as the training and further education measures and reports on the measures carried out in the Report of the Supervisory Board.

Supervisory Board members must also each individually meet certain minimum personal requirements that are essential for the efficient work of the Supervisory Board, such as time availability, integrity, discretion, discussion skills, interaction skills and teamwork skills.

The Supervisory Board will also take the objectives set for its composition into account to the best possible extent in the search for suitable candidates for any members retiring prematurely and in election proposals for regular elections.

3.1.2. Availability

All members of the Supervisory Board have sufficient time to discharge their duties. None of the Supervisory Board members holds more than the target number of non-Group mandates in supervisory bodies.

3.1.3. Independence

According to the Code recommendations C.6 et seq., the Supervisory Board shall include what it considers to be an appropriate number of independent members from the group of shareholder representatives, thereby considering the shareholder structure.

In this context, the German Corporate Governance Code formulates two aspects of independence: a Supervisory Board member is to be regarded as independent if he or she is

- independent from the company and its Managing Board and
- independent from any controlling shareholder.

(1) Independence from the company and the Managing Board

More than half of the shareholder representatives shall be independent from the company and the Managing Board. Supervisory Board members are to be considered independent from the company and its Managing Board if they have no personal or business relationship with the company or its Managing Board that may cause a substantial – and not merely temporary – conflict of interest. When assessing the independence of Supervisory Board members from the company and its Managing Board, particular consideration shall be given to whether the respective Supervisory Board member him/herself – or a close family member

- was a member of the company's Managing Board in the two years prior to appointment,
- currently maintains or has maintained a significant business relationship with the company or a company dependent on the company (e.g. as customer, supplier, lender or consultant), either directly or as a shareholder or in a responsible function at a company outside the Group in the year prior to his or her appointment
- is a close family member of a member of the Managing Board or
- has been a member of the Supervisory Board for more than 12 years.

None of the Supervisory Board members have a personal or business relationship with the company or its Managing Board that may cause a substantial – and not merely temporary – conflict of interest. Although em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr has been a member of the Supervisory Board since 1999 and Chairman since June 2009, he is nevertheless still considered independent by the members of the Supervisory Board. Dr. Roithmayr has always placed his professional expertise at the service of the company in a selfless manner. In the opinion of the Supervisory Board, there have been no indications to date that he has not exercised his office with the requisite objectivity, professionalism and vigilance, and with the necessary emphasis. In any case, there are no commercial relationships between Dr. Roithmayr and the company.

The Supervisory Board does not include any former members of the Managing Board.

The Chairman of the Supervisory Board and all other members of the Supervisory Board therefore do not exercise any management functions within the Fabasoft Group and are independent of the company and the Managing Board.

(2) Independence from a controlling shareholder

If the company has a controlling shareholder, the German Corporate Governance Code stipulates that in the case a Supervisory Board comprises six members or less, at least one shareholder representative shall be independent from the controlling shareholder.

The German Corporate Governance Code stipulates that a Supervisory Board member is considered independent from the controlling shareholder if he/she, or a close family member, is neither a controlling shareholder nor a member of the executive governing body of the controlling shareholder, and does not have a personal or business relationship with the controlling shareholder that may cause a substantial – and not merely temporary – conflict of interest.

As all members of the Supervisory Board have no relationship whatsoever with a controlling shareholder, the entire Supervisory Board of Fabasoft AG is to be considered independent.

This fulfils the requirement of the Code and also the Supervisory Board's own objective.

Furthermore, the incumbent members of the Supervisory Board do not hold any executive or advisory positions with major competitors.

3.2. Managing Board

3.2.1. Objectives for the composition of the Managing Board

The Supervisory Board shall also take diversity into account in the composition of the Managing Board. The Managing Board shall manage the Company under its own responsibility. The objective of the composition of the Managing Board must therefore be to entrust the management of the company to individuals who meet the necessary professional and personal requirements for this within the framework of collegial cooperation, while maintaining the efficiency of the personnel resources. The key task of Fabasoft AG is to manage its subsidiaries. The company itself does not conduct any operational business.

3.2.2. Implementation status

The Supervisory Board is confident that the composition of the Management Board has taken and continues to take appropriate account of professional and personal requirements:

- **Prof. Dipl.-Ing. Helmut Fallmann**, Chairman of the Managing Board:
Helmut Fallmann is co-founder and Chairman of the Managing Board of Fabasoft AG. In addition to his membership in the Federal Board of the Federation of Austrian Industries, Fallmann is a convinced European and is particularly committed to Europe as a business location. Fabasoft is, among other things, a member of the decision-making body "EU Cloud Code of Conduct" as well as Member Official Contact in the European Telecommunications Standards Institute (ETSI).
- **Ing. Oliver Albl**, Member of the Managing Board:
Oliver Albl has been successfully active in Fabasoft for more than three decades and has, among other things, earned great merits in the management of corporate and service certifications. As a result, he has made a significant contribution to Fabasoft enjoying an outstanding reputation for quality and data protection for its software products in Austria and Europe. Oliver Albl has been the CEO of Fabasoft International Services GmbH since 2019. As of 1 May 2022, Mr. Oliver Albl has been appointed to the Managing Board as Chief Technical Officer (CTO).
- **Matthias Wodniok**, Member of the Managing Board:
Matthias Wodniok has been with Fabasoft since 2000 and was extremely successful as CEO of Fabasoft Deutschland GmbH until his appointment to the Managing Board. In his role as a Member of the Managing Board, Matthias Wodniok has, in particular, been managing the Fabasoft eGov-Suite business since 1 July 2022. Matthias Wodniok's successes to date include the steady expansion of Fabasoft's market leadership in the field of electronic administrative work with commissions at federal and state level in Germany.

3.2.3. Succession planning

Against the background of the professional and personal requirements placed on members of the company's Managing Board, the Supervisory Board regularly discusses - also with the incumbent Managing Board - which individuals could be considered for appointment for future periods of office. In addition to the focus on diversity, the personal and professional development of executives in the Group is also taken into account. In due course, the Supervisory Board will also consult external advisors, if necessary, in the search for suitable candidates.

Linz, 28 May 2024

For the Managing Board

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

For the Supervisory Board

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr
Chairman of the Supervisory Board



INVESTOR RELATIONS

Fabasoft AG has been listed on the Frankfurt Stock Exchange since 1999. The development of sustainable relationships with all participants in the capital market and in particular with shareholders and analysts is paramount for Fabasoft, in order to meet the expectations of the capital market with regard to communication and transparency and to permanently strengthen the title on the capital market.

ODDO BHF SE located in Frankfurt am Main acts as a market maker. In Germany the company ranks as one of the biggest providers of designated sponsoring.

Communication with capital market participants

The annual analysts' conference serves as a fixed information appointment for analysts and institutional investors. In addition to the Annual General Meeting, Fabasoft offers shareholders the opportunity to meet members of the Managing Board directly at the company's own events.

In addition to the quarterly earnings calls, Fabasoft once again held numerous individual and group meetings at roadshows and capital market conferences in the 2023/2024 financial year. These events served to present the company as well as to establish new contacts with investors and institutional investors and to intensify existing relationships.

Sustainable corporate governance and ESG reporting also played an increasingly important role in these discussions. Fabasoft communicates its steadily increasing commitment in this area in its annual sustainability report. For a compact overview, the most relevant topics are assigned to the respective ESG aspects on page 77.

In the Investors section of the Fabasoft website, information relevant to the capital market, such as ad hoc announcements, corporate news, financial reports or information on remuneration policy, is available to interested parties in a structured and clear manner. Information pertaining to the Fabasoft share is also available on the website of the German Stock Exchange (www.deutsche-boerse.de) as well as under section 9.1 of the notes to the consolidated financial statements.

Shareholder structure and significant changes

The Parent Company of the Group is Fabasoft AG with its headquarters at Honauerstrasse 4, 4020 Linz, Austria. The shares of Fabasoft AG are listed in the trading segment Prime Standard on the Frankfurter Stock Exchange, (security identification number (D) 922985). Fabasoft AG is thus subject to the stringent requirements and criteria of the Regulated Market of the Frankfurt stock exchange.

With Fallmann & Bauernfeind Privatstiftung and its 42.90% stake in Fabasoft AG, the company has had a stable and long-term oriented core shareholder for many years. In addition, Invesco Ltd. holds a 10.12% stake in Fabasoft AG according to the voting rights notification dated 18 October 2022. All other shares are below the 5% threshold and are therefore classified according to the definition of Deutsche Börse as free float, which, as far as the company is currently aware, is held by both institutional and private investors. Notifications of changes to significant shareholdings in the company are published on the Fabasoft website in the Investors section, IR News under “Notifications of voting rights”.

Fabasoft received no notifications of changes in significant holdings in the company in the period under review. As Austria is the home Member State for Fabasoft AG, any changes in major holdings are subject to the notification threshold pursuant to Section 130 of the Austrian Stock Exchange Act 2018.

Share buyback program of Fabasoft AG

On 27 September 2023, the Managing Board of Fabasoft AG, with the approval of the Supervisory Board, resolved a share buyback program for the period from 4 October 2023 to 31 March 2025 at the latest. As part of this share buyback program, treasury shares of Fabasoft AG (AT0000785407) up to a maximum total purchase price (excluding incidental costs) of EUR 2 million were to be repurchased via the stock exchange. The maximum buyback volume was reached on 19 February 2024, thus concluding the share buyback program.

In the period from 4 October 2023 to 19 February 2024, Fabasoft AG bought back a total of 98,218 shares at an average price of EUR 20.3627 per share. This corresponds to 0.89% of the share capital as at the balance sheet date of 31 March 2024. Additional information can be found in the management report under point 4.

Research coverage

Fabasoft has commissioned Warburg Research GmbH and Stifel Europe Bank AG for ongoing analyst evaluations, maintains an ongoing exchange with their analysts and participates in capital market events of the analyst firms at regular intervals. The analyses are prepared by the independent analysts on the basis of publicly available information. These analyses reflect the opinions, assessments or recommendations of the analyst firm and do not represent the views, forecasts, estimates or predictions of Fabasoft or the Managing Board of Fabasoft AG. Consequently, the analysts' assessments are not subject to any influence or control by Fabasoft AG.

Dividend policy

Fabasoft does not pursue a rigid dividend policy. Any dividend suggestions of the Managing Board are based on specific company success and predictable or expected economic demands on the company.

Information on the Fabasoft share	
Number of shares	11,000,000
Market segment Regulated Market	Prime Standard
Security Identification Number	922985 (common stock)
Ticker symbol	FAA
Bloomberg Code	FAA.GY
Reuters Code	FAAS.DE
ISIN	AT0000785407
LEI number	391200WHND7OZEFNNL77
Email	ir@fabasoft.com



INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORTING 2023/24

Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

We have performed a limited assurance engagement on the consolidated sustainability reporting 2023/24 of Fabasoft AG (hereafter "Fabasoft").

The limited assurance engagement covers the voluntary consolidated sustainability reporting 2023/2024 as part of the annual report in accordance with GRI Universal Standards 2021¹.

Responsibilities of the Legal Representatives

Fabasoft's legal representatives are responsible for the proper compilation of the consolidated sustainability reporting 2023/2024 in accordance with the GRI Universal Standards 2021.

The legal representatives have signed the Letter of Representation, which we have added to our files.

Responsibilities of the Assurance Providers

Based on our assurance procedures deemed necessary and our evidence we have obtained, it is our responsibility to assess whether any matters have come to our attention that cause us to believe, that in all material matters the consolidated sustainability reporting 2023/24 according to the defined scope of our assurance is not in accordance with the requirements of the GRI Universal Standards 2021.

Our assurance engagement has been conducted in accordance with the "International Federation of Accountants' ISAE 3000 (Revised)" Standards.

Our professional duties include requirements in relation to our independence as well as planning our assurance engagement based on the materiality considerations in order to allow us to obtain a limited level of assurance.

According to the "General Conditions of Contract for the Public Accounting Professions" our liability is limited. An accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence, the maximum liability towards the client and any third party together is EUR 726,730 in the aggregate.

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

The sole purpose of the assurance is to support Fabasoft in fulfilling its reporting and audit obligations. We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions:

- Obtain an overview over the industry as well as the operational and organizational structure of the organization;
- Conducting interviews with company executives to identify and understand relevant systems, processes and internal controls related to the audited report content that support the collection of information for reporting;
- Interview of employees responsible for the materiality analysis and subsequent evaluation of the materiality analysis, including industry-specific megatrends and aspects of GRI;
- Evaluation of the coverage of material topics which have been raised in stakeholder dialogues, in media reports and environmental and social reports of peers;
- Review relevant group level, board and executive documents to assess awareness and priority of issues in the Sustainability Reporting and to understand how progress is tracked and internal controls are implemented;
- Examine risk management and governance processes related to sustainability and critical evaluation of the disclosure in the reporting;

¹ <https://www.globalreporting.org/standards>

- Perform analytical procedures at group level;
- Performance of site visit in Linz to obtain evidence of key performance indicators. In addition, we carried out a random check of selected ESG performance indicators, including for completeness, reliability, accuracy and;
- Review data and processes on a sample basis according to the defined scope of our assurance to assess whether they have been collected, consolidated and reported appropriately at group level. This included obtaining an opinion whether the data had been reported in an accurate, reliable and complete manner;
- Sample-based review of the statements in the reporting based on the reporting principles of the GRI Universal Standards 2021 and
- Assessment of whether the GRI Universal Standards 2021 have been applied (in accordance with) in a compliant manner.

Delimitation of the scope of services:

- Previous year's figures were generally not audited unless this was necessary for plausibility checks.
- We did not review the results of external studies and certifications, but rather the correct inclusion of this data or content in the report.

The objective of our engagement was neither a financial audit nor a financial audit review of past-oriented financial information. We did not perform any further assurance procedures on data, which were subject of the annual financial audit, the corporate governance report and the risk reporting. We merely checked this data was presented in accordance with the GRI Universal Standards 2021. Neither the detection and investigation of criminal offenses, such as embezzlement or other fraudulent actions, nor the assessment of effectiveness and efficiency of management were subject to our engagement. We did not test data derived from external surveys, forward-looking statements and prior-year figures were not the subject of our engagement. In the report, the references listed in the GRI content index were checked, but no additional (web)references were examined. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our assurance procedures performed and the evidence we have obtained, no matters have come to our attention that cause us to believe that the consolidated sustainability reporting 2023/2024 is not prepared, in all material respects, in accordance with the requirements of GRI Universal Standards 2021.

Restriction in use

As our report is prepared exclusively on behalf of and in the interests of the client, it does not form the basis for any reliance by third parties on its content. Claims by third parties can therefore not be derived from it. Accordingly, this report may not be passed on to third parties, either in whole or in part, without our express consent.

Terms of Engagement

We submit this report based on our assurance engagement for which, also regarding third parties, the "General Conditions of Contract for the Public Accounting Professions", are binding.

Linz, 24 May 2024

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Marion Raninger

Mag. Erich Lehner

COMMITMENT TO SUSTAINABILITY

Statement of the Managing Board members

Fabasoft acknowledges its responsibility to its stakeholders for long-term and sustainable management. The sustainability report therefore constitutes a binding commitment to the sustainable development of Fabasoft taking into account environmental, social and governance aspects (ESG) and reaffirms this by its participation in the United Nations Global Compact (UNGC). The ten universally accepted principles of the UNGC in the areas of human rights, labor, environment and anti-corruption are anchored in the corporate strategy and corporate culture. At the same time, there is a clear and explicit distancing from any kind of discrimination, inhumane treatment and unfair behavior.

For Fabasoft, sustainability means responsible corporate action with the aspiration of reconciling business objectives with the sustainable interests of society and the environment in a profitable manner while at the same time complying with all relevant environmental laws and regulations. To this end the Group makes a contribution that goes beyond mere legal requirements (compliance) – from its core business activities to ecologically relevant issues and on through to responsibility to its stakeholders and society as a whole. Continuous development, preventive action and the ongoing monitoring and improvement of our impact on the environment and society is a matter of course for Fabasoft. As part of this strategy, self-imposed goals and targets are also constantly reviewed in terms of their relevance and progress.

In order to raise employees' awareness for sustainability, this topic is also repeatedly addressed at internal events. All employees can find out about sustainability at any time via information and communication platforms. Fabasoft wishes to emphasize the importance of the issue of sustainability within the company, to act as a role model and to provide food for thought.

Promise of a sustainable future

More environmentally friendly management and continuous improvement to establish future business practices are Fabasoft's declared goals. The pursuit of a pioneering role in the area of sustainability and climate-neutral business activities with regard to net CO₂ emissions with the help of offsetting projects was also a priority in the 2023/2024 financial year. In the period under review and in compliance with the Greenhouse Gas Protocol this undertaking encompassed direct emissions from owned or controlled sources (Scope 1), indirect emissions generated from purchased energy (Scope 2) and selected indirect emissions that occur in the value chain (Scope 3*). The emission offsets undertaken through recognized projects were deducted from the gross CO₂ emissions.

In order to anchor the importance of sustainability even more deeply in the Group, reduction targets were set in autumn 2022 in line with the Science Based Target initiative (SBTi) and validated by the SBTi. This also requires analyzing internal processes regularly and monitoring progress on an ongoing basis.

Fabasoft employees have access to a free e-shuttle service between Linz Central Station and the headquarters, in addition to the generous subsidy provided by the Austrian Climate Ticket. In this way, employees can make their journey to the office CO₂-free and are encouraged to travel by public transport. For short distances within Linz, the cooperation with citybikes Linz was continued, allowing employees to cycle to work free of charge. For those business trips that could not be made by train, the emissions from air travel were offset consistently. In addition, all combustion engines in Fabasoft's vehicle fleet shall be converted to e-mobility by 2027. The charging infrastructure at the locations in Linz and Vienna was generously expanded in the past financial year and will be continuously extended in the coming years.

Regional food in organic quality is given preference for the daily breakfast offer for employees. In order to avoid transportation routes, high-quality water treatment units for tap water and drinking bottles with the Fabasoft logo are available. As far as possible internal and external Fabasoft events are to be organized and carried out as green events. It has gone without saying for many years that the print forms used in the group have the EU Ecolabel and are FSC certified.

* Scope 3 includes: business travel, energy consumption of common areas in rental properties.

Fabasoft is particularly committed to making the supply chain even more sustainable while maintaining its self-imposed high standards and working closely with the supplier network. CO₂ neutrality shall be implemented for the entire value chain by 2027. In order to address this goal, it is necessary to identify, analyze and, where necessary, optimize indirect greenhouse gas emissions released in the upstream and downstream supply chain. Locations where Fabasoft can select the electricity supplier are to be converted to 100% green electricity by 2027.

Fabasoft is pursuing the goal of operating its entire value chain in a CO₂-negative manner, which in turn requires that more CO₂ is removed from the atmosphere than is emitted. This means that customers receive the Fabasoft Group's services CO₂-free. For Fabasoft, this primarily means significantly reducing its own CO₂ footprint and in future going beyond compensating just the remaining emissions.

Reporting policy

As part of its annual sustainability reporting, Fabasoft regularly evaluates its sustainability performance and voluntarily undertakes to comply with the principles of the Global Reporting Initiative (GRI). The reporting is carried out in accordance with the requirements of the GRI Standard and is a continuous process at Fabasoft. The management, key personnel and all employees are committed to jointly implementing the necessary measures for further development in the area of sustainability.

In compliance with these requirements, Fabasoft uses the Universal Standards and topic-specific standards to describe the topics identified in the materiality analysis and applies the principles of reporting.

The sustainability report is published annually. The sustainability disclosures and all ESG topics relate to the 2023/2024 financial year (1 April 2023 - 31 March 2024) and include all companies of the Fabasoft Group. The disclosures are therefore in line with the financial scope of consolidation; any deviations from these reporting boundaries are explicitly indicated at the relevant points. The 2021/2022 financial year was selected as the base year for all tables, which is also the reference year for the Science Based Targets initiative (SBTi).

The fields of activity of the Fabasoft Group are presented in the following sustainability report in compliance with the ESG aspects "Environment", "Social" and "Governance" and set out in summarized form on page 77. The upstream and downstream value chain has been included in this report as far as possible. Most of the data on which this report is based comes from internal systems or was requested directly from suppliers or partners. The contents of this report are subject to an internal review process involving the members of the Managing Board.

Compared to the 2022/2023 financial year, there have been no significant changes to the group structure, the ownership structure or the supply chain. The structure of this report has been adjusted slightly and the reporting has been expanded.

The GRI index on page 109 provides an overview of the general information contained in the report, the topic-specific standards and at least one topic-specific piece of information. This sustainability report has been subject to an external limited assurance audit, the audit opinion of which is attached to this report. Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., which also audits the consolidated financial statements of Fabasoft AG and its subsidiaries, was engaged as the auditor.

Sustainability organization

Sustainability is also firmly anchored in our structure. Sustainability Management, which was set up in 2021, is bound by the Managing Board's instructions and regularly reports to the members of the Managing Board several times a year to discuss the impact, progress and degree of target achievement of the three ESG fields of action. In addition new developments within the company or the industry are discussed.

The members of the Supervisory Board, as the highest supervisory body, are also informed regularly, at least once a year, by the Managing Board members about current sustainability issues and the progress of sustainability activities, in addition to financial, operational and strategic issues, and are deliberately involved in sustainability management so that they can fulfill their supervisory obligations. In addition, the sustainability report, as an integral part of the annual report, is subject to approval by the members of the Supervisory Board at a Supervisory Board meeting.

The risks and opportunities arising from the topic of sustainability are integrated into the company's operations and existing risk management processes and structures. Information on the risk management systems and processes is provided in the Management Report.



MATERIALITY PROCESS

A comprehensive materiality analysis was carried out in the 2021/2022 financial year in order to determine which sustainability issues are particularly relevant for Fabasoft and its stakeholders. Thereby, the principle of double materiality was applied, which takes into account the company's impact on the climate on the one hand and the effects of climate change on the Group on the other.

Together with internal stakeholders, a long list of potential sustainability issues was drawn up, which was evaluated and prioritized by internal key personnel. In addition, the economic, ecological and social impact of the individual topics and their relation to Fabasoft were recorded.

The topics relevant to Fabasoft were discussed in collaboration with external stakeholders at a round table and then evaluated anonymously.

The key topics below were identified in the course of the entire materiality process, which are also presented on page 77. The topics considered to be of greatest importance by the external stakeholders and internal key personnel or the management are explained in more detail on the following pages.

In the current reporting year, the existing key topics were reviewed to ensure that they are up to date. The targets and measures already derived for the respective fields of action are continuously monitored and regularly checked with regard to their degree of target achievement. The members of the Managing Board report to the members of the Supervisory Board at regular intervals about the key issues and their current status. When evaluating the topicality of the issues in the reporting year, it emerged that the issue of waste avoidance is no longer listed as a material issue. Due to its business activities, Fabasoft primarily generates waste through office activities and the consumption of food. As all processes are already highly digitized, the volume of paper waste generated is also limited. Taking these factors into account, the assessment of the materiality of waste avoidance has been changed, but will continue to be continuously monitored and included in the annual evaluation if necessary.

In the interests of transparency and continuous reporting, the key topics are divided into three fields of action: responsible management ("Governance"), social responsibility ("Social") and ecological responsibility ("Environment").

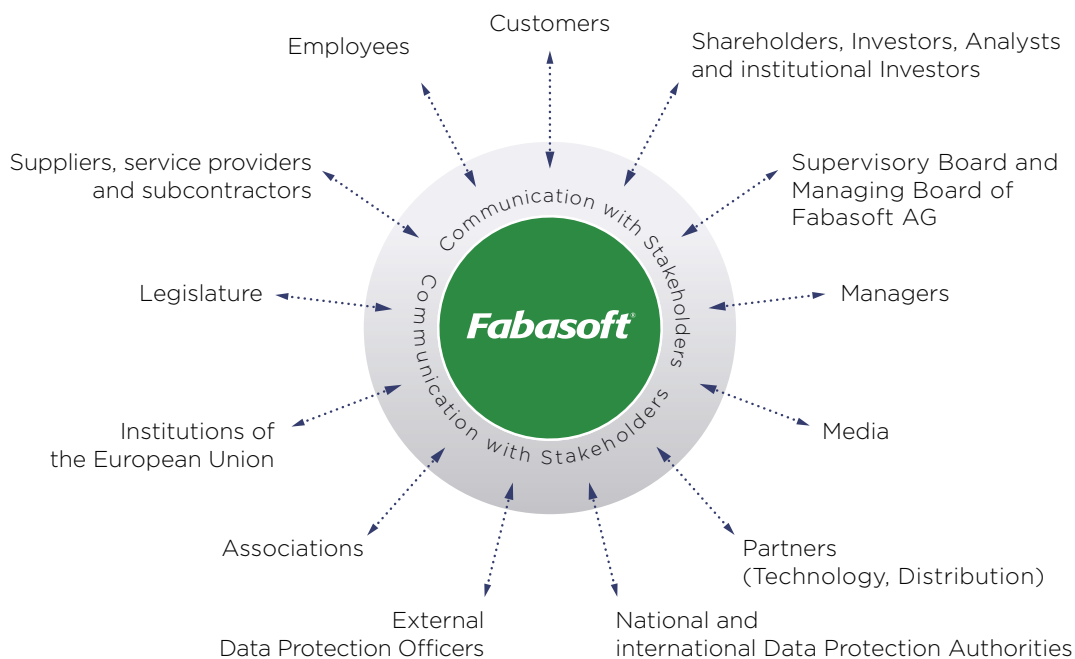
Stakeholder Management

Fabasoft attaches great importance to regular contact with its stakeholders and sees a partnership-based exchange on the topic of sustainability as a prerequisite for creating a mutual understanding of the respective interests and needs. The involvement of those individuals and groups who have a legitimate interest in or influence our direct or indirect business activities is an integral part of our business processes.

The results of the analysis of the ISO requirement “Interested parties” and their requirements and expectations were used to identify stakeholders. The group of stakeholders can be described as very heterogeneous, partly due to the diverse product portfolio. The different interest groups therefore have different expectations of Fabasoft’s transparency and sustainability performance. The goal and purpose of the stakeholder analysis is to enable an even better response to the wishes, requirements and needs of internal and external stakeholders with suitable measures.

In addition to personal exchanges at various events or in online meetings, communication takes place via the publication of financial reports, white papers, newsletters and the provision of information via social media. The regular exchange with the capital market in particular provides valuable input on the topic of sustainability and their expectations in this regard.

Users of Fabasoft PROCECO Solutions have the opportunity to provide feedback to the product managers at any time via an integrated feedback button. Mindbreeze provides its own English-language platform for its international partner network to discuss technical or general issues. Marketing materials and news are also made available in this way. The Fabasoft PROCECO Solutions website and social media offer further channels through which contact can be made and feedback provided, including on the topic of sustainability.



Material topics 2023/2024

Responsible management (Governance)	Social responsibility (Social)	Ecological responsibility (Environment)
Data privacy and information security	Recruiting and corporate culture	Energy management and green IT
Innovation and future sustainability of the business model	Top talents and employee development	Climate protection
Usability and accessibility	Diversity and equal opportunities	Sustainable procurement and demand for raw materials
Compliance and corporate policy	Human rights	



RESPONSIBLE MANAGEMENT (GOVERNANCE)

Fabasoft's goals include sustainably increasing the value of the company and achieving value-oriented growth. Innovation is both a prerequisite and a permanent driver in this context. Achieving these goals means that jobs can be secured, sustainable investments can be made and social and ecological objectives can be met above and beyond the legal requirements.

Data privacy and information security

Fabasoft is at the forefront of information security and data protection. This role must be actively communicated and embodied within the company. Only those who set themselves the highest standards and fulfill them can convince customers of their credibility. These customers in turn benefit from the advantages of the highly developed level of security of Fabasoft products and services.

A high degree of availability, confidentiality, integrity and authenticity are core values of Fabasoft in all its business activities. From software development to support services, intensive efforts are made to ensure reliable data protection and information security standards for Fabasoft customers. To further strengthen customer confidence in its products and services, Fabasoft invests in internationally recognized system and product certifications. A detailed overview of all current certifications and attestations can be found in the Group Management Report under "Certifications" on page 38f. Fabasoft aims to continuously develop its high level of security awareness and external certifications and to further consolidate its pioneering role in this area.

Especially in times characterized by technological change and in view of increasingly more sophisticated, better disguised and more frequent attacks, Fabasoft places top priority on the continuous expansion of its cyber resilience. In line with this, Fabasoft places data protection and information security on a binding level with the Fabasoft Guideline for Information Security as part of its overall strategy. The pronounced data protection and security awareness is also continued in the Fabasoft PROCECO Cloud locations. The data centers are characterized, among other things, by high availability and reliability as well as recognized security standards. As part of the audits and certifications, these are regularly checked by external auditors who verify compliance with the required security standards. In addition, standardized user contracts ensure the application of European legal and data protection regulations. The detailed description "Performance Characteristics Data Security" for the Ecosystem Fabasoft PROCECO is available on the Fabasoft website.

Fabasoft accompanies all employees in the form of a continuous process on their development path to a pronounced security awareness. In order to continuously promote employee awareness for data protection and information security, these topics are addressed on an ongoing basis. Regular courses on the topics data protection and information security, which are mandatory for all employees, are available on the Group-wide eLearning platform.

In addition, regular company-wide training measures take place, whereby the applicable regulations of the individual countries are addressed, information is provided on changes to the framework conditions and the focus is placed on raising awareness in the areas of data protection and information security. These include simulations of attacks, for example in the context of social engineering and the sending of phishing emails.

As in previous years, Fabasoft again had no violations concerning the protection of personal data to report to the competent supervisory authorities in the 2023/2024 fiscal year.

Innovation and future sustainability of the business model

The innovation and sustainability of the Fabasoft business model are largely dependent on the excellence, solidarity and experience of its employees. The aim is to support the success of customers with innovations in high-performance solutions for internal and cross-company business processes.

The basis for this is the technical expertise, many years of experience and in-depth customer knowledge of its employees. New ideas are quickly implemented through teamwork and enthusiasm. Everyone at Fabasoft, is working together to achieve the company's goals. As a specialist in the digitalization of document-centric business processes, Fabasoft is ideally positioned with its products and services to support and accompany companies and public organizations in the digitalization of their business processes.

For more than three decades, Fabasoft has been developing innovative software products to simplify and optimize business processes. The company pursues high goals in terms of quality, user-friendliness and design. Fabasoft continuously invests in research and development in order to create future-proof solutions. Many years of experience in various industries are incorporated into the entire development process in order to continuously optimize products and services.

When implementing new approaches, services or concepts, Fabasoft pays particular attention to scalability and robustness. As part of a continuous optimization process, new developments are recorded in the internal process documentation and thus form a stable basis for the innovative development of the Fabasoft product portfolio.

Regular feedback from existing customers and analyst discussions as well as continuous market observation are used to identify market trends at an early stage and incorporate them into product development. For all product innovations, attention is paid to ethical guidelines and permissibility in the target markets. Fabasoft is also actively involved in issues relating to European digitalization strategies in order to ensure compliance with future requirements such as the AI Act.

In the pursuit of sustainable development and high quality standards, Fabasoft develops solutions that are easy and efficient for customers to implement. The user interface of Fabasoft products has a contemporary design and offers various access options, both via desktop and mobile devices, to ensure flexible use.

A particular strength of the Fabasoft Group lies in the early recognition of trends and their integration into the product portfolio. Trend scouting has therefore always been a high priority in research and development, which is why Fabasoft has regularly carried out its own research projects in cooperation with renowned institutions for many years. In the meantime, Fabasoft has been able to acquire or realize various EU projects and three Austrian flagship projects in cooperation with research consortia.

The “Digital Research Potentials” team was founded in the PROCECO Research division in order to recognize and promote the potential of technologies and future specialists. The aim of this team is to recognize the potential of technical possibilities for projects and at the same time to develop and promote the personal skills of the team members. Fabasoft also supports outstanding students on their way to a Master’s degree and integrates them into the Fabasoft Group early on in their careers.

In research and development, too, Fabasoft always acts in the interests of its customers, as the company’s success depends on their satisfaction. Agility plays an important role in this context, to ensure that customer requirements are implemented in the products in a timely manner.

The leading position of Fabasoft products was reflected, for example, in the following independent ratings and awards in the period under review:

- eGovernment Awards: Gold for Fabasoft awarded in the records management category
- Fabasoft awarded the Cyber Trust Austria Gold Label
- Mindbreeze positioned as Leader IDC MarketScape: Worldwide Knowledge Discovery Software for Internal Use Cases 2023-2024 Vendor Assessment
- Mindbreeze positioned as Strong Performer in “The Forrester Wave™: Cognitive Search Platforms, Q4 2023”
- Mindbreeze listed in Forrester’s “The Cognitive Search Platforms Landscape, Q3 2023”
- Mindbreeze InSpire is KMWorld’s “Trend-Setting Product 2023”
- Mindbreeze is one of the “2024 KMWorld Top 100 Companies Impacting Knowledge Management”
- Mindbreeze is one of the KMWorld “AI100: The Companies Empowering Intelligent Knowledge Management 2023”



*EU Cloud CoC Verification-ID: 2021LVL03SCOPE016

- Xpublisher is champion with top ranking in the “Cloud Digital Asset Management” category in the Professional User Rating (PUR): Cloud Business Solutions 2024

Additional information on the main ratings, awards received and new customers can be found under the point “Topics worthy of mention” on page 23ff of the Annual Report for the 2023/2024 financial year, on the Fabasoft website, the Mindbreeze website and on the websites of the market analysis companies or the online platforms of the magazines.

Fabasoft is regularly represented at international events where it can identify new trends, present product developments and establish contacts. Collaborations such as with the Fraunhofer FOKUS eGovernment Laboratory or the German Association of Materials Management, Purchasing and Logistics serve to exchange information and provide valuable input for product development.

Fabasoft has always had a strong interest in the continuous development of innovation and is therefore involved in various research projects on an ongoing basis. The knowledge gained from this collaboration is incorporated into Fabasoft’s product development in order to provide the best possible support for the success of customers and create added value in the digitalization of business processes.

Leitprojekt ZERO3

The FFG project ZERO³ is a flagship project that aims to boost ecological, economic and social sustainability in the production processes of Austrian companies. The project was launched on 1 November 2022, has a total volume of 4.5 million euros and a duration of 36 months. The overarching project goal of ZERO³ is to improve the following defined sustainability parameters: ZERO Resource Loss, ZERO Human Potential Loss and ZERO Data Gap in Austrian production companies.

Leitprojekt KIRAMET

The FFG project KIRAMET is a flagship project aimed at improving the recycling and quality of metal composite waste with the help of artificial intelligence. The project has a total volume of 4.4 million euros and a duration of 36 months and was launched on 1 July 2023.

Leitprojekt FAIR-AI

The FFG project FAIR-AI is a flagship project that deals with the society-related risks involved in the application of artificial intelligence. It aims to fulfill the requirements of the upcoming European AI law and to overcome the obstacles in the development and application of AI law-compliant projects. The project takes a bottom-up approach by selecting typical pitfalls in a specific development and application context to create a collection of instructive, self-contained use cases that illustrate the intrinsic risks of AI. The project started on 1 January 2024.

EU-Projekt EMERALD

A new research project called EMERALD has been launched with the support of the European Union and aims to transform the landscape of cloud-based services and develop a new framework to increase security and efficiency for organizations. Based on an agile certification process, EMERALD will support cloud service providers, customers and auditors in the certification process, promote the adoption of cloud services and ensure their accessibility, security and cost-effectiveness.

The main objective of EMERALD is to pave the way for Certification-as-a-Service (CaaS) for the continuous certification of harmonized cybersecurity systems, such as the European Cybersecurity Certification Scheme for Cloud Services (EUCCS) or the renowned BSI C5. The project is based on the results of the MEDINA project and will provide a framework for cloud service providers and their customers to set up, manage and monitor their certifications to ensure efficient recertification.



EU-Projekt MEDINA

In November 2020, the EU research and innovation project “MEDINA” was launched with the aim of improving the trustworthiness and transparency of cloud computing. As a member of the consortium, Fabasoft was working with seven other European partners on a framework to improve the efficiency and effectiveness of existing certification systems for cloud security.

The focus of the project lied primarily on automation, control, and the interplay of methods of measurement and reusable components with a view to achieving “continuous compliance” based on continuous IT-supported certifications. The results are relevant for future EU projects such as the Cloud Security Certification Scheme as part of the Cloud Security Act (CSA) and will be incorporated into it.

MEDINA ended on 30 October 2023. As a member of the MEDINA consortium, Fabasoft was instrumental in the very successful completion of this EU project.

Usability and accessibility

Users from many different branches with very diverse demands and needs work with Fabasoft products. For this reason, Fabasoft places great importance on the ease of use and universal accessibility of all its products and websites. The user interface of the Fabasoft PROCECO Cloud is simple and intuitive to use in 22 languages and offers barrier-free access for all users.

Fabasoft’s aim is that nobody should be prevented from independently obtaining information on topics or completing tasks due to a disability. In line with this aim, new functionalities are designed by specialists with a special focus on usability and accessibility. Two of the team members contribute their own user experience in this area due to their visual impairment. Feedback from customers on the topic of usability is also taken into account and implemented as quickly as possible.

User requirements are tested using various mobile devices, simulation devices and assistive technologies (e.g. screen readers for blind users). A continuous improvement process in the area of accessibility is pursued through permanent monitoring of products and websites.

Knowledge on the topic of accessibility is also prepared and passed on by a team of accessibility experts for training courses. Participants receive information on which points are important when working with people with special needs or how content for websites must be structured and prepared so that output devices can display it correctly. For example, it is necessary to include appropriate text alternatives for graphic content or subtitles as well as audio descriptions for videos when creating content.

The high level of usability and accessibility is also reflected in the “Web Accessibility Certificate (WACA)”, the first and only Austrian seal of quality to make accessibility on the web visible to the outside world. Fabasoft was the first provider in Europe to be awarded the silver WACA certificate for its web app by the Austrian Computer Society in 2019, and was recertified by the independent testing body TÜV Austria in June 2022.

Compliance and corporate policy

Fabasoft’s business activities are subject to the highest standards of information security, data protection and adherence to comprehensive legal regulations and compliance standards in all business areas. In order to address these interests in an appropriate manner, far-reaching control mechanisms are integrated in internal processes. The valid and internationally recognized system and product certifications reflect Fabasoft’s high level of compliance.

All of Fabasoft’s business activities are conducted in accordance with high ethical standards and all employees are required to act in accordance with these standards. Fairness and transparency, especially with regard to competition and cartel law, are the basis for equal opportunities, correspond to Fabasoft’s self-image and ensure sustainable competitiveness as well as the long-term protection of interests.

Compliance with applicable laws and internal and external regulations is the basis for all corporate decisions and activities and is guaranteed by targeted compliance measures such as guidelines, training and the establishment of suitable processes in all areas. Another component of the compliance management system is the constant monitoring of the measures implemented and their continuous improvement as well as the regular review of possible new risk areas.

The Fabasoft control system was developed taking into consideration statutory requirements, obligations from contracts and agreements, business requirements and the results of risk assessments. In particular the requirements of international standards requirements catalogs, e.g. ISO 27001, ISO 27018, ISO 20000, ISO 9001, BSI C5, SOC 2 (Trust Service Criteria for Security) and COBIT 2019, were taken into account when designing the controls. An overview of the currently valid certifications and attestations is given in the Management Report under the point "Certifications" on page 38ff.

Assurance of maximum quality, security and service standards is ensured by the implementation of an integrated management system pursuant to ISO 9001 (quality management system), ISO 27001 (information security management system), including ISO 27018 (data protection for cloud services) and ISO 20000 (service management system), over and above the annual audit of the internal control system (ICS). With respect to the quality, service and security policy, the members of the Managing Board clearly declare their agreement to maintaining and further developing these systems.

Fabasoft has demonstrated its stance and its implementation of measures regarding anti-corruption with its commitment to the UN Global Compact and the creation of a Code of Conduct for Contractors. Intensive sensitization is moreover promoted in the context of internal training and continuing education programs for all employees and bodies of the company. The topic of anti-corruption is also addressed extensively in the Personnel Policy. This is presented to all employees when they join the company and is accessible to the entire workforce and all members of the Managing Board (i.e. 100% each) at all times. All members of the Supervisory Board are also made aware of Fabasoft's anti-corruption and anti-bribery practices via a Teamroom in the Fabasoft PROCECO Cloud. When accepting orders, all Fabasoft suppliers accept the requirements and principles set out in the Code of Conduct for Contractors regarding the acceptance of gifts, money laundering and anti-corruption.

All political participation is undertaken in a responsible and transparent manner. Public political processes are not hindered by unfair behavior or undue influence. In the 2023/2024 financial year, Fabasoft did not make any donations to political parties, trade associations or tax-exempt groups in the form of financial contributions or benefits in kind and did not participate in any lobbying activities.

In 2023, on the basis of the EU Whistleblower Directive, the Austrian "Federal Act on the Procedure and Protection in the Event of Notifications of Legal Violations in Certain Legal Areas" (Whistleblower Protection Act - HSchG) with the transitional provisions contained in Section 28 came into force. The requirement to protect whistleblowers who have obtained information about certain legal violations due to their professional connection to Fabasoft and report them was of central importance in the establishment of a revised whistleblower system within the Fabasoft Group. Since 17 December 2023, not only employees but also customers, suppliers and other third parties (including anonymously) have been able to report their concerns within the scope of the HSchG. Reported incidents are assessed by a Whistleblowing Ombudsman's Office (if necessary in cooperation with local partners) and forwarded to the relevant internal department. Recommendations on how to proceed or close the investigation are provided. Thanks to this system, concerns can be submitted anonymously and without fear of retaliation worldwide. No reports were received by the Whistleblowing Ombudsperson's Office in the period under review.

Compliance violations are recorded via the whistleblower system within the scope of the HSchG. No cases of corruption or suspected corruption were reported in the 2023/2024 financial year. There were no public corruption-related lawsuits in connection with corruption initiated against the company or its employees in the period under review.



SOCIAL RESPONSIBILITY (SOCIAL)

Fabasoft not only takes its responsibilities seriously with regard to its employees and their families, but also takes selected measures to exercise its responsibility towards society as a whole. In addition to its commitment on an EU level and its support of regional projects, Fabasoft also places special priority on promoting young talents and awaking enthusiasm for computer science. With its commitment in this respect it is Fabasoft's aim to encourage people to keep an open mind for the digital world and to sensitize them to a conscious approach to new technologies. Fabasoft therefore launched initiatives primarily in the field of education.

Recruiting and corporate culture

The digitization and automation of processes within companies is also changing staffing needs. IT specialists in particular are needed in virtually every company. The lack of skilled staff and demographic developments make recruiting such highly qualified employees an ever-greater challenge. It is therefore all the more urgent to make timely contact with young talented people and to promote and encourage their interest in Fabasoft.

Promoting young talents is a key criterion for positioning Fabasoft as an attractive employer. For this reason, the relationship with educational institutions such as universities, technical colleges and polytechnics (HTL) as well as other educational establishments was intensified by means of sponsorships and cooperations.

Starting with an online presence and on through to participation in selected career events, it is of great importance to present the company where potential employees are to be found.

Fabasoft supports the "Young Computer Scientists" talent promotion program in the subject area of computer science at the Johannes Kepler University. This is aimed at youngsters for whom studying computer science is a realistic option when leaving school. The aim is to fill vacant positions with highly qualified specialists, to retain them in the long term and to offer employees a working environment that is inspiring and full of opportunities for experts of all kinds. In the reporting year, Fabasoft succeeded in recruiting 139 new employees across all locations. The success of the recruitment policy is also reflected in the company's growing economic success and the sustainable growth of the Fabasoft Group.

The proportion of employees who have been with the company for more than three years is 48.2%. Employees who have been with the company for more than five years are rewarded for their loyalty with awards.

Early promotion of interests and investment in the future

Fabasoft sponsoring: Humanoid robots for HTL Leonding

As in previous years, Fabasoft supported HTL Leonding in the period under review with a project to program humanoid robots. The aim is to program these for active communication with persons. If used in homes for old people and nursing facilities, the robot should be able to answer the questions of residents about room numbers or if necessary check health certificates.

Fabasoft CodeLab 2023

As part of the Research Summer Class 2023, Fabasoft enabled groups of pupils and students to write their theses on digital research topics with the support of Fabasoft employees. Participation in the Research Summer Class 2023 provided an experience that not only broadened academic knowledge, but also strengthened students' skills and confidence.

Due to the positive feedback on these activities, this format will be continued in summer 2024 under the name Fabasoft CodeLab. In collaboration with the Upper Austrian Young Scientists and the HTL Perg, two teams of students will develop innovative software solutions during their vacation internship that are linked to current research projects. One team will have the opportunity to write their HTL diploma thesis as part of this project.

This format will also give two interns from Upper Austrian universities the chance to demonstrate their skills in front-end and back-end development for research.

Fabasoft Robotics Camp 2023

Fabasoft and the association Talente OÖ held the "Fabasoft Robotics Camp" at the Fabasoft headquarters in Linz for the sixth time in the summer of 2023. The aim is to give children between 8 and 14 years of age access to technology, computer science and programming in a playful way, in order to awaken their interest in a later technical vocational training. A total of 36 children and young people in different groups ("Rookies" and "Advanced") had the opportunity to gain knowledge from the world of technology and programming at an early age in 2023. This division offers the children the opportunity to participate according to their knowledge and to make progress in line with sustainable support.

The children worked intensively on the "mBot Ranger" robots in three consecutive camps in the "RoboLab". In addition to assembling the robots, these were also programmed, with the participants giving free rein to their creativity and allowed to use a wide variety of sensors. On the last day of each camp the children could present their ideas and results to their parents at the closing event. Fabasoft gave away the robots built during the camp to the participants, to give them the opportunity to continue practicing and programming at home.

Caritas Lerncafé

Fabasoft places great importance on equal opportunities, especially in the education and further education of children and adolescents and has therefore provided financial support for the Caritas Lerncafés for several years now. In the learning cafés, children and young people with a migration background and/or from socially disadvantaged families between the ages of 6 and 15 receive free help with learning, homework and preparing for school work.

Mindbreeze designed a course as part of the 2023 KinderUni OÖ

Mindbreeze took part in the KinderUni OÖ for the seventh time and created the course "From Computer to Robot" at the Johannes Kepler University (JKU) in Linz. Mindbreeze specialists playfully approach the topic of programming with the 7 to 9-year olds taking part in the course. After a short introduction to the Choregraphi program, the kids programmed simple instructions for the robot under the supervision of the experts.

The KinderUni OÖ is a project aimed at imparting knowledge and science to children and adolescents. The universities of Upper Austria will be opening their doors in July and August, so anyone interested can carry out research in all disciplines.

Open doors with the Mouse 2023 at Mindbreeze

Mindbreeze opened its doors to interested children for the eighth time on 3 October 2023 alongside many other companies from Germany, Austria and Switzerland. The participants learned about the inner workings of a server and the NAO robots “Bob” and “Eve”. Under the guidance of Mindbreeze employees, the particularly keen ones even programmed the robots themselves and were able to discover how visually impaired people live and work with assistive technology.

Outlook for the 2024/2025 fiscal year

It is planned to resume and expand all activities in the 2024/2025 fiscal year. On the agenda is the support for HTL Leonding with the software development for the humanoid robot. Preparations for the implementation of own events (Fabasoft Robotics Camp 2024) are already underway. It is also planned to take part in events such as the “Open doors with the mouse 2024” campaign day and the KinderUni OÖ 2024.

The Research Summer Class 2024 planned for the coming financial year will once again offer pupils and students the opportunity to write their theses on digital research topics. Fabasoft employees will again support the participants and work with them on digitalization topics.

Recruiting

In the competition for top talent, the recruitment process is of vital importance for Fabasoft and is adapted to the specific needs of individual positions. The qualitative direct approach via LinkedIn and university marketing are also part of the recruitment in addition to publishing advertisements on the Fabasoft homepage and career platforms. Thanks to active sourcing, promising applicants, including international talents, were identified and contacted on various business platforms. A transparent selection process and prompt communication are a matter of course for Fabasoft. Applicants are actively asked for feedback at the end of the recruitment process, in order to ensure continuous improvement of the process.

Employer branding is seen as another important part of recruitment. Particular attention is paid to how Fabasoft can and wants to position itself in the job market. Focus topics such as communication, Fabasoft’s values, opportunities for training and further education as well as the numerous benefits are central to this. In the application process, Fabasoft not only pays attention to the targeted addressing of the best qualified applicants, but also ensures that the personality traits match the company.

Interns

An internship at the Fabasoft Group offers teenagers and young adults the opportunity to consolidate their school education with initial experience and to get to know the day-to-day work at Fabasoft. By participating in specific projects they gain an authentic insight into the working world.

In the 2023/2024 fiscal year more than 21 persons completed a paid internship in the many different departments of the Fabasoft Group. Internships are offered to selected young talents who are given the opportunity to develop their skills in a targeted manner through qualitative mentoring. Each intern first takes part in a training course at the Fabasoft Academy, which covers Fabasoft’s values, basic guidelines and processes as well as the important aspects of information security. Participation in events and regular feedback sessions are also part of the internship.

Pupils and students who have to complete a mandatory internship in their final year of education are also offered the opportunity of becoming involved in challenging projects and gaining valuable practical experience within the Fabasoft Group. A joint feedback session during the internship provides information early on with regard to the possibility of being offered permanent employment on conclusion of the internship. As a result almost all mandatory interns could be taken on as permanent reinforcement for the Group in the year under review.



Onboarding new employees

In order to make the start in the Fabasoft Group easier for new employees, onboarding begins before their first working day with a welcome email, including general information about the new tasks. On their first day at work, they are greeted by their manager and given a welcome package at their workplace. All new employees take part in courses at the Fabasoft Academy, in which they are informed about the company, products, values, guidelines, processes and structures as well as instructed in information security, data protection, the anti-corruption policy and the Code of Conduct.

Corporate culture and benefits

Fabasoft is looking for committed employees and people are looking for employers where they can develop their potential and where they feel comfortable. Because if you feel good, you can develop and vice versa. That is why Fabasoft takes comprehensive measures to create a working environment for existing and future employees that promotes innovation, team spirit, creativity and performance.

Shared values for employees and managers form the framework for acting in a goal-oriented and sustainable manner. These values are available to all employees on the Intranet as the core basis for joint action and interaction.

Communication at Fabasoft

Fabasoft always maintains an open and direct communication in the informal "Du" form and an open-door strategy practised across all hierarchical levels. The Managing Board and management inform employees of the focal points of corporate strategies and the latest organizational, technological and business topics in the regular "Friday Morning Speeches". Among other things, employees are also regularly encouraged to provide feedback and suggestions for improvement as part of internal audits, in order to make the working environment even more attractive.

In addition, Fabasoft SUCCESS takes place every two years as a two-day company event to discuss products and tasks as well as the successes and future of the Fabasoft Group in a collaborative atmosphere. This also promotes extensive networking between the teams and locations.

This open communication structure contributes greatly to the satisfaction of Fabasoft staff, a fact positively reflected in the employer review platforms. The mutual exchange between staff members across all departments and hierarchies is promoted by the daily joint breakfast provided by Fabasoft, the food trucks or the regular Thursday barbecues in summer.

During the reporting year all product teams presented the latest developments internally at the regular Scrum Demo Days, which can be followed live or via video stream. Employees also receive all the latest information from the Fabasoft Group via the regularly published internal newsletter.

Motivation

Employees can only perform outstandingly if they work in a pleasant and healthy environment. The provision of state-of-the-art equipment is just as important for the daily work as ergonomic workplaces and non-reflective screens. In the redesign of office spaces special attention is paid to optimal room conditions and equipment. For this reason, the workstations in Linz and Vienna are already equipped with height-adjustable desks, and an expansion to the other locations is planned. In addition, the range of health-promoting measures was expanded in the past financial year to include sports courses and medical check-ups.

Fabasoft offers various incentives in the common staff areas in its locations in order to promote creativity, concentration, motivation and communication. This gives the employees an opportunity to exchange experiences or have short discussions on cross-team issues.

Numerous coffee corners and lounge areas provide the ideal environment for exchanging information at a moment's notice throughout the day. Joint leisure and team-building activities such as movie nights, brewery tours or other after-work events promote team spirit. Fabasoft also supports its employees in sporting activities and assumes the entry fees for various sporting events or organizes and sponsors a joint winter seminar. A good work-family balance is very important to Fabasoft, which is why employees' families are also invited to several social events, for example to bake cookies together or explore a nature resort.

Enthusiastic employees are the best brand ambassadors. They position Fabasoft as an attractive employer in their private sphere. A hiring bonus scheme was continued as a lucrative bonus and incentive for employees for the hiring of recommended persons.

Location policy

With its location policy Fabasoft attempts to be as close as possible to both customers and employees. The underground carpark at the sites in Linz and Vienna and the central location of the Fabasoft offices that can be reached easily by public transport make the daily journey to work much easier for employees. In keeping with the concept of sustainability Fabasoft also encourages the use of public transport in Linz and Vienna with its job ticket offer. The offer has been extended since October 2021 to include the Austria Climate Ticket. This offer is described in more detail under the point "CO₂-free commute". Furthermore, Fabasoft increased the number of e-charging stations for company cars in the underground garage at the Linz and Vienna locations in the financial year under review. The need for charging options is constantly evaluated at all sites and will be expanded if necessary.

The option created at the Linz location in November 2022 of using a company-owned eShuttle to travel sustainably and free of charge between the main train station and the Linz location has been very well received by employees. Objects are selected for Fabasoft offices that are located on major roads close to city centers or that can be reached easily by public transport. The Fabasoft offices in Erfurt, Munich, Vienna and Graz, for example, are all located directly next to the main railway station. The office in Frankfurt is directly at Frankfurt Airport where the ICE station is also located. This environmentally friendly location policy has resulted in optimized travel times.

Top talents and employee development

Qualified, committed and highly motivated employees are essential for the lasting success of the Fabasoft Group.

Fabasoft wants to keep its employees permanently because the knowledge and the commitment of every single employee contributes to the corporate success. "Comfort factors" not only include the development of professional qualifications and competence, but also secure and modern workplaces, the social environment and benefits, which are of equal importance. These are available for all employees regardless of the form of employment.

In order to promote its workforce in the best possible way, Fabasoft offers a wide range of training and further education measures, which include both internal and external courses. Another focus is on performance-related pay in line with the market, which exceeds the statutory requirements.

Training and further education

The extensive professional and advanced training programs of the Fabasoft Academy and the Fabasoft Talent Management focus on the continuous professional and social development of employees and pursue the dual system concept, i.e. close linking of theory and practice.

The training measures range from product training with internal and external course instructors, visits to international symposia as well as special qualifications and certifications in the field of databases, for example, and on through to language training and coaching.

Within the scope of its professional and advanced training program, Fabasoft pays particular attention to the topics of information security, compliance with the EU General Data Protection Regulation and data protection awareness. The existing e-learning platform was continuously expanded and conveys knowledge in the form of monthly interactive online courses in the fields of IT security and data protection.

Whereby, topics such as social engineering, URL training, protection against ransomware, safe web browsing or the handling of personal data are addressed interactively and existing knowledge is checked. This enables employees to develop and brush up their knowledge and expertise in a targeted manner. Participation is obligatory for all Fabasoft employees.

The Fabasoft Management Academy, the internal training program for managers established during the reporting period, is specifically designed to impart management skills in line with Fabasoft's strategic objectives. In this internal course, which lasts several days, training content such as the development of employees, sharpening self-reflection, but also target responsibility as well as managing and supporting employees was taught in co-operation with university institutions. The new training program is therefore a key component in promoting the long-term success of the Group. Through its active involvement in national and international working groups and institutions, Fabasoft also promotes the exchange of experience with partners from a wide range of industries in order to work together on new, innovative solutions for the future.

Employees entrusted with carrying out projects take part in a project management training, on conclusion of which they receive the qualification "Certified Project Manager" (cPM, Level C or cSPM, Level B). This special course is conducted in compliance with the IPMA Standard (International Project Management Association) and is recognized internationally. The certificate must be renewed every 5 years (recertification).

The software development team at Fabasoft uses Scrum as an agile form of organization. Each team is led by the Scrum Master while the Product Owner supports the team as the product and personnel manager. Appropriate certifications are required for these roles. A further 7 employees successfully completed this training course in 2023/2024 fiscal year. At the balance sheet date Fabasoft employed 94 certified Scrum Masters and 37 Product Owners.

Further education according to gender (per employee)

	2023/2024	2022/2023	2021/2022	Change
Men	25 hours	23 hours	26 hours	- 3.8%
Women	26 hours	32 hours	19 hours	36.8%

On average, each employee attended 25 hours of training in the 2023/2024 fiscal year.

Fair remuneration

It is our aim at Fabasoft to offer all employees the same chances. That is why the salary policy at Fabasoft stipulates equal pay for equal performance. Only the expertise contributed and the motivation by employees are assessed. As the highest decision-making body within Fabasoft, the members of the Managing Board are involved in shaping salary policy.

As an employer in the IT environment, Fabasoft recruits highly qualified employees. Their commitment and spirit of innovation are the prerequisites for sustainable growth. Remuneration throughout all locations is based on objective criteria, in particular on the functional position within the corporate group and on individual performance.

Fabasoft complies with local labor standards in all countries in which it operates. The collective IT agreement applies to all employees in Austria, which means that 70.2% of the entire workforce as at 31 March 2024 are covered by it. During the financial year, all persons working for Fabasoft were employed in a employment relationship. There are very few temporary employment relationships in the Fabasoft Group, these apply primarily for internships. The extent of the employment relationships varies from full-time to minor part-time employment.

Equal remuneration for all employees across all levels of the company and in all subsidiaries has been practiced for years at Fabasoft.

The ratio of the annual total remuneration for the organization's highest-paid individual to the median annual total remuneration for all employees was 15.3 for the fiscal year under review.

The percentage increase in total annual remuneration for the highest paid person is 58.2%, most of which results from bonus payments. The percentage increase in the base salary for the highest paid person is 7.1%. The percentage increase in total annual remuneration for all other employees was 6.0% as at the balance sheet date, resulting in a change in the ratio by a factor of 9.7.

Memberships and active participation in institutions and working groups

With the intention of keeping up-to-date with current developments in the industry as well as on an EU, national and local level, Fabasoft employees are active in numerous institutions, in order to address issues such as certifications, data protection and data transfer. At the same time, Fabasoft endeavors to only enter into cooperations and memberships that are in line with its sustainability strategy and the associated objectives. Whenever possible and expedient, existing partnerships are intensified and new collaborations promoted.

EU Alliance for Industrial Data, Edge & Cloud

Fabasoft is a member of the "European Alliance for Industrial Data, Edge and Cloud", which is made up of a number of industrial actors and public administration institutions. It was an obvious move for Fabasoft to join an alliance that aims at transferring European values with regard to data protection, cyber security and openly available standards to the digitization of industries. The Alliance held its kick-off meeting on 14 December 2021 under the patronage of the European Commission (DG Connect).

The main objectives of the Alliance include fostering the digital sovereignty of Europe and promoting the competitiveness of EU industry for the next generation edge and cloud technologies. Top priority is given to highly secure, interoperable and resource-efficient solutions. In this context, Fabasoft is involved in the thematic focus "AI for Industrial Data" and "Common Trust Principles for Ecosystems".

EU Cloud Code of Conduct

Fabasoft is a founding member of the General Assembly and is active within the framework of intensive participation for a Code of Conduct (CoC). The Code of Conduct was developed by the Cloud Select Industry Group convened by the European Commission under the auspices of DG Connect and with the involvement and advice of DG Justice.

The aim of the Code of Conduct is to support cloud customers (solely B2B) in the orientation and selection of cloud services. In addition, the transparency created by the Code will generate a new standard in transparency that will contribute to an environment of trust and a high level of data protection in European cloud solutions. The EU Cloud Code of Conduct was approved on 19 May 2021 by the European data protection authorities in compliance with Article 40.7 of the General Data Protection Regulation. By voluntarily accepting and applying the requirements of the code, European cloud service providers can provide transparent proof that their services comply with rigorous data protection and security standards. Fabasoft already applies the regulations and has again achieved Compliance Level 3 of the EU Cloud Code of Conduct (CoC) in the year under review.

GAIA-X

GAIA-X, a pan-European project, is a flexible platform that maps data and software with no system discontinuity via its architecture and regards data sovereignty as its top maxim. Fabasoft considers the digital single market of the EU and its related strategies as a key prerequisite for a strong competitive Europe and therefore participates actively in the GAIA-X project.

Furthermore, Fabasoft together with other cloud and infrastructure providers launched the initiative Structura-X in November 2021 in compliance with the technical Board of GAIA-X. The aim of this initiative is the transfer of theoretical topics into practical application in the GAIA-X ecosystem.

European Telecommunications Standards Institute

The European Telecommunications Standards Institute (ETSI) is an officially recognized European Standards Organization (ESO) that is active in the fields of telecommunication, radio and other electronic communication networks and services.

The Organization plays a special role in Europe. This includes supporting European standards and legislation by creating harmonized European standards. Fabasoft is a member of the ETSI and primarily participates in grid and cloud computing technologies and is an active member of the Technical Committee for Cybersecurity (TC CYBER).

Association for Technical Communication

Since 1978 the Association for Technical Communication – tekom Deutschland e.V. – has been committed to boosting the importance of technical communication within companies and advancing the occupational profile of the technical editor. Fabasoft Xpublisher GmbH and Fabasoft Approve GmbH are members of tekomp Deutschland e.V.

Federal Association of Materials Management, Purchasing and Logistics e.V. (BME)

Fabasoft is a member of the BME. Founded in 1954, the trade association for buyers, supply chain managers and logistics specialists in Germany and continental Europe sees itself as a network partner for all industries and sectors. The focus is on the transfer of know-how through the exchange of experience, the training and further education of qualified personnel and scientific work on new methods, processes and techniques.

German Association of Mechanical and Plant Engineering

Around 3,600 primarily medium-sized member companies in the capital goods industry make the VDMA (German Association of Mechanical and Plant Engineering) the largest industrial association in Europe and the most important network organization in the industry. It represents the topics of mechanical and plant engineering in Germany and the rest of the world.

Fabasoft Approve is active within the VDMA in the trade association Software and Digitization in the working group “Technical Documentation”. The aim of the group is to bundle existing competence within this trade association and pass it on to other member companies.

The Federation of Austrian Industries - Austria and Upper Austria

The Federation of Austrian Industries (IV) is the voluntary representation of interests of Austrian industry and its goal is to develop and strengthen industry and make Austria an attractive place to work. Prof. Dipl.-Ing. Helmut Fallmann is a Member of the Board of the Federation of Austrian Industries and of the Board of the Federation of Austrian Industries Upper Austria.

Data Processing Work Group

The Data Processing Work Group (ADV) provides its members and the general public with information on the optimum utilization of information and communication technologies. ADV's network currently comprises around 400 experts from the sectors economy, administration and science as well as 350 well-known companies and public institutions. Fabasoft is a member of the Board of Trustees.

Austrian Computer Society

The Austrian Computer Society (OCG) is a non-profit association with around 1,400 members whose aim is the promotion of information technology and ICT (Information and Communication Technologies). As a member Fabasoft supports the activities of the society taking the interaction with people and society into account.

Other memberships and more detailed information on the activities of the organizations and the commitment of Fabasoft in this respect are published under the headings Sustainability and Research on its website.

Diversity and equal opportunities

Diversity is a key parameter for the success of Fabasoft and is also reflected in the composition of its workforce, which includes employees from 33 different nations across the Group. Fabasoft is committed to equal opportunities in its personnel policy, regardless of origin, gender, age, religion or personal circumstances. In order to support good integration into the company and society, Fabasoft funds language courses for employees where necessary.

Equal treatment with regard to chances of promotion and remuneration is a policy that has already been practiced on all corporate levels for many years. A differentiation according to minorities is of no relevance to Fabasoft.

As at 31 March 2024 the Fabasoft Group employed 497 salaried members of staff, including 4 apprentices in Switzerland and 4 dual students in Germany. No employees with non-guaranteed working hours were employed in the past financial year.

Total workforce figures (in employee numbers at the end of the period under review):

	as per 31/03/2024	as per 31/03/2023	as per 31/03/2022	Change
TOTAL employees	497	451	386	28.8%
of which men	356	324	287	24.0%
of which women	141	127	99	42.4%
of which in Austria	350	314	281	24.6%
of which in Germany	96	90	86	11.6%
of which in Switzerland	37	30	6	> 250.0%
of which in the USA	14	17	13	7.7%
of which permanent employees	489	445	384	27.3%
of which men	348	318	285	22.1%
of which women	141	127	99	42.4%
of which in Austria	350	314	281	24.6%
of which in Germany	92	87	84	9.5%
of which in Switzerland	33	27	6	> 250.0%
of which in the USA	14	17	13	7.7%
of which temporary employees	8	6	2	> 250.0%
of which men	8	6	2	> 250.0%
of which women	0	0	0	-
of which in Austria	0	0	0	-
of which in Germany	4	3	2	100.0%
of which in Switzerland	4	3	0	-
of which in the USA	0	0	0	-
of which full-time employees	399	366	321	24.3%
of which men	307	279	257	19.5%
of which women	92	87	64	43.8%
of which in Austria	279	252	226	23.5%
of which in Germany	79	77	76	3.9%
of which in Switzerland	28	20	6	> 250.0%
of which in the USA	13	17	13	0.0%
of which part-time employees	98	85	65	50.8%
of which men	49	45	30	63.3%
of which women	49	40	35	40.0%
of which in Austria	71	62	55	29.1%
of which in Germany	17	13	10	70.0%
of which in Switzerland	9	10	0	-
of which in the USA	1	0	0	-

In total, 4.0% of employees hold senior management positions (corresponding to the members of the Management Board and the management of all Group companies), 80.0% of whom live in the respective region. A commuting area of up to 50 km is considered regional. All locations and operating sites of the Fabasoft Group were taken into account for this key figure.

70.4% of the employees (279 full-time employees, 71 part-time employees) have their place of work in Austria.

In the year under review an average of 383 full-time employees and 99 part-time employees actively supported Fabasoft.

At 36.0%, the proportion of employees under the age of 30 is high in the Fabasoft Group. Employees between the age of 30 and 50 constitute 55.0% of the staff, employees over 50 years of age make up 9.0%.

The proportion of women in technically-oriented companies is traditionally rather low. The proportion of women at Fabasoft was 28.4% as of 31 March 2024. 19.4% of management positions were held by women as at 31 March 2024, of which 52.6% in junior management positions* and 47.4% in management positions with a reporting line of no more than two levels below the CEO. The aim is to maintain the proportion of female employees at a similarly high level in the future, or to increase it where possible.

* Junior management positions: refer to managers with a reporting line more than two levels below the CEO. These individuals are typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher level officials and managers to subordinate personnel.

Work-Family balance

Fabasoft offers various part-time work models and childcare so employees can better reconcile their family, studies and work commitments. Fabasoft's commitment in this direction is also reflected in the year under review by the award of the "workandfamily" certificate. The implementation of flexible working time models demands trust and a sense of responsibility from both the employees and Fabasoft. As at 31 March 2024, approximately 19.7% of all employees were employed on a part-time basis.

Corporate childcare: FABIs Kinderneest and FABIs Summer Camp

Fabasoft opened the corporate childcare center "FABIs Kinderneest" at the Linz location in January 2021 in cooperation with the Diakoniewerk Oberösterreich. In the spacious and modernly equipped center the employees' children between the ages of one and three are provided with individual care and early learning opportunities by qualified educators. FABIs Kinderneest makes returning to work after a parental leave far easier and helps parents reconcile work, family and private life.

The Kinderneest enjoys great popularity amongst employees and has been so well received that a second care group was set up in 2022.

"FABIs Summer Camp" for children aged between four and ten was also held during the school holidays for the third time with a variety of different activities.

Fabasoft certified as family-friendly employer

In October 2021 Fabasoft was awarded the basic certificate "berufundfamilie" ("workandfamily") for the two locations in Austria by the Familie & Beruf Management GmbH on behalf of the Federal Ministry of Labour, Family and Youth and in March 2022 received the state seal of quality "We are a family-friendly employer". Recertification is planned for autumn 2024.

The reconciliation of family and work is one of today's greatest social challenges. Creating a congenial environment that provides optimum support for work, family and private life plays an important role for Fabasoft. The certification process includes an annual evaluation of the defined measures, which, among other things, evaluates its further development.

In the 2023/2024 fiscal year 18 employees (1 man, 17 women) took advantage of the parental leave option. All employees concerned are currently still on parental leave.



ECOLOGICAL RESPONSIBILITY (ENVIRONMENT)

Fabasoft strives to constantly improve its own eco-balance by suitable measures with regard to green IT and ecological product benefits as well as the use of modern means of communication and mobility that is environmentally friendly and conserves resources. By providing products for digital transformation and cross-company collaboration Fabasoft offers its customers an innovative and solid basis for minimizing their ecological footprint. Fabasoft takes care to ensure that its PROCECO Solutions are operated in highly efficient and sustainable data centers (cloud locations). This enables customers to reduce their energy consumption significantly in order to realize both economic and ecological saving potential.

Energy management and green IT

For Fabasoft, the consumption of energy in the form of electricity, heating and cooling is particularly decisive for its energy management. In order to make its contribution to a climate-neutral and resource-conserving economy, Fabasoft believes it has a responsibility to continuously reduce its energy consumption and the associated greenhouse gas emissions. Measures derived from these principles, such as using the hardware provided as energy-efficiently as possible, are also communicated internally. Wherever possible, renewable energy sources are used to provide energy and consumption is monitored and analyzed over longer periods of time. Decisive for the selection of energy suppliers - especially for electricity - are the provider mix, the energy sources used, the environmental impacts caused by the generation of the electricity and the proofs of origin of the supplied electricity.

Approximately 2,533.1 MWh of energy was consumed (Scope 1 and 2) across all locations and data centers in the 2023/2024 fiscal year. Around 849.2 MWh thereof are accounted for by heating and cooling requirements. The remaining 1,683.9 MWh are attributable to the Group's consumption of electrical energy, whereby the greater part comes from the power supply of the data centers. The percentage of renewable energy sources in the electricity consumption for Scope 1 and 2 was 92.1% (1,551.3 MWh) in the 2023/2024 fiscal year.

Energy consumption by country

	2023/2024	2022/2023	2021/2022	Change
Total energy consumption (Scope 1 and 2) [kWh]	2,533,085.7	2,239,115.0²	1,865,102.3	35.8 %
Austria	1,262,148.3	1,150,132.3	991,999.8	27.2 %
Germany	766,577.6	713,594.8 ²	710,117.0	8.0 %
Switzerland	392,810.7	263,764.9	96,275.7	> 250.0 %
USA	111,549.1	111,623.0	66,709.8	67.2 %
Energy consumption specific [kWh/kEUR Sales]¹	31.3	32.3²	32.0	- 2.2 %

¹ Energy consumption for electricity, heating and cooling of all Fabasoft locations and data centers used (Scope 2) in relation to sales in the year under review in kEUR.

² Due to an improved data situation for the office locations, the energy consumption for Germany was corrected retrospectively for the 2022/2023 financial year from 728,099.1 kWh to 713,594.8 kWh. This changes the total energy consumption from 2,253,619.3 kWh to 2,239,115.0 kWh and specific energy consumption from 32.6 to 32.3.

Compared to the base year 2021/2022, energy consumption in the current reporting year is 35.8% higher. The increase in the energy used is the result of the consistent economic and personnel growth at Fabasoft, which is also reflected in the need for more space at the locations and data centers. The increase in energy consumption in Switzerland is due to the acquisition of 4teamwork AG in autumn 2022.

In order to ensure continued energy-efficient operation and efficient use of system resources and to keep energy consumption low, Fabasoft is constantly working on virtualizing new systems, optimizing existing systems or replacing outdated components. Fabasoft continues to consistently pursue the concept of desktop virtualization for engineering workstations. Software development employees work via virtual machines (VMs) and obtain the required processing power from the data centers.

Sustainability, a high degree of energy efficiency and the latest technology are key factors, alongside the use of electricity from renewable energy sources, when selecting external data centers. These are also characterized among other things by a high degree of availability and reliability as well as by certified security standards. The data centers provide Fabasoft with the necessary storage space, power and air-conditioning as well as the connection between the data centers and internet routing. Fabasoft PROCECO Solutions in the Public-Cloud are operated exclusively by Fabasoft.

Energy consumption for the office locations by country (rental areas excl. common areas)

Although all office premises were rented as at the balance sheet date, Fabasoft invests annually in making its office locations as energy-efficient as possible and at the same time offer its employees workplaces to the highest technical standards. This is also reflected in the comparatively small change in specific energy consumption, measured against total energy consumption.

	2023/2024	2022/2023	2021/2022	Change
Total energy consumption [kWh]	1,406,001.2	1,217,173.7³	983,870.3	42.9%
Austria	1,063,836.1	967,394.6	789,956.8	34.7%
Germany ¹	196,990.6	171,343.8 ³	183,352.0	7.4%
Switzerland ¹	137,305.4	70,492.3	11.7	> 250.0%
USA	7,869.1	7,943.0	10,549.8	-25.4%
Energy consumption specific [kWh/kEUR sales]²	17.4	17.6³	16.9	3.0%

¹ A small amount of nuclear power is used to supply electricity at the company locations in Munich, Deggendorf and St. Gallen.

² Energy consumption for electricity, heating and cooling at all Fabasoft rented office locations (Scope 2) in relation to sales in the year under review in kEUR.

³ Due to an improved data situation, the energy consumption for Germany was corrected retrospectively for the 2022/2023 financial year from 185,848.1 kWh to 171,343.8 kWh. This changes the total energy consumption from 1,231,678.0 kWh to 1,217,173.7 kWh and specific energy consumption from 17.8 to 17.6.

Energy consumption in Switzerland has increased significantly in the last two financial years due to the acquisition of 4teamwork AG in autumn 2022. Before the inclusion of 4teamwork AG a shared office was rented for the six employees based in Switzerland, however, the acquisition has significantly increased the number of employees, which is also reflected in the energy consumption at the location in Switzerland. The increase in energy consumption in Austria is due to the growth in the number of employees. The fall in energy consumption in the USA is due to the fact that servers previously located at the site were relocated to a new site.

Since 2023, Fabasoft has only used electricity from renewable energy sources from Austrian hydropower at its locations in Linz and Vienna. The monthly recording of the electricity consumption in kilowatt hours ensures appropriate monitoring of the consumption over longer periods of time.

In order to make offices at the Linz and Vienna locations even more energy-efficient, replacement of the fan coils and changing the lighting system over to LED was continued as part of refurbishment work. Since summer 2022, the headquarters have been supplied with cooling by emission-free district cooling instead of the on-site cooling unit, as was previously the case. At the office location in Frankfurt, 100% green electricity was used in the period under review.

Overall, the share of renewable energy sources for the office locations used by Fabasoft (excl. common areas) is 705,786.6 kWh, which in turn corresponds to 50.2%¹.

¹ The evaluation for the share of renewable energy sources for the office locations used by Fabasoft was based on the emission certificates provided by the energy suppliers and property managers for electricity, heating and cooling.

Energy consumption of the data centers by country

	2023/2024	2022/2023	2021/2022	Change
Total energy consumption [kWh]	1,127,084.5	1,021,941.3	881,232.0	27.9%
Austria	198,312.2	182,737.7	202,043.0	- 1.8%
Germany	569,587.0	542,251.0	526,765.0	8.1%
Switzerland	255,505.3	193,272.6	96,264.0	165.4%
USA	103,680.0	103,680.0	56,160.0	84.6%
Energy consumption specific [kWh/kEUR sales]¹	13.9	14.8	15.1	- 7.9%

¹⁾ Energy consumption for electricity and cooling at all data center space used by Fabasoft (Scope 2) in relation to sales in the year under review in kEUR.

The increase in energy consumption for the data centers in Switzerland is due to the acquisition of 4teamwork AG on 1 October 2022, as consumption was taken into account for 12 months for the first time in the 2023/2024 financial year. The higher energy consumption across all data centers can be explained by the expansion of the customer base and the Fabasoft Group's increase in sales. The energy requirements at the two data centers in Austria are covered to 100% with green electricity.

One of the two data centers in Vienna has, in addition, committed itself to the Code of Conduct on Data Centre Energy Efficiency, which addresses the growing electricity consumption in the IT branch. The EU Codex serves as a guideline for data center operators for the cost-efficient use of energy-saving measures in order to boost environmental-friendliness without simultaneously hampering their performance.

The data centers in Nuremberg and Munich operate an ISO 14001-certified environmental management system and an ISO 15001-certified energy management system. In order to keep the ecological footprint as small as possible, the data centers at these locations also obtain their electricity from 100% renewable energy sources such as solar, wind, water and biomass. A unique, patented, modular concept for cooling with CECC (Combined Energy and Cooling Cells) is also used. Thanks to this modern cooling system, energy consumption for cooling and operation is reduced by up to 70%. This not only saves costs for customers, but protects the environment at the same time. This innovative cooling system called KyotoCooling uses rotary heat exchangers in which the systems extract the air that has been heated up to 36 °C from the data center, which then flows through a heat wheel equipped with internal aluminum lamella. The aluminum absorbs the exhaust heat and cools the air down to around 22 °C, which then circulates back into the data center. In order to channel out the absorbed and stored heat in the heat wheel, cool external air circulates in the opposite direction through the other half of the wheel, warms up and is channeled back outside.

Most of the electricity at the data centers in Switzerland is also sourced from renewable energies. The electricity mix in the data centers in Chicago and Los Angeles was completely changed over to green electricity in the year under review.

Across all data centers, 1,102,587.6 kWh (97.8%) of total energy consumption is obtained from renewable energy sources. The information provided or published by the data center operators was used to calculate the proportion of renewable energy.

Ecological footprint

Fabasoft records the direct and indirect greenhouse gas emissions generated by its business activity. Scope 1 encompasses the direct emission of greenhouse gases caused by production processes in the companies. At Fabasoft, these are the emissions caused by the fuel consumption of the group-wide car fleet. Beyond this, there are no Scope 1 emissions, as Fabasoft has existing rental contracts at all operating locations and, as a software company, does not produce any physical (commercial) goods or merchandise, which means that no emissions are generated in the course of production.

Scope 2 consists of indirect emissions generated by the use of purchased electricity, heat and cooling and at energy suppliers. These include, for example, the electricity consumed at the office locations and data centers as well as the energy consumption in shared offices.

Also taken into account are selected emissions from all other indirect emissions, which arise from the activities of Fabasoft and from sources that are not owned or under the control of the company. For this fiscal year these include energy consumed for common areas at the office locations (e.g. staircases, lift) plus business trips by air or rail.

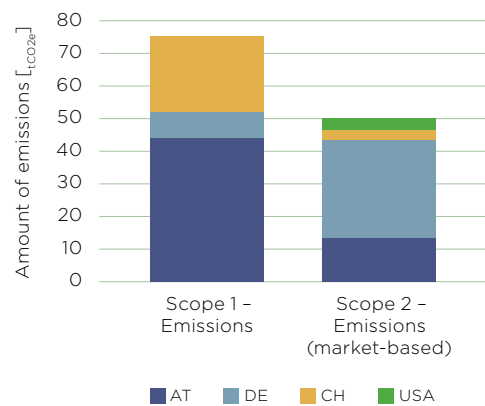
The greenhouse gas emissions (Scope 1 and 2) in the 2023/2024 reporting year amounted to 124.8 tons of CO₂ equivalent [t_{CO2e}] (market-based). Use of the car fleet accounted for 60.0% (74.9 t_{CO2e}), 20.2% (25.2 t_{CO2e}, market-based) were emitted at the office locations and 0.4% (0.5 t_{CO2e}, market-based) via rented floor space in the data centers. The remaining 19.4% (24.2 t_{CO2e} market-based) originate from charging activities for the fleet's e-vehicles. The emissions from Scope 3 amount to 129.3 tons of CO₂ equivalent. 55.3% (71.5 t_{CO2e}) were caused by air travel and 44.7% (57.8 t_{CO2e}) by the energy consumed in the common areas at the office locations.

No instance of non-compliance with the environmental laws and/or regulations was detected in the 2023/2024 fiscal year.

CO₂ emissions per country (Scope 1 & 2)

Emissions	Scope 1 - Emissions [t _{CO2e}]	Scope 2 - Emissions (market-based) [t _{CO2e}]
Emissions Total [t_{CO2e}]	74.9	49.9
Austria	43.9	13.4
Germany	8.1	29.8
Switzerland	22.9	3.1
USA	0.0	3.6
Emissions specific [t_{CO2e}/kEUR revenue]	0.001	0.001

Total emissionst (Scope 1 & 2)



Direct emissions (Scope 1) – corporate vehicle fleet

Where mobility is concerned, Fabasoft relies on a corporate fleet of modern and environmentally-friendly vehicles which are replaced regularly. As at the balance sheet date, 76.0% of the vehicles used have a CO₂ emission of less than 50.0 g/km and almost a third of 0.0 g/km.

The emissions of the vehicle fleet in CO₂ equivalents [t_{CO2e}] (Scope 1) are calculated based on the mileage driven in the reporting year taking the vehicle-specific exhaust values into account. Due to the calculation method described, the Scope 1 emissions shown are both market-based and location-based values.

Milage driven and emissions in the reporting year	2023/2024	2022/2023	2021/2022	Change
Total km driven [km]	1,172,373.0	1,047,175.0	637,508.0	83.9%
Austria	852,953.0	751,206.0	514,722.0	65.7%
Germany	163,317.0	146,982.0 ¹	122,786.0	33.0%
Switzerland	156,103.0	148,987.0 ¹	0.0	-
USA	0.0	0.0	0.0	-
Emissions from vehicle fleet [t_{CO_{2e}}]	74.9	96.8	79.3	- 5.5%
Austria	43.9	71.0	63.5	- 30.9%
Germany	8.1	14.3	15.8	- 48.7%
Switzerland	22.9	11.5	0.0	-
USA	0.0	0.0	0.0	-
Emissions specific [t_{CO_{2e}}/kEUR sales]²	0.001	0.001	0.001	0.0%

¹⁾ The kilometers traveled for Germany were reported as 292,036.0 km in the 2022/2023 Annual Report, while the figure for Switzerland was 152,454.0 km. However, due to a change in the data basis, the total of fleet vehicles in Germany for the 2022/2023 reporting year was 146,982.0 km and 148,987.0 km in Switzerland.

²⁾ Emissions generated by the vehicle fleet in relation to sales in the reporting year in kEUR.

The reduction in emissions caused by the use of the vehicle fleet is due to the fact that a large proportion of the vehicles have already been replaced by electric cars. The value reported for kilometers driven in the reporting year is almost the same as in the previous period under review, but significantly higher than in the reference year. This is partly due to the fact that business trips were only possible to a limited extent in the 2021/2022 financial year due to the pandemic situation.

Of the vehicles in the corporate fleet, around 13.0% are hybrid cars and 63.0% are electric cars. Mainly electric cars are available to employees for business trips to get to customer appointments or events in a particularly environmentally friendly way. Electric charging stations have been installed at the Fabasoft headquarters in Linz and at the Fabasoft location in Vienna.

The complete vehicle fleet of Fabasoft shall be changed over to e-cars by 2027. This will successively reduce the Scope 1 emissions of Fabasoft, until they finally drop to zero. The gradual switch to e-mobility can also be seen in the fact that the amount of emissions has been reduced by more than 20% compared to the last financial year 2022/2023, while the total number of kilometers traveled has remained almost the same.

Indirect emissions (Scope 2) – electricity, heat, cooling

Fabasoft already purchases 74.0% of its energy requirements from renewable energies, which is why the emissions recognized using the “market-based” methods are significantly lower than those using the “location-based” method.

Indirect emissions	2023/2024	2022/2023	2021/2022	Change
Total indirect emissions market-based [t_{CO2e}]	49.9	105.8²	160.6	- 68.9%
Austria	13.4	6.3	89.1	- 85.0%
Germany	29.8	33.3 ²	36.3	- 17.9%
Switzerland	3.1	12.1	1.2	158.3%
USA	3.6	54.1	34.0	- 89.4%
Indirect emissions specific [t_{CO2e}/kEUR sales]¹ (market-based)	0.001	0.002	0.003	- 66.7%
Total indirect emissions location-based [t_{CO2e}]	838.5	611.5	622.5	34.7%
Austria	244.8	251.9	257.9	- 5.1%
Germany	532.2	287.6	326.3	63.1%
Switzerland	9.0	17.9	4.3	109.3%
USA	52.5	54.1	34.0	54.4%
Indirect emissions specific [t_{CO2e}/kEUR sales]¹ (location-based)	0.010	0.009	0.011	- 9.1%

¹⁾ Emissions for electricity, heating and cooling of all Fabasoft locations and data centers used (Scope 2) in relation to sales in the year under review in kEUR.

²⁾ Due to an improved data situation for the office locations, the emissions for Germany were corrected retrospectively for the 2022/2023 financial year from 40.4 t_{CO2e} to 33.3 t_{CO2e}. As a result, total emissions (Scope 2) have changed from 112.9 t_{CO2e} to 105.8 t_{CO2e} (market-based in each case). No values for total location-based Scope 2 emissions were published in the 2022/2023 reporting year, which is why no corrections need to be made to the values published in the current reporting year.

Indirect emissions of the office locations by country

Indirect emissions	2023/2024	2022/2023	2021/2022	Change
Total indirect emissions market-based [t_{CO2e}]	25.2	48.0³	130.8	- 80.7%
Austria	4.9	5.0	89.1	- 94.5%
Germany ²	14.1	30.7 ³	36.3	- 61.2%
Switzerland ²	2.6	8.5	0.0	-
USA	3.6	3.9	5.4	- 33.3%
Total indirect emissions location-based [t_{CO2e}]¹	262.0	262.2³	251.2	4.3%
Austria	195.9	201.8	191.4	2.4%
Germany ²	59.4	46.4 ³	54.4	9.2%
Switzerland ²	3.0	10.1	0.0	-
USA	3.7	3.9	5.4	- 31.5%

The reduction in emissions in Switzerland is due to changes in emission factors for natural gas.

If the consumption of natural gas from the 2022/2023 financial year were multiplied by the emission factor applied this year, indirect emissions (market-based) would be reduced from 8.5 t_{CO2e} to 0.7 t_{CO2e}. The resulting increase in emissions from the 2022/2023 fiscal year to the current 2023/2024 reporting year is once again the result of the acquisition of 4teamwork AG in autumn 2022.

¹ The reported "location-based" emissions were calculated using emission factors from ecoinvent and the emission factors published by the Austrian Federal Environment Agency and the German Federal Office of Economics and Export Control, as well as published emission factors.

² A small amount of nuclear power is used to supply electricity at the company locations in Munich, Deggendorf, Bern and St. Gallen.

³ Due to an improved data situation, the indirect emissions for Germany were corrected retrospectively for the 2022/2023 financial year from 37.8 t_{CO2e} to 30.7 t_{CO2e} (market-based in each case). As a result, total indirect emissions have changed from 55.2 t_{CO2e} to 48.0 t_{CO2e} (market-based). In relation to location-based emissions, the emission values for Germany decrease from 54.2 t_{CO2e} to 46.4 t_{CO2e} and overall from 270.0 t_{CO2e} to 262.2 t_{CO2e}.

Indirect emissions of the data centers by country

Indirect emissions	2023/2024	2022/2023	2021/2022	Change
Total indirect emissions market-based [t_{CO2e}]	0.5	53.9	29.8	- 98.3%
Austria	0.0	0.0	0.0	-
Germany	0.0	0.0	0.0	-
Switzerland	0.5	3.6	1.2	- 58.4%
USA	0.0	50.3	28.6	- 100.0%
Total indirect emissions location-based [t_{CO2e}]	552.4	345.5	371.3	48.8%
Austria	40.5	48.8	66.5	- 39.1%
Germany	457.1	238.6	271.9	68.1%
Switzerland	6.0	7.8	4.3	39.5%
USA	48.8	50.3	28.6	70.6%

As can be seen in the table, market-based emissions from data centers have fallen sharply in recent years. This is mainly due to the fact that data center operators are increasingly switching to energy supplies from renewable energies. In the past reporting year, data centers in the USA used 100% renewable energy for the first time, which explains the decline in the emissions generated there. The change in the location-based emissions factor for Germany from ecoinvent is responsible for the increase of over 68% since the 2021/2022 reporting year.

Other indirect emissions (Scope 3)

Emissions that cannot be allocated to either Scope 1 or Scope 2 and originate from activities of the company or sources that it neither owns nor controls are categorized as other indirect emissions (Scope 3). This primarily includes emissions along the value chain, such as purchased goods and services or business travel.

To calculate the Fabasoft Group's Scope 3 emissions, business travel by air and rail and the resource consumption of the common areas in the rented locations (e.g. lifts, staircases, etc.) were taken into account.

Other indirect emissions by country

Indirect emissions	2023/2024	2022/2023	2021/2022	Change
Total other indirect emissions market-based [t_{CO2e}]	129.3	86.5	86.5	49.5%
Austria	82.2	47.6	57.1	44.0%
Germany	33.9	21.3	15.3	121.6%
Switzerland	0.7	4.2	4.0	- 82.5%
USA	12.5	13.4	10.1	23.8%
Other indirect emissions specific [t_{CO2e}/kEUR sales]¹ (market-based)	0.001	0.001	0.001	0.0%
Total other indirect emissions location-based [t_{CO2e}]	159.6	164.5	140.0	14.0%
Austria	73.1	101.5	106.8	- 31.6%
Germany	72.9	45.4	19.0	> 250.0%
Switzerland	0.7	4.2	4.1	- 82.9%
USA	12.9	13.4	10.1	27.7%
Other indirect emissions specific [t_{CO2e}/kEUR sales]¹ (location-based)	0.002	0.002	0.002	0.0%

¹ Emissions for the common areas of office locations used and air travel (Scope 3) in relation to sales in the year under review in kEUR.

The emissions from Scope 3 amount to 129.3 tons of CO₂ equivalent (market-based). 71.5 t_{CO2e} (55.3%) were caused by air travel and 57.8 t_{CO2e} (44.7%) by the energy consumed in the common areas at the office locations. The increase in Scope 3 emissions can be explained on the one hand by the low number of business trips in the reference year 2021/2022 due to the pandemic at the time. On the other hand, as with Scope 2 emissions, the increase is due to the growth of Fabasoft.

Calculation methods for the indirect emissions

CO₂ accounting of Scope 2 emissions is effected in compliance with the GRI Standards from 2016 and the Greenhouse Gas Protocol Standards using the separate "market-based" and "location-based" methods.

Fabasoft uses the "market-based" method as the standard accounting method, but also reports emissions in compliance with the "location-based" method for the purpose of comparison.

For "market-based" accounting Fabasoft collects the CO₂ emission factors of the respective electricity tariffs according to the information provided by the electricity suppliers. Where these are not available, but the electricity mix is known, the emission factor was calculated independently by reproducing the specific composition of the electricity purchased and data from the International Panel on Climate Change (IPCC). If neither the energy supplier nor the electricity mix were known, the average "location-based" emission factor for the respective country is used in compliance with the ecoinvent. The calculation of the CO₂ emissions in compliance with the "location-based" method is based solely on the country-specific emission factors in compliance with the ecoinvent.

The greenhouse gas emissions for the district heating and natural gas consumed at the locations are calculated using the emission factors published by the Austrian Federal Environment Agency and the German Federal Office of Economics and Export Control, as well as published emission factors.

Statistical values (e.g. energy certificates) or last valid figures were used for the calculation of the energy consumption for those locations that were not able to submit any current data with regard to energy consumption at the balance sheet date.

The emissions were ascertained in compliance with the consolidation approach of financial and operational control.

Science Based Target initiative (SBTi)

In autumn 2022, Fabasoft took another binding step towards reducing its greenhouse gas emissions in the medium term and defined reduction targets in line with the Paris Climate Protection Agreement, which aims to keep global warming below 2 °C – preferably 1.5 °C – compared to pre-industrial levels.

Founded in 2015, the SBTi promotes ambitious plans to reduce emissions based on climate science findings in the private sector. The non-profit partnership of Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) provides guidance and tools to do so, as well as independently assessing and approving the environmental protection measures defined by companies in accordance with its strict 1.5 °C global warming criteria. Accordingly, companies must define and set targets and steps to minimize their Scope 1 and Scope 2 emissions for the next five to ten years (“Near-Term Targets”) or beyond (“Long-Term Targets”) taking into account the “Greenhouse Gas Protocol Corporate Standard”.

As part of the SBTi, Fabasoft makes a contribution to the Paris Climate Agreement, thereby underscoring its long-standing commitment to sustainability, environmental protection and society. The specified “Near-Term Target” contains the obligation to reduce direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions by at least 42 percent by 2030 compared to the base year 2021 and thus to achieve the 1.5 °C target, according to the SBTi calculation model.

Carbon offsetting

In order to assume responsibility for the greenhouse gases emitted during its business activities, Fabasoft once again decided to offset all direct and indirect emissions (Scope 1 and 2) by supporting certified climate protection projects in the 2023/2024 fiscal year. In addition Fabasoft offsets selected indirect emissions that occur in the value chain (air travel, energy consumption in the common areas in rental objects).

Fabasoft’s business activities are therefore climate neutral with regard to its net CO₂ emissions in the 2023/2024 fiscal year. This offset is possible because of the reduction of greenhouse gas emissions elsewhere or due to the permanent storage of carbon in carbon sinks.

The focus for the coming fiscal year will be primarily on the active reduction of direct and indirect emissions. However, due to its continuing rental relationships, Fabasoft will never be able to gain full control of its greenhouse gas emissions. For this reason it is a matter of great concern for Fabasoft to not only recognize the situation, but also to redress it to the greatest extent possible.

In accordance with the “market-based” method, which constitutes the standard accounting method for Fabasoft, the greenhouse gases emitted in the 2023/2024 fiscal year for Scope 1 and 2 and selected emissions from Scope 3 amounted to 254.0 t_{CO₂e}. In comparison Fabasoft had emissions of 1,073.0 t_{CO₂e} in the same reporting period with accounting based on the “location-based” method.

The quite significant difference of over 819.0 t_{CO₂e} is due for the most part to the fact that approximately 80% of the electricity consumption purchased already derives from renewable energy sources and this deviates considerably from the location average (location-based method).

Although the major part of consumption derives from green electricity and thus makes a substantial contribution to the environment, Fabasoft decided to offset the emissions in compliance with the “location-based” accounting method in the period under review.

To offset the location-based greenhouse gas emissions Fabasoft decided on a “Gold Standard” certified project. The respective certificates for 1,100 tons of CO₂ equivalents were purchased in June 2024.

The 1,073.0 tons of CO₂ equivalent were offset via the “Turn Methane into Cooking Gas for Farmers in Uganda” project. This involves incentivizing the purchase of biodigestors on dairy farms, which make it possible to capture and destroy methane in waste treatment systems and replace the wood fuel needed for cooking. This project envisages the installation of more than 5,000 biogas plants, which would replace over 650,000 tons of CO₂ equivalent over the ten-year duration of the project.

Water consumption

Many regions around the world are struggling with increasing water scarcity and deteriorating water quality brought about by climate change. Responsible use of this natural resource is therefore of crucial importance. Although Fabasoft does not need water for any production processes and does not use any locations in regions that are directly affected by water shortages, the group endeavors to keep its water consumption as low as possible.

The key figures do not include the water consumption that arose through the purchase of goods or services.

Water consumption of the office locations by country

Water consumption	2023/2024	2022/2023	Change
Total water consumption [m³]	1,481.8	2,074.9	- 28.6%
Austria	383.2	652.5	- 41.3%
Germany	541.3	798.3	- 32.2%
Switzerland	113.7	189.3	- 39.9%
USA	443.6	434.8	2.0%

Across all locations around 1,481.8 m³ of water was used in the year under review. At all locations, this is water that was drawn from the municipal water supply or public or private waterworks.

The calculations are largely based on values announced by the property management or read from the water meters and included in the utility bills. Statistical values were used for calculating consumption in those locations where no current consumption values could be submitted. In the 2023/2024 financial year, a more precise database on water consumption at all locations was available for the first time, which meant that fewer estimates were required.

As water consumption was recorded for the first time in the 2022/2023 financial year, no comparison can be made with the reference year 2021/2022.

Climate protection

Fabasoft makes every effort to minimize CO₂ emissions and to contribute actively to climate protection. Appropriate measures were initiated and pursued in all divisions of the company where implementation is viable. Employees are encouraged to switch off their devices instead of leaving them in stand-by mode or are supported in changing over to public transport or bicycles for their journey to work.

The changeover of the vehicle fleet to 100% e-mobility and the consistent changeover of all electricity tariffs, at the office locations where Fabasoft is able to select the energy suppliers, to achieve 100% green electricity use were also pursued in the year under review.

Travel arrangements, video conferences and online meetings

Environmentally-friendly mobility and CO₂-saving travel are important measures for reducing greenhouse gases. These issues are anchored in the Group-wide travel expense guideline. The multifunctional system (Unified Communications) used throughout the Group and other platforms have continued to prove their worth in internal and external communication and enable an intensive exchange of information with customers, partners and team members.

In the 2023/2024 fiscal year, employees held several thousand hours of meetings via the internal video conference system, which allows screen sharing and chat functions in addition to video conferencing and telephony. The resulting location and time-independent availability offers the ideal opportunity to communicate with customers and partners from other time zones.

Whenever possible business trips are undertaken by rail. All discounted journeys in long-distance trains undertaken within Germany with the BahnCard (train pass) were operated by the Deutsche Bahn CO₂-neutral. Fabasoft saved around 56.6 tons of CO₂ emissions in the year under review thanks to its use of the Austrian Federal Railway and the German Railway for business trips*. Thanks to the environmentally-friendly location policy and the predominant use of modern communication technologies the CO₂ emissions for rail and air travel amounted to 71.5 tons in the 2023/2024 fiscal year. The increase in emissions is due to the growth of the Fabasoft Group.

* The calculation of the CO₂ emissions saved was based on the key figures provided by the two railway companies.

CO₂-free commute

Another building block in the sustainability strategy that leads to more life quality as well as CO₂ savings, is the use of public transport to travel to work. Since the introduction of the Austria Climate Ticket, Fabasoft has been offering its employees a generous cost contribution for the purchase of the Austria-wide climate ticket. All employees at the Linz and Vienna locations, who used public transport to commute to work before the introduction of the climate ticket, were provided with the annual season ticket as a job ticket from the Linz AG Linien and Wiener Linien.

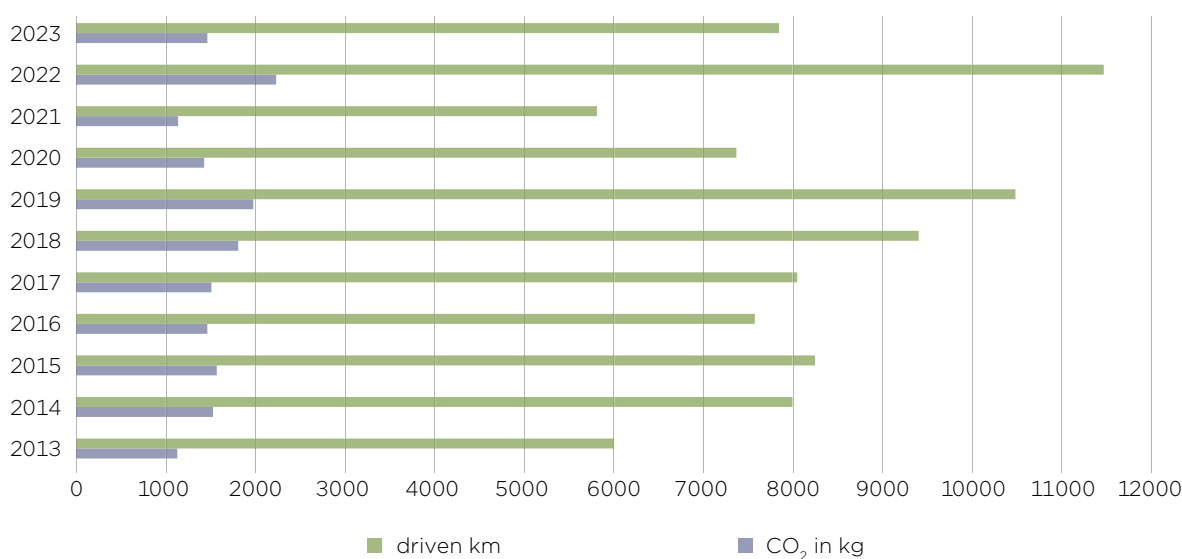
The eShuttle that was purchased for the Linz location in November 2022 and which offers employees an emission-free transport option between the main train station and the headquarters is well utilized by the workforce and thus offers an excellent option for making the journey to work even more environmentally friendly. In addition, the cooperation with citybikes Linz was extended, which enables employees to cover short distances within the city with the shared bikes.

Fabasoft rides bikes

Fabasoft takes part in the initiative "Linz Companies ride Bikes" every year. Besides directly protecting the environment by reducing CO₂, the initiative serves above all to increase awareness with regard to ecological mobility. The objective is to cycle to work on at least 40 working days a year. At the end of the initiative the initiator, the Linz City Council, calculates the saving in CO₂ and presents an award to the participant who has cycled the most kilometers per company.



Fabasoft acknowledges the commitment of all participants. In 2023, employees traveled a total of 7,804.9 km on 972 days (2022 season: 11,456.0 km) and saved 1,376.8 kg of CO₂ in the process.



Energy-efficient hardware and resource-saving administration

When purchasing hardware, special attention is paid to energy-saving seals of approval, such as the Energy Star for notebooks or the EPEAT Gold status. Such approval confirms that a piece of equipment fulfils certain electricity-saving and environmental protection criteria. Furthermore, computer screens with a TCO certification, which requires ergonomic quality and guarantees low energy consumption, are used wherever possible. Equipment provided by Fabasoft for working from home also complies with these requirements. In this way Fabasoft encourages its employees to keep energy consumption as low as possible while working from home.

Wherever possible Fabasoft repairs hardware itself. Older devices, which are no longer suitable for permanent operation or do not have sufficient performance capability, are put to alternative use or used as temporary solutions as far as possible.

Hardware devices that are no longer operational or useable, are donated to the AfB (Work for People with Disabilities) GmbH. Europe's first non-profit IT company is specialized in the refurbishing of IT hardware taken out of service by companies. In the 2023/2024 financial year, it was possible to repair and reuse all devices at Fabasoft, which is why no donations in kind were made to the AfB.

In addition, Fabasoft is committed to further reducing the consumption of paper, handling all internal processes digitally and making information available in digital form. Quarterly reports, for example, and information material on products are available on the website and presentation documentation is available in digital form in teamrooms or via download link. Thanks to their online availability, it was possible to further reduce the number of printed business reports. These measures not only help to reduce the consumption of paper, but can also minimize printing costs and reduce waste such as printer cartridges and waste paper. These initiatives apply for all locations and are evaluated continuously and adapted as required.

Fabasoft uses FSC (Forest Stewardship Council) paper for internal printouts throughout the Group and has all corporate stationary produced on-demand by FSC-certified printers in the region in exactly calculated quantities.

Sustainable procurement and demand for raw materials

Fabasoft always makes every effort to keep delivery distances short and to give preference to regional suppliers wherever these are available. As a software product company and cloud service provider Fabasoft's demand for raw materials is limited to resources for daily needs, such as electricity, water or food. Sustainability is also taken into consideration when it comes to the choice of the electricity provider, in order to reduce the negative impacts on the environment to a minimum. With the publication of its Code of Conduct for Contractors Fabasoft pursues an approach based on partnership and which emphasizes that fair pay, good production conditions, health protection in observance of human rights are just as much a part of the sustainable supply chain as short transport distances or the fight against corruption.

Supply chain and Code of Conduct for Contractors

The Fabasoft Code of Conduct for contractors defines the requirements and principles for the cooperation with contractors. It therefore constitutes the basis of prudent and credible behavior. Information pertaining to compliance including anti-corruption, the General Data Protection Regulation and corporate social responsibility (environmental protection and human rights) is also included in the Code of Conduct. As business partners of Fabasoft the contractors accept the Terms and Conditions of Purchase of the Fabasoft AG and its subsidiaries and all their associated agreements, including the Code of Conduct. The intention here is to further improve sustainability in the supply chain in the long term.

In the interests of transparency, the current version of the Fabasoft Code of Conduct for Contractors is available as a PDF download on the Fabasoft website under the point Sustainability.

Our Code of Conduct for Suppliers (CoC) contains topics such as:



Laws

Compliance with all applicable laws



Corruption

Combating corruption



Human Rights

Respect for the human rights of their employees; compliance with laws against child labor; prohibition of all forms of modern slavery, forced labor and human trafficking



Fair Labor Contitions

Compliance with minimum wages and maximum permissible working hours; freedom of association and right to collective agreements



Supply Chain

The express demand that these principles are implemented and complied with in the supplier's own supply chain



Environmental Protection

Compliance with the relevant national laws and international standards on environmental protection



Health and Safety

Responsibility for employee health and safety

The entire Fabasoft Group endeavors to keep supply chains as short as possible with a view to the economical and at the same time efficient use of resources. Care is taken to ensure that the required appliances are produced and delivered locally within the respective continent, which also eliminates customs costs and reduces delivery times to a minimum. Sustainability issues such as human rights and labor practices are also taken into account when selecting these suppliers. The Fabasoft Group's supply chain comprises software and services (including consulting services, marketing, travel management) as well as material goods such as hardware, vehicle fleets and office equipment.

Based on the findings of the previous year, a review of suppliers was again conducted by the Purchasing Department as well as an update of the composition of the key suppliers. Key suppliers are all those suppliers important for Fabasoft for the achievement of the set corporate goals and for the implementation of the business model. Such suppliers are relevant for both the value-added chain and the course of business and were identified in the following sectors: hardware, software, data centers, electricity, telephone, Internet, maintenance, external consulting services and certification companies.

Closer examination of the key suppliers indicates that Fabasoft collaborates almost exclusively with companies from the European area. Fabasoft has partnerships with many suppliers that are already longstanding and endeavors to further intensify and expand these – both on a local and a global level.

In the context of the European General Data Protection Regulation (GDPR), Fabasoft checks whether a supplier has access to personal or sensitive data when placing orders and records this in the system. The data are not passed on to the contractor until it has concluded a processor agreement compliant with the General Data Protection Regulation.

In addition, to the consideration of economic aspects such as quality, the ability to deliver on time and price that are included in the annual supplier review, the regional character of the suppliers and an environmentally friendly product lifecycle are key ecological criteria for Fabasoft where procurement is concerned. Fabasoft maintains exclusively regional supplier relationships whenever this is expedient and possible. Regional for Fabasoft means that the supplier comes from the same country as the recipient (Fabasoft location). The increase in expenditure on regional deliveries in Germany is due to the conversion measures carried out at the Deggendorf location in the year under review.

Percentage of regional deliveries by country

	2023/2024	2022/2023	2021/2022	Change
Percentage of number of regional deliveries [%]				
Austria	68.6	68.4	68.2	0.6%
Germany	81.0	75.9	72.5	11.7%
Switzerland	80.9	71.4	84.6	- 4.4%
USA	91.9	95.8	100.0	- 8.1%
Percentage of expenses for regional deliveries [%]				
Austria	80.4	82.2	85.7	- 6.2%
Germany	78.8	65.4	58.6	34.5%
Switzerland	77.9	17.4	73.9	5.4%
USA	97.2	98.9	100.0	- 2.8%

In particular when purchasing food, Fabasoft pays as much attention as possible to regional purchasing with short transportation routes and gives preference to food and beverages from controlled organic cultivation or from the Fairtrade product range, which produces as little waste as possible. Some of the food items needed on a daily basis are delivered in an environmentally friendly manner by transport bike. Organic coffee is primarily used in the coffee machines. The installation of water filters with accompanying water dispensers reduces the costs, waste and CO₂ emissions incurred previously through the purchase, transport and storage of bottled water.

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Linz, 24 May 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



CONSOLIDATED FINANCIAL STATEMENTS

Auditor's report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Fabasoft AG, Linz and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of 31 March 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 March 2024 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matters for our audit:

1. Recognition of sales revenue
2. Impairment of goodwill - impairment test in accordance with IAS 36

1. Recognition of sales revenue

• Description

Fabasoft AG shows sales revenues totaling kEUR 80,950 from various services offerings in its consolidated financial statements for the financial year 2023/24. These are made up of recurring sales revenues totaling kEUR 42,638 (in particular software updates, fees for right of use and support services) and non-recurring sales revenues totaling kEUR 38,312 (one-off licenses and professional services in connection with consulting services). All sales revenues, except for one-off licenses, are recognized over time.

Fabasoft AG disclosures about the composition of sales revenues are included in Note "6.1. Sales revenue", "2.17. Scope of discretion and estimates - Service contracts", "2.14. Sales revenue", "2.10. Contract assets" and "8) Segment reporting".

We considered the recognition of sales revenue as a key audit matter, as sales revenue is a key performance indicator of management and there are different sources of income due to the Group's product range which partially require judgement.

- **How we addressed the matter during the audit:**

Our audit procedures have included, among others, the following activities:

In the course of our audit, we first analyzed the different types of contracts by reviewing customer contracts and gained an understanding of the accounting and valuation methods used with regard to the recognition and deferral of sales revenues.

Based on this, we assessed the design of the controls in the sales revenue recognition process, in particular regarding the correct identification of performance obligations and the proper accounting of sales revenues.

We checked this by selecting individual transactions, obtaining supporting evidence (such as contracts, purchase orders, proof of performance, invoices and proofs of payments) and assessing these to identify performance obligations, the allocation of the transaction price and the recognition of sales revenues.

In addition, we obtained balance confirmations for trade receivables as evidence for the fulfilment of the identified performance obligation and reviewed the correct deferral of contract liabilities.

In addition, we retraced the determination of performance progress and the resulting sales revenue recognition for sales revenue recognition over time (especially fixed-price projects).

We also carried out data analytics in the area of sales revenues and corresponding items.

We also evaluated the adequacy of disclosures made regarding sales revenue.

2. Impairment of goodwill – impairment test in accordance with IAS 36

- **Description**

Fabasoft AG shows significant amounts of goodwill (book value kEUR 4,764) in its consolidated financial statements, which are allocated to several cash-generating units. The composition of the cash-generating units did not change in the financial year.

Fabasoft AG disclosures about the composition of cash-generating units and goodwill are included in Note “2.3. Property, plant and equipment and intangible assets”, “2.4. Impairment of specific non-current assets”, “2.17. Scope of discretion and estimates – Goodwill”, “2.17. Scope of discretion and estimates – impairment of goodwill” and “5.1.2. Intangible assets”.

We considered the impairment testing of goodwill as a key audit matter as the related amounts are significant and the valuation process itself is complex and requires judgment. The impairment tests include assumptions that are affected by future market and economic conditions.

- **How we addressed the matter during the audit:**

Our audit procedures included, among others, the following:

We assessed the design of the process for impairment testing.

We assessed the valuation model. Furthermore, we compared forecasted revenues and EBIT margins as well as capital expenditures and changes in working capital for all entities with the Fabasoft Group plans submitted to the supervisory board and analyzed the main drivers for the future development included in the business plan to determine the appropriateness of the projections. We also verified the assumptions made in relation to discount rates and growth rates. EY valuation specialists assisted us in performing the audit procedures.

We also evaluated the adequacy of disclosures made regarding impairment testing and related assumptions.

Other matter

The consolidated financial statements of Fabasoft AG, Linz, for the fiscal year ended 31 March 2023, were audited by another auditor, who issued an unmodified audit opinion on these financial statements on 26 May 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon. We received the Corporate Governance Report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

• Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements comprising the details in accordance with section 243a UGB (Austrian Company Code), and is consistent with the consolidated financial statements.

• Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at 3 July 2023. We were appointed by the Supervisory Board on 25 October 2023. We are auditors without cease since 2023/24.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Mag. Erich Lehner, Certified Public Accountant.

Linz, 24 May 2024

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Marion Raninger mp
Wirtschaftsprüferin / Certified Public Accountant

Mag. Erich Lehner mp
Wirtschaftsprüfer / Certified Public Accountant

Consolidated balance sheet as at 31 March 2024

Assets in kEUR	Note	31/03/2024	31/03/2023
Non-current assets			
Property, plant and equipment	5.1.1.	23,928	16,519
Intangible assets	5.1.2.	6,857	7,443
Other financial assets	5.1.3.	145	153
Other non-financial assets	5.1.4.	376	413
Deferred income tax assets	5.1.5.	822	490
		32,128	25,018
Current assets			
Trade and other receivables	5.2.1.	16,532	15,653
Contract assets		2,516	3,058
Income tax receivables		84	82
Cash and cash equivalents	5.2.2.	25,068	26,563
		44,200	45,356
Total assets		76,328	70,374

Equity and liabilities in kEUR	Note	31/03/2024	31/03/2023
Equity			
Capital and reserves attributable to the Parent Company's equity holders			
Share capital	5.3.	11,000	11,000
Capital reserves	5.3.1.	19,555	19,555
Treasury shares	5.3.2.	-2,016	0
Other reserves		-740	-666
Adjustment item for currency conversion		223	115
Retained earnings		-22	-5,996
		28,000	24,008
Non-controlling interest		2,638	2,710
		30,638	26,718
Non-current liabilities			
Provisions for severance payments	5.4.1.	3,043	2,708
Deferred income tax liabilities	5.1.5.	908	666
Other payables	5.4.3.	6,149	6,965
Investment grants	5.6.	106	139
		10,206	10,478
Current liabilities			
Trade and other payables	5.5.1.	13,704	12,954
Liabilities for income taxes	5.5.2.	1,795	1,472
Contract liabilities	5.5.3.	19,985	18,752
		35,484	33,178
Total equity and liabilities		76,328	70,374

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

in kEUR	Note	2023/2024	2022/2023
Sales revenue	6.1.	80,950	69,227
Other operating income	6.2.	1,044	563
Expenses for purchased services		-4,656	-4,118
Employee benefits expenses	6.3.	-43,493	-37,368
Depreciation and amortization expenses	6.4.	-7,878	-6,768
Expenses from impairments		-335	0
Other operating expenses	6.5.	-12,247	-11,549
Operating result		13,385	9,987
Finance income	6.6.	112	42
Finance expenses	6.6.	-384	-186
Result before income taxes		13,113	9,843
Income taxes	6.7.	-3,484	-3,018
Result for the year		9,629	6,825
Other result (possible reclassification in result for the year):			
Change in adjustment item for currency conversion		132	-206
Other result (no reclassification in result for the year):			
Revaluation effects severance payments and pensions net deferred taxes		-76	288
Other result		56	82
Total result		9,685	6,907
Result for the year attributable to:			
Equity holders of the Parent Company		9,073	6,290
Non-controlling interest		556	535
Total result attributable to:			
Equity holders of the Parent Company		9,107	6,295
Non-controlling interest		578	612
Diluted and basic earnings per share in terms of the result for the year for result attributable to the equity holders of the Parent Company in the fiscal year (expressed in EUR per share)	9.1.1.	0.83	0.57

Consolidated cash flow statement for the 2023/2024 fiscal year

in kEUR	Note	2023/2024	2022/2023
Cash flows from operating activities			
Result before income taxes		13,113	9,843
Net finance expenses	6.6.	272	144
Operating result		13,385	9,987
Adjustments in non-cash items			
Depreciation and amortization expenses	6.4.	7,878	6,768
Expenses from impairments	5.1.2.	335	0
Effects from currency conversion		-53	-237
Changes in non-current provisions		334	-281
Revaluation effects severance payments and pensions	5.4.1.	-99	374
Changes in other non-financial assets recognized in profit and loss	5.1.4.	37	39
Loss from disposal of property, plant and equipment		611	18
Income from the dissolution of investment grants	6.2.	-45	-53
		22,383	16,615
Adjustments in net current assets			
Changes in trade and other receivables (without income tax receivables)		-875	-4,728
Changes in contract assets		557	-770
Changes in trade and other payables (without income tax and lease liabilities)		-320	944
Changes in contract liabilities		1,168	2,724
		530	-1,830
Cash generated from operations		22,913	14,785
Interest received		54	3
Interest paid		-350	-156
Income taxes paid		-3,140	-7,607
Net cash generated from operating activities		19,477	7,025
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	5.1.1. 5.1.2.	-13,332	-4,149
Proceeds from sale of property, plant, and equipment and intangible assets		3	8
Acquisition of subsidiaries less cash acquired		0	-626
Investment grants received		88	124
Net cash used in investing activities		-13,241	-4,643
Cash flows from financing activities			
Redemption of lease liability		-1,990	-1,777
Payments for acquisition of treasury shares		-2,016	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.	176	292
Payments for transactions with non-controlling interest		0	-53
Redemption of financial liabilities		0	-1,280
Net cash used in financing activities		-7,816	-11,633
Changes in cash and cash equivalents		-1,580	-9,251
Development in cash and cash equivalents			
Cash and cash equivalents at beginning of period		26,563	35,823
Effect of exchange rates changes		85	-9
Decrease		-1,580	-9,251
Cash and cash equivalents at end of period	5.2.2.	25,068	26,563

Consolidated statement of changes in equity for 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	-74	108	0	34	22	56
Result of the year		0	0	0	0	0	9,073	9,073	556	9,629
Total result		0	0	0	-74	108	9,073	9,107	578	9,685
Dividend distribution		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	36	176
Acquisition of treasury shares	5.3.2.	0	0	-2,016	0	0	0	-2,016	0	-2,016
Balance at 31 March 2024	5.3.	11,000	19,555	-2,016	-740	223	-22	28,000	2,638	30,638

		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	284	-279	0	5	77	82
Result of the year		0	0	0	0	0	6,290	6,290	535	6,825
Total result		0	0	0	284	-279	6,290	6,295	612	6,907
Dividend distribution		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 March 2023	5.3.	11,000	19,555	0	-666	115	-5,996	24,008	2,710	26,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024

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 Ecosystem, Fabasoft combines selected, high-performance solutions for internal and cross-company 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 financial statements is from 1 April 2023 to 31 March 2024.

2) Accounting policies

2.1. Basis of preparation

The consolidated financial statements were drawn up according to the International Financial Reporting Standards (IFRS) and the interpretation of the IFRS interpretation committee as adopted by the European Union (EU), and the company law regulations of Section 245a of the Austrian Commercial Code.

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

2.1.1. New and amended standards used for the first time in the fiscal year

When drawing up the consolidated financial statements the following changes to the IAS, IFRS or interpretations and the newly published standards and interpretations were observed, as far as these had been published in the Official Journal of the European Union and had become effective by 31 March 2024:

Standard	Contents	To be applied to new fiscal years as of
IFRS 17	IFRS 17 insurance contracts and amendments to IFRS 17 insurance contracts	January 2023
IAS 1	Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2)	January 2023
IAS 8	Definition of accounting estimates (amendments to IAS 8)	January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 2023
IAS 12	International tax reform: Pillar Two Model Rule	January 2023

As far as these are individually applicable, the regulations indicated have been implemented in these consolidated financial statements.

IAS 12 provides for an exemption from the recognition of deferred taxes in certain cases. Until now, it was unclear whether this "initial recognition exemption" also applies in cases where the initial recognition of an asset and a liability results in a deductible and a taxable temporary difference of the same amount. Specific cases of application in the Group are leases.

The IASB now clarifies that the exemption from the recognition of deferred taxes does not apply to the aforementioned cases. In this context, the Group has now recognized the corresponding deferred taxes for the relevant leases for the first time. On initial recognition, this led to an increase in deferred tax assets of kEUR 1,650 and an increase in deferred tax liabilities of kEUR 1,711. The net effect of kEUR 61 was recognized in the cumulative result in the opening balance sheet.

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.

2.1.2. Standards, interpretations and amendments to standards published which are not yet mandatory and have not been used earlier by the Group

The following standards and interpretations were adopted or amended by 31 March 2024, but their applications had, however, not become mandatory for the 2023/2024 fiscal year:

Standard	Content	Adopted and to be applied to new fiscal years as of
IFRS 16	Liabilities in a sale and leaseback	January 2024
IAS 1	Classification of liabilities as current or non-current (Amendments to IAS 1)	January 2024
IAS 1	Non-current liabilities with covenants (Amendments to IAS 1)	January 2024

Standard	Content	Not adopted and to be applied to new fiscal years as of
IAS 7 and IFRS 7	Supplier Finance Arrangements	January 2024
IAS 21	Lack of Exchangeability	January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	January 2027

From today's perspective there are no significant impacts to be expected on the assets, liabilities, financial position and profit or loss of the Group arising from the above listed new versions or amendments.

2.2. Consolidation

The annual financial statements of subsidiaries included in the consolidated financial statements were drawn up Group-wide on 31 March and in accordance with group-wide uniform accounting and valuation principles.

Subsidiaries are all companies controlled by the Group. The Group controls an associated company when it possesses power of disposition over the company and there exists a risk burden as a result of or entitlement to variable returns from its involvement in the associated company and the Group has the capability to use its power of disposition over the associated company in such a way that it influences the amount of variable returns of the associated company.

The consolidation of an associated company starts on the day on which the Group obtains control of the company. It ends when the Group loses control of the associated company.

The final consolidation of subsidiaries occurs on the day the control over the company comes to an end. The revenue and expenses are included in the consolidated statement of comprehensive income until the date the consolidation ends.

All subsidiaries of the Group appear fully consolidated in the consolidated financial statements.

2.2.1. Consolidation scope

The scope of consolidation is determined according to the principles of IFRS 10.

Non-Group shares owned by non-controlling shareholders are listed separately as part of equity.

As at the balance sheet date, 31 March 2024, 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	Type of business activity	Direct share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Fabasoft International Services GmbH	Linz/Austria	Group professional services	100	-
Fabasoft R&D GmbH	Linz/Austria	Fabasoft Research & Development	100	-
Fabasoft Austria GmbH	Linz/Austria	Fabasoft eGov-business Austria	100	-
Mindbreeze GmbH	Linz/Austria	Information Insight products and marketing	85.5	14.5
Fabasoft Talents GmbH	Linz/Austria	Mobile learning, MicroLearning, Personnel file products and marketing	100	-
Fabasoft Approve GmbH	Linz/Austria	Technical data and document management products and marketing	80	20
Fabasoft Contracts GmbH	Linz/Austria	Contract management products and marketing	80	20
Fabasoft Oblivation GmbH	Linz/Austria	Sustainability reporting products and marketing	51	49
Fabasoft Deutschland GmbH	Frankfurt am Main/Germany	Fabasoft eGov-business Germany	100	-
Fabasoft Xpublisher GmbH	Munich/Germany	Content Editing, Publishing products and marketing	60	40
Fabasoft 4teamwork AG	Bern/Switzerland	Operative Fabasoft business Switzerland	70	30

Entity	Location of Headquarters	Type of business activity	Indirect share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Mindbreeze Corporation	Chicago/USA	Operative Mindbreeze business USA	85.5	14.5
Mindbreeze InTend GmbH	Linz/Austria	Bid management products and marketing	68.4	31.6
Fabasoft Xpublisher Inc.	Chicago/USA	Operative Xpublisher business USA	60	40

The proportion of voting rights in the subsidiaries held directly by the Parent Company is not different from the proportion of shares held. There are neither joint ventures nor associates.

As at the balance sheet date, 31 March 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	Type of business activity	Direct share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Fabasoft International Services GmbH	Linz/Austria	Group professional services	100	-
Fabasoft R&D GmbH	Linz/Austria	Fabasoft Research & Development	100	-
Fabasoft Austria GmbH	Linz/Austria	Fabasoft eGov-business Austria	100	-
Mindbreeze GmbH	Linz/Austria	Information Insight products and marketing	85.5	14.5
Fabasoft Talents GmbH*	Linz/Austria	Mobile learning, MicroLearning products and marketing	100	-
Fabasoft Approve GmbH	Linz/Austria	Technical data and document management products and marketing	80	20
Fabasoft Contracts GmbH	Linz/Austria	Contract management products and marketing	100	-
Fabasoft Deutschland GmbH	Frankfurt am Main/Germany	Fabasoft eGov-business Germany	100	-
Fabasoft Xpublisher GmbH**	Munich/Germany	Content Editing, Publishing products and marketing	60	40
Fabasoft 4teamwork AG	Bern/Switzerland	Operative Fabasoft business Switzerland	70	30

* In 2023/2024 fiscal year, KnowledgeFox GmbH was renamed Fabasoft Talents GmbH and its registered office was relocated to Honauerstrasse 4, 4020 Linz.

** In 2023/2024 fiscal year, Xpublisher GmbH was renamed Fabasoft Xpublisher GmbH.

Entity	Location of Headquarters	Type of business activity	Indirect share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Mindbreeze Corporation	Chicago/USA	Operative Mindbreeze business USA	85.5	14.5
Fabasoft Xpublisher Inc.*	Chicago/USA	Operative Xpublisher business USA	60	40

* In 2023/2024 fiscal year, Xpublisher Inc. was renamed Fabasoft Xpublisher Inc.

The proportion of voting rights in the subsidiaries held directly by the Parent Company is not different from the proportion of shares held. There are neither joint ventures nor associates.

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. As at 8 May 2024 Mindbreeze BidForce GmbH was renamed Mindbreeze InTend GmbH. Mindbreeze GmbH holds an 80% interest in this company, the remaining shares are held by the management of Mindbreeze InTend GmbH.

Full consolidation of Mindbreeze InTend 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 Group continues to hold control over the company. The shares were purchased by the management of Fabasoft Contracts GmbH.

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.

Full consolidation of Fabasoft Oblivation GmbH was effected for the first time with date of establishment.

2.2.3. Consolidation methods

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition corresponds with the fair value of the assets obtained, the issued equity instruments and the resultant or assumed debts at the transaction date (date of purchase). Costs attributed directly to the acquisition are not capitalized but are instead recognized in the consolidated income statement under other operating expenses. Assets, liabilities and contingent liabilities identified in the course of a business consolidation are valued at their fair value at the time of acquisition in the first time consolidation, independently of the shares held by non-controlling shareholders.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income as other income.

All accounts receivable and payable, expenditure and earnings resulting from offsetting between the entities in the consolidation scope are eliminated. Interim results from intercompany trade and services are also consolidated.

The accounting and valuation principles of subsidiaries were amended where necessary to ensure standard, Groupwide accounting.

Transactions with non-controlling interests without loss of control are treated as transactions with Group equity holders. Any difference arising from the acquisition of a non-controlling interest between the paid service and the respective share of the book value of the net assets of the subsidiary is included in equity. Profits and losses arising from the sale of non-controlling shares are likewise recorded in equity.

The Group decides on an individual basis in the case of any company acquisition whether the non-controlling interests in the company acquired are recognized at the fair value or using the proportional share of net assets of the company acquired.

2.2.4. Currency translation

The functional and reporting currency of Fabasoft AG is the Euro. The annual financial statements of subsidiaries in foreign currency were converted using the respective mean rate. Whereby the exchange rates at the balance sheet date were applied for assets and liabilities, historical exchange rates for equity and for the items of the consolidated statement of comprehensive income the average exchange rates for the fiscal year were used. Differences between these foreign currency translations are recorded in equity as part of the other result. Conversion differences in receivable and payable monetary amounts from/to a foreign business that are neither planned nor likely to be fulfilled and are therefore part of the net investments in the foreign business, are initially recorded in the other result and then transferred from equity to profit and loss in the event of a sale.

Exchange rate differences from converting transactions and monetary assets and liabilities into foreign currencies are taken into account using the exchange rates valid at the time of the transaction or valuation.

Non-monetary items, which are valued at historical acquisition or production costs in a foreign currency, are converted using the exchange rate on the day of the transaction.

The following exchange rates were applied for the foreign currency translation:

	Exchange rate as at 31 March	Average rate throughout the fiscal year
Swiss Francs		
2024	0.9760 CHF	0.96315 CHF
2023	1.0000 CHF	0.99646 CHF
US Dollars		
2024	1.0774 USD	1.08428 USD
2023	1.0850 USD	1.04642 USD

2.3. Property, plant and equipment and intangible assets

Property, plant and equipment and purchased intangible assets are valued at cost, less scheduled depreciation and amortization and impairment where applicable. Depreciation is linear based on the expected useful life.

Scheduled depreciation and amortization (without right-of-use assets from leases) are assessed based on the following Group-wide useful economic lifetimes:

Intangible assets	2 to 10 years
Structural investments in third party buildings	5 to 10 years
Office furniture and equipment	2 to 15 years

The Fabasoft Group holds no assets with indefinite useful lives with the exception of goodwill.

In the case of a disposal or another type of deconsolidation, the purchase/production costs and the corresponding accumulated depreciation relating to the assets are derecognized from the balance sheet. Any profits or losses created as a result are included in the result of the year.

2.4. Impairment of specific non-current assets

Property, plant and equipment and intangible assets are monitored to ascertain whether changing circumstances and events indicate that the current net book value is not recoverable. In the case of goodwill a relevant test is conducted annually or if there are indications of a need for impairment. Impairments will be devalued by the amount to which the net book value exceeds the recoverable amount of the asset. The recoverable amount corresponds to the fair value less the cost of disposal and the value in use of an asset. For the purpose of calculating impairments, assets are grouped to the lowest level where separate cash inflows are feasible (cash-generating units). Non-monetary assets for which impairment was reported in the past are examined on each balance sheet date, in order to establish if a reversal is to be recognized. Reversals for goodwill are prohibited.

2.5. Research and Development

An intangible asset arising from development shall be recognized only if all of the following can be demonstrated:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b) The intention to complete the intangible asset and use or sell it.
- c) The ability to use or sell the intangible asset.
- d) How the intangible asset will generate probable future economic benefits. Among other things, the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset can be demonstrated.
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development expenditure are recorded as an expense (see section 9.2).

2.6. Leases

Leases are entered into by Fabasoft as the lessee. The Group assesses at the beginning of the contract whether this constitutes or contains a lease. Furthermore, a distinction is made between leasing and non-leasing components, whereby the lease payments are allocated to the two components on the basis of their the relative stand-alone selling prices. Non-lease components are recognized as expenses. If a lease exists in accordance with IFRS 16, a right-of-use asset is recognized at cost on the asset side, which corresponds to the lease liability adjusted for payments made on or before the commencement date and any initial direct costs, and a lease liability is recognized on the liability side at the present value of the lease payments not yet made, discounted at the incremental borrowing rate. In the case of short-term leases and leases where the underlying asset has a low value (< kEUR 5), the Group exercised its right not to recognize an asset and a corresponding liability in compliance with IFRS 16.5. Leased assets for which the right in accordance with IFRS 16.5 was exercised are not material.

The right-of-use assets are amortized on a straight-line basis over the term of the lease. This is recognized on the basis of the non-cancellable lease term and any estimates of extensions. Extension options are recognized in the term if Fabasoft is reasonably certain to exercise an extension option of the lease. This estimate is reviewed if either events beyond Fabasoft's control or significant changes in circumstances occur that make it necessary to change the term. The term of a lease is adjusted if an extension option is exercised that was not taken into account in the original estimation. Lease liabilities are measured at their carrying amount using the effective interest method.

2.7. Other non-financial assets

Pursuant to IFRS 15, non-financial assets refer as an asset to capitalized expenses connected with the initiation or acquisition of a contract with a customer (contract acquisition costs). The contract acquisition costs refer to employee benefits expenses and are recognized at the time of the conclusion of the contract. They must be subjected to regular amortization via employee benefits expenses in dependence on how the term of the services to which the contract acquisition costs relate.

2.8. Other financial assets

Other financial assets relate to investment certificates, which are classified pursuant to IFRS 9.

Other financial assets are valued subsequent to initial recognition at fair value on the respective reporting date. Fluctuations in the fair value are recognized in profit and loss.

2.9. Trade and other receivables

Trade receivables are recognized at the transaction price pursuant to IFRS 15 and accounted for at amortized cost using the effective interest method less necessary allowances. Other receivables are recognized at amortized cost less any necessary impairments.

Where impairment is concerned IFRS 9 has an impairment model based on expected losses (expected credit loss model). A considerable part of the consolidated sales and receivables derives from business with customers from the public sector. For this reason, the Group has had a very low level of defaults on receivables and impairment in the past. The same is also expected for the future in the case of existing receivables. There were no defaults on receivables in the public sector in the last five fiscal years. Likewise defaults on receivables in the private sector have always been very low. On 31 March 2024 there was an impairment of only kEUR 2 (see section 5.2.1).

Historical data on actually incurred defaults are first used to determine the default rate. However, the Group also takes future-related information and expectations into account for the determination of the default rates in addition to the historical perspective. Based on the analysis carried out with regard to the customer structure and the credit rating of the customers as well as defaults observed in the past, there are no significant impacts on the amount of risk provision calculated according to the expected credit loss model.

Receivables in foreign currencies are valued at the market price valid on the balance sheet date of 31 March 2024.

2.10. Contract assets

The revenue for service contracts is realized over time in compliance with IFRS 15. In accordance with IFRS 15.35c revenues are to be recognized over time if the performance does not create an asset with an alternative use and there is an enforceable right to payment.

Profits from a service contract will be entered in the balance sheet according to the degree of completion as soon as they can be valued reliably. The determination of the degree of completion is based on the ratio of contract costs incurred prior to the balance sheet date to the total contract costs estimated on the balance sheet date. Losses are entered in their entirety in the balance sheet at the earliest possible point after detection.

Insofar as an asset is created from a service contract, disclosure is made as trade receivables, insofar an unconditional right to payment arises. The disclosure is made under the item "contract assets" if the group performs its contractual obligations and recognized revenue for it before the customer pays or payment is due. Pursuant to IFRS 15, receivables from service contracts constitute contract assets.

Insofar as a liability arises from a customer contract, disclosure is made under "contract liabilities". Such a liability arises if the customer has made a payment or a receivable from the customer falls due before the Group has fulfilled a contractual performance obligation and thus recognized revenue. Contract liabilities within a customer contract must be offset against contract assets.

2.11. Cash and cash equivalents

Cash and cash equivalents are valued at the market value. Credit at financial institutions in foreign currencies is valued at the market price valid on the balance sheet date of 31 March.

2.12. Employee benefits

2.12.1. Provisions for severance payments

The provision for severance payments for employees corresponds to the present value of the performance-related commitment (defined benefit obligation, DBO) as at the balance sheet date. The DBO is calculated yearly by an independent expert actuary using the projected unit credit method. Actuarial profits or losses are recorded in accordance with IAS 19 under other result.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating primarily to the terms of the related provisions for severance payments.

Statutory requirements call for each employee of an Austrian group company, who joined the company before 1 January 2003, to receive a one-time severance payment upon dismissal by the employer or at the time of retirement. The amount depends on the number of years' service and the applicable rate of compensation at the time the action arises.

The company has potential direct obligations to employees who joined the company up to and including 2002, for which provisions were created and measured in accordance with IAS 19.

As a result of legal regulations, a monthly contribution of 1.53% of the employee's gross salary is paid into a provision fund for employees of Austrian Group companies who joined the company after 31 December 2002. Consequently, the employee acquires a title against the provision fund and not against the company.

The provision for severance payments was calculated for part of the Managing Board of Fabasoft AG according to the Managing Board contracts.

2.12.2. Pension obligations

The pension obligation was calculated for part of the Managing Board of Fabasoft AG in 2023/2024 fiscal year based on the contractual pension approvals. The pension approvals for part of the Managing Board of Fabasoft AG are financed by fixed payments to pension reinsurance agreements. The amount of the cover assets is based on regularly obtained confirmations from insurance companies.

In the 2014/2015 fiscal year, pension approvals were amended to the effect that the respective claim of the person entitled to the benefit applies only to the extent of the cover asset on the respective balance sheet date of the existing pension reinsurance agreements. As a consequence, the commitment is set to the amount of the cover asset. The commitment and cover asset (plan assets) are offset on the balance sheet based on the congruency, pledging and the insolvency-proof nature of the asset. There are no portions of the provisions for pensions that are not covered by reinsurances.

2.13. Trade and other payables

Trade and other payables are specified at the beginning at fair value and are entered in the balance sheet at amortized cost using the effective interest method.

Payables in foreign currencies are valued at the market price valid on the balance sheet date of 31 March.

2.14. Sales revenue

Pursuant to IFRS 15 revenue must be recognized when a customer obtains control of a promised good or service and thus, has the ability to direct the use and obtain the benefits from the good or service.

The revenue from the sale of one-off licenses constitute a right of use of the intellectual property and are recognized in compliance with IFRS 15 after control is transferred at a point in time. These sales are deemed realized when the product is sold to the project partner who has no right of return.

Revenue from software update, cloud service and appliance agreements as well as support services are recognized over time, as, in compliance with IFRS 15, the customer obtains the benefit of the service of the company during the provision of the service. Revenue from consulting and training activities are also recognized during the provision of the service over time. Sales revenue from service contracts based in fixed-price projects are recognized according to performance progress in compliance with the degree of completion (see section 2.10).

Recurring revenue includes in particular software updates, fees for right of use for Mindbreeze InSpire, Fabasoft PROCECO Solution and Xpublisher products 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).

2.15. Accounting of government grants and investment grants

Government grants are only recorded if there is reasonable assurance that the company will fulfil the associated conditions and the grants will in fact be awarded. A grant as compensation for already incurred expenses is recorded, subject to the requirement of appropriate security, as income in the period in which the respective entitlement arises. These grants are recognized as other operating income. Accounting of investment grants is effected according to the gross method. This means the acquisition costs are not reduced directly but reported as separate liability item. Accounting is not carried out before the corresponding assets are capitalized. The liability item is dissolved in accordance with the useful life of the underlying investment and reported as other operating income.

2.16. Income taxes

Taxes on income are recorded according to cause and include current and deferred taxes. These are recognized in the annual result, except to the extent that they are associated with a business combination or items recognized in other comprehensive income for the period.

As of assessment year 2006 Fabasoft AG operates as leader of the Fabasoft tax group in accordance with Austrian tax law. The following subsidiaries are included as Group members in the assessment year 2024: (1) Fabasoft International Services GmbH, (2) Fabasoft R&D GmbH, (3) Fabasoft Austria GmbH, (4) Mindbreeze GmbH, (5) Fabasoft Approve GmbH, (6) Fabasoft Talents GmbH, (7) Fabasoft Contracts GmbH, (8) Mindbreeze InTend GmbH and (9) Fabasoft Oblivation GmbH.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of the amount is based on the tax rates and tax laws that apply or will soon apply on the reporting date in the countries in which the Group operates and generates taxable income.

Deferred income tax is calculated using the liability method on the basis of temporary differences between the fiscal values and the IFRS values of assets and liabilities according to each country-specific tax rate. Deferred income tax liabilities are declared under non-current liabilities, deferred income tax assets are declared under non-current assets.

Deferred income tax assets concerning tax loss carryforwards and deductible temporary differences are included in the balance sheet if it is likely that the company will have sufficient results to be taxed in the future.

Deferred income tax liabilities that occur through temporary differences in connection with interests in subsidiaries are determined unless the Group can specify the time of the reversal of the temporary differences and it is likely that the temporary differences will not reverse due to this influence in the foreseeable future.

Deferred income tax assets and liabilities are offset if there is an appropriate, enforceable legal claim regarding offsetting and if the deferred income tax assets and liabilities concern income tax which is levied by the same revenue authority for either the same tax subject or different tax subjects that intend to bring about the adjustment on a net basis.

2.17. Scope of discretion and estimates

The preparation of the consolidated financial statements in accordance with the generally accepted accounting and valuation methods requires the use of estimates and assumptions that affect the extent and the disclosure of the reported assets and liabilities on the balance sheet date and the income and expenses recorded in the reporting period. Although these estimates are calculated to the best knowledge based on current transactions, actual values may deviate from these estimates.

The following lists the critical discretionary parameters:

Service contracts

Profits from a service contract will be entered in the balance sheet using the percentage of completion method as soon as they can be valued reliably.

Estimated figures refer to the final profits and the determination of the degree of completion on the balance sheet date.

To determine the percentage of completion, the Group calculates the proportion of contract costs already incurred in relation to the total contract costs. The total contract costs, which form the basis for the percentage of completion, are subject to a certain degree of estimation uncertainty. If the degree of completion was set 10 percentage points higher or lower, this would result in an increase in sales revenue/contract assets of kEUR 923 or a reduction in sales revenue/contract assets of kEUR -1,066.

Provisions for severance payments

Statutory requirements call for each employee of an Austrian group company, who joined the company before 1 January 2003, to receive a one-time severance payment upon dismissal by the employer or at the time of retirement. The amount depends on the number of years of service and the applicable rate of compensation at the time the action arises.

The company has potential direct obligations to employees who joined the company up to and including 2002, for which provisions were created and measured in accordance with IAS 19.

Obligations for the provision for severance payments for part of the Managing Board of Fabasoft AG are included in the Managing Board contracts.

If the calculations were based on an interest rate of 2.38% (instead of 3.30%) the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 200 higher and the provision for severance payments would be kEUR 3,243 (instead of kEUR 3,043). With an interest rate of 4.22% the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 182 lower and the provision for severance payments would thus be kEUR 2,861 (instead of kEUR 3,043).

If the calculations were based on an increase in remuneration of 3.74% (instead of 4.24%) the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 87 lower and the provision for severance payments amount to kEUR 2,956 (instead of kEUR 3,043). In the case of an increase in remuneration of 4.74% the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 92 higher and the provision for severance payments amount to kEUR 3,135 (instead of kEUR 3,043).

Goodwill

As presented in section 2.4, an annual impairment test is conducted for the recognized goodwill. This test must be based on assumptions such as future cashflows or discount rates. The relevant sensitivities are listed in section 5.1.2.

Deferred income tax assets

Deferred income tax assets are recognized for all unused tax loss carryforwards to the extent that it is probable that taxable income will be available against which the losses carried forward can actually be utilized. The estimation of the expected time and amount of the future taxable income and the future tax planning strategy play a decisive role in the calculation of the amount of the deferred income tax assets claims eligible for capitalization. If, based on this forecast, an existing loss carryforward is not expected to be utilized within an appropriate period of five years, this loss carryforward is not capitalized.

Accounting of leases

IFRS 16 requires estimates that influence the valuation of leasing liabilities and usage rights. These include, among others, the determination of contracts that fall under IFRS 16, the lease terms of lease agreements and the incremental borrowing rate used for the discounting of future payment obligations. The incremental borrowing rate is derived from the risk-free rate of the underlying term, adjusted to the country, currency and corporate risk.

Climate-related aspects and macroeconomic factors

Climate-related aspects and macroeconomic factors increase the uncertainty of estimates and assumptions in several items in the consolidated financial statements. The following discretionary decisions and estimates were considered when preparing the consolidated financial statements:

Useful life of property, plant and equipment: An evaluation is made of the appropriate estimate of the useful life in relation to climate-related laws and regulations. No adjustments are currently considered necessary for the Fabasoft Group's property, plant and equipment.

Impairment of goodwill: The budget for the annual impairment test of goodwill is based on the sustainable strategy of the Fabasoft Group. Macroeconomic uncertainty is also reflected in the sensitivity analysis. Furthermore, climate-related and macroeconomic risks are evaluated on an ongoing basis to identify indicators for a need of impairment.

Financial instruments: Macroeconomic uncertainties, such as interest rate changes and inflation, have an impact on financial instruments. The appropriateness of the values used is evaluated on an ongoing basis.

Provisions and contingent obligations: The need for provisions and contingent obligations due to climate-related and macroeconomic uncertainties is evaluated on an ongoing basis.

With regard to climate-related aspects, management has not currently identified any significant risks for the Group's business model. The management therefore does not currently expect such risks to have any significant impact on the business model or on the presentation of the assets, liabilities, financial position and profit and loss.

2.18. Segment reporting

Reporting about the business segments is conducted in a way that corresponds to that of the reporting to the main decision maker. The main decision maker is responsible for decisions concerning the allocation of resources to the business segments and for the evaluation of its earning power. The Managing Board of Fabasoft AG was deemed to be the main decision maker.

Invoicing prices between segments are based on standard market conditions.

3) Subsidiaries with material non-controlling interests

3.1. Mindbreeze

Mindbreeze GmbH has significant non-controlling interests in the amount of 14.5%. Below is a summary of financial information before intragroup eliminations for the Mindbreeze GmbH and its subsidiaries Mindbreeze Corporation and Mindbreeze InTend GmbH, drawn up in accordance with IFRS, as applicable in the EU.

Summarized balance sheet in kEUR	Mindbreeze	
	31/03/2024	31/03/2023
Current assets	12,688	13,992
Current liabilities	-9,359	-9,931
Current net assets	3,329	4,061
Non-current assets	2,051	2,624
Non-current liabilities	-314	-452
Non-current net assets	1,737	2,172
Total net assets	5,066	6,233
Thereof net assets allocated to non-controlling interests	735	904

Summarized income statement in kEUR	Mindbreeze	
	2023/2024	2022/2023
Sales revenue	17,106	17,300
Result before income taxes	4,003	5,716
Income taxes	-913	-1,575
Result for the year	3,090	4,141
Other result	-15	40
Total result	3,075	4,181
Thereof total result allocated to non-controlling interests	446	606

Summarized cash flow statement in kEUR	Mindbreeze	
	2023/2024	2022/2023
Cash generated from operations	6,172	7,570
Interest received	108	0
Interest paid	-11	-7
Income tax payments	-1,042	-1,503
Net cash generated from operating activities	5,227	6,060
Net cash used in investing activities	-1,146	-509
Net cash used in financing activities	-5,842	-6,627
Net increase in cash and cash equivalents	-1,761	-1,076
Effect of exchange rates changes	7	-20
Changes in cash and cash equivalents	-1,754	-1,096

3.2. Fabasoft 4teamwork AG

Fabasoft 4teamwork AG has significant non-controlling interests in the amount of 30.0%. Below is a summary of financial information before intragroup eliminations for Fabasoft 4teamwork AG, drawn up in accordance with IFRS, as applicable in the EU.

Summarized balance sheet in kEUR	Fabasoft 4teamwork AG	
	31/03/2024	31/03/2023
Current assets	5,887	5,947
Current liabilities	-3,068	-4,044
Current net assets	2,819	1,903
Non-current assets	970	1,872
Non-current liabilities	-190	-352
Non-current net assets	780	1,520
Total net assets	3,599	3,423
Thereof net assets allocated to non-controlling interests	1,080	1,027

Summarized income statement in kEUR	Fabasoft 4teamwork AG	
	2023/2024	1/10/2022-31/03/2023
Sales revenue	8,171	3,196
Result before income taxes	132	-256
Income taxes	-27	291
Result for the year	105	35
Other result	99	-12
Total result	204	23
Thereof total result allocated to non-controlling interests	61	127

Summarized cash flow statement in kEUR	Fabasoft 4teamwork AG	
	2023/2024	1/10/2022-31/03/2023
Cash generated from operations	537	1,546
Interest received	2	0
Interest paid	-8	-6
Income tax payments	-42	0
Net cash generated from operating activities	489	1,540
Net cash used in investing activities	-19	-248
Net cash used in financing activities	-156	-1,367
Net increase in cash and cash equivalents	314	-75
Effect of exchange rates changes	76	-12
Changes in cash and cash equivalents	390	-87

The remaining non-disclosed, non-controlling interests in relation to net assets amounting to kEUR 823 (previous year kEUR 779) for the most part concern Fabasoft Xpublisher GmbH with its subsidiary Fabasoft Xpublisher Inc., Fabasoft Approve GmbH, Fabasoft Contracts GmbH as well as Fabasoft Oblivation GmbH, which, however, do not constitute any significant share in the results of the Group results.

In the 2023/2024 fiscal year kEUR 686 (previous year kEUR 565) of the dividend distribution to non-controlling shareholders kEUR 616 (previous year kEUR 565) was distributed to the non-controlling shareholders of Mindbreeze GmbH.

There are no restrictions on the Group's ability to access or use assets and settle liabilities.

4) Financial instruments

Financial instruments are agreements which lead to financial assets for one company and at the same time lead to a financial liability or an equity instrument for the other company. According to IFRS 9, these instruments include original financial instruments such as trade receivables and payables or financing receivables and liabilities. Derivative financial instruments, which are applied for example as hedging to secure against risks from changes in exchange rates and interest rates, are also included. In the 2023/2024 fiscal year no derivative financial instruments were used.

Financial instruments to be measured at fair value are categorized in the following fair value hierarchy, on the basis of input factors used in the valuation techniques:

- Fair Value Level I: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Fair Value Level II: valuation techniques in which input factors are used that are observable either directly or indirectly on the market and that cannot be derived from Level I;
- Fair Value Level III: valuation techniques in which input factors are used that cannot be derived directly or indirectly from the market.

The following methods and assumptions were used to calculate the fair value for the respective financial instruments:

In view of daily and short-term maturities, the carrying value of cash and cash equivalents, short-term investments, current receivables and payables can be deemed as an appropriate approximation for fair value.

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 0 (31/03/2023: kEUR 8). The fair values of the securities are derived from the current market value. Other receivables in the previous year result from the acquisition of Fabasoft 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. As of the reporting date of 31 March 2024, a further payment was agreed, meaning that a further part of the contingent purchase price in the amount of TCHF 100 will be paid out in the 2024/2025 fiscal year.

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

In March 2024, the Xpublisher earn-out component was adjusted with regard to trigger parameters, which are based on sales and EBIT targets and the focus on recurring revenues; the previous payment amount was also distributed over the extended term. This adjustment was unanimously resolved by the Supervisory Board of Fabasoft AG on 11 March 2024.

This resulted in an adjustment to the weighted probabilities of achieving the key performance indicators required for the earn-out.

The adjustment leads to a change in the carrying amount from kEUR 1,267 to kEUR 1,210.

On attainment of the specific performance indicators, the undiscounted, potentially payable amount in the fiscal years ending on 31 March 2024, 31 March 2025, 31 March 2026 or 31 March 2027 is kEUR 1,300 (31/03/2023: kEUR 1,300). If the defined performance indicators are not met, the entitlement is transferred to the following year. Should the specific performance indicators fall short of the targets after 31 March 2027 no earn-out payment is made.

The defined performance indicators were achieved in the 2023/2024 fiscal year, for this reason part of the earn-out component amounting to kEUR 400 will be paid out in the 2024/2025 fiscal year.

Based on the relevant balance sheet items, the following table shows the classification according to IFRS 9 and the values of the financial instruments.

The financial instruments on 31 March 2024 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
Cash and cash equivalents	At amortized costs	25,068	0	0	25,068
Trade and other receivables*	At amortized costs	14,548	0	7	14,541
Other financial assets	At fair value through profit and loss	145	145	0	0
Other payables*	At fair value through profit and loss	526	0	526	0
Trade and other payables*	At amortized costs	4,076	0	684	3,392

* 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
Cash and cash equivalents	At amortized costs	26,563	0	0	26,563
Trade and other receivables*	At amortized costs	13,870	0	0	13,870
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
Trade and other payables*	At amortized costs	2,627	0	0	2,627

* 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.

Allowances for trade and other receivables are declared set off with trade and other receivables. Cumulative allowances amount to kEUR 2 (previous year kEUR 5). In the 2023/2024 fiscal year an impairment loss for financial assets amounting to kEUR 1 (previous year kEUR 2) was recorded under other operating expenses.

The following shows the net results from financial instruments:

in kEUR	2023/2024	2022/2023
Interest from loans and receivables (cash and cash equivalents)	51	-42
Interest from other financial assets	2	2
Foreign currency income/expenses from loans and receivables (cash and cash equivalents)	1	2
Interest from loans and receivables (trade and other receivables)	-1	2
Impairment of other financial assets	0	-13
Interest from other liabilities	-34	-16
Total	19	-65

4.1. Primary financial instruments

The financial instruments reported in the balance sheet consist of securities, cash and cash equivalents, receivables and supplier credits. Accounting policies apply to the primary financial instruments listed against the respective balance sheet items.

4.2. Credit risk

In respect of financial assets all the amounts specified likewise represent the maximum credit and non-payment risk as there are no general offsetting agreements. The receivables risk can be regarded as low due to the client structure and the desired financial scatter. The risk of non-payment for other primary financial instruments declared on the asset side is equally low, since the contractual parties are made up of financial institutions with an excellent credit rating.

The non-excludable risk regarding safety and impairment of assets at financial and insurance institutions and claims against these institutions is counteracted by the selection of institutions with a high credit rating and a broad scatter over various institutions.

4.3. Liquidity risk

Due to the extent of the existing cash and cash equivalents there is no significant liquidity risk. The Group has no bank liabilities. All the financial liabilities reported have short-term maturities, with the exception of leasing liabilities and the earn-out liability concerning the acquisition of Fabasoft Xpublisher GmbH.

Maturity structure of financial liabilities and leases liabilities on 31 March 2024:

in kEUR	Book value	Up to one year	1 to 5 years	More than 5 years
Earn-out liability	1,210	700	600	0
Trade and other payables	3,392	3,392	0	0
Lease liability (IFRS 16)	7,604	2,468	6,001	371

Maturity structure of financial liabilities and leases liabilities on 31 March 2023:

in kEUR	Book value	Up to one year	1 to 5 years	More than 5 years
Earn-out liability*	1,234	0	1,234	0
Trade and other payables	2,627	2,627	0	0
Lease liability (IFRS 16)	7,492	2,000	5,684	1,108

*In the event of the occurrence of the earn-out conditions (see Section 4) the amount due for payment is kEUR 1,300.

4.4. Interest rate risk

An interest rate risk in terms of the fair value occurs in the case of other financial assets. Since these can be converted into cash at short notice, the interest rate risk can be classified as insignificant.

4.5. Exchange rate risk

In particular, currency risks arise where receivables, liabilities or credits at financial and insurance institutions exist in a currency other than the functional currency of the company. Cash and cash equivalents in foreign currencies are in Swiss Francs and US Dollars.

Cash and cash equivalents

in kEUR	31/03/2024	31/03/2023
Euro	20,213	21,761
US Dollars	1,331	1,654
Swiss Francs	3,524	3,148
Total	25,068	26,563

The following table shows the sensitivity of the Group result before tax (due to the foreign currency valuation of the cash and cash equivalents) compared to a basically possible exchange rate change judged to be fair and to currencies that are of major relevance to the Group and its effect on the valuation of credit at financial institutions. The development of the rate of the reporting currency Euro against the foreign currencies is taken as a basis.

in kEUR	Rate development 2023/2024	Effect on result before tax 2023/2024	Effect on result before tax 2022/2023
US Dollars	+10% (1.18514)	-121	-150
	-10% (0.96966)	148	184
Swiss Francs	+10% (1.07360)	-320	-286
	-10% (0.87840)	392	350

Trade receivables by foreign currencies

in kEUR	31/03/2024	31/03/2023
Euro	12,507	11,511
US Dollars*	985	1,213
Canadian Dollars	66	69
Swiss Francs*	748	887
Total	14,306	13,680

* Trade receivables in foreign currency are retained primarily in foreign subsidiaries with the relevant foreign currency as functional currency.

5) Notes to the consolidated balance sheet

5.1. Non-current assets

5.1.1. Property, plant and equipment

in KEUR	Land, Buildings and structural investments	Office furniture and equipment	Advance payments and assets under construction	Total
Cost or valuation				
As at 1 April 2022	15,924	22,644	278	38,846
Additions	3,300	3,388	10	6,698
Additions from first time consolidation	573	36	0	609
Disposals	-252	-1,554	0	-1,806
Net exchange differences	-12	129	0	117
As at 31 March 2023	19,533	24,643	288	44,464
As at 1 April 2023	19,533	24,643	288	44,464
Additions	6,845	5,880	1,886	14,611
Disposals	-469	-2,099	0	-2,568
Transfers	1,470	498	-1,968	0
Net exchange differences	20	43	0	63
As at 31 March 2024	27,399	28,965	206	56,570
Accumulated depreciation				
As at 1 April 2022	-8,335	-15,300	0	-23,635
Additions	-2,388	-3,803	0	-6,191
Disposals	292	1,641	0	1,933
Net exchange differences	4	-56	0	-52
As at 31 March 2023	-10,427	-17,518	0	-27,945
As at 1 April 2023	-10,427	-17,518	0	-27,945
Additions	-2,737	-4,171	0	-6,908
Disposals	423	1,825	0	2,248
Net exchange differences	-3	-34	0	-37
As at 31 March 2024	-12,744	-19,898	0	-32,642
Book value				
As at 1 April 2022	7,589	7,344	278	15,211
As at 31 March 2023	9,106	7,125	288	16,519
As at 31 March 2024	14,655	9,067	206	23,928

The rights of use included in property, plant and equipment in accordance with IFRS 16 are as follows:

in kEUR	Buildings	Office furniture and equipment	Total
As at 1 April 2022	5,201	427	5,628
Additions	2,288	330	2,618
Additions from first time consolidation	551	30	581
Depreciation charges	-1,609	-281	-1,890
Disposals	41	113	154
Net exchange differences	15	0	15
As at 31 March 2023	6,487	619	7,106
As at 1 April 2023	6,487	619	7,106
Additions	1,388	811	2,199
Depreciation charges	-1,671	-422	-2,093
Disposals	-46	-68	-114
Net exchange differences	15	2	17
As at 31 March 2024	6,173	942	7,115

No foreign capital interest for property, plant and equipment has been capitalized.

The leasing activities accounted for pursuant to IFRS 16 include leased buildings and leased vehicles.

5.1.2. Intangible assets

in kEUR	Goodwill	Internally developed software	Customer relationships and order-backlog	Software licenses and other rights	Total
Cost or valuation					
As at 1 April 2022	3,517	1,049	467	1,010	6,043
Additions	0	0	0	69	69
Additions from first time consolidation	1,939	702	742	0	3,383
Disposals	0	0	0	-2	-2
Adjustment first time consolidation	-246	0	0	0	-246
Net exchange differences	-81	-29	-31	0	-141
As at 31 March 2023	5,129	1,722	1,178	1,077	9,106
As at 1 April 2023	5,129	1,722	1,178	1,077	9,106
Additions	0	0	0	1,042	1,042
Disposals	-76	-364	-98	0	-538
Net exchange differences	45	21	19	0	85
As at 31 March 2024	5,098	1,379	1,099	2,119	9,695
Accumulated depreciation					
As at 1 April 2022	0	-322	-94	-670	-1,086
Additions	0	-278	-161	-138	-577
Net exchange differences	0	-1	0	1	0
As at 31 March 2023	0	-601	-255	-807	-1,663
As at 1 April 2023	0	-601	-255	-807	-1,663
Additions	0	-349	-234	-387	-970
Impairments	-335	0	0	0	-335
Disposals	0	109	21	0	130
Net exchange differences	1	-1	-2	2	0
As at 31 March 2024	-334	-842	-470	-1,192	-2,838
Book value					
As at 1 April 2022	3,517	727	373	340	4,957
As at 31 March 2023	5,129	1,121	923	270	7,443
As at 31 March 2024	4,764	537	629	927	6,857

No internally generated intangible assets were capitalized in the 2023/2024 fiscal year except for first time consolidations (previous year kEUR 0). The reported internally generated intangible assets exclusively comprise internally generated software from past purchase price allocations.

The position "Customer relationships and orderbacklog" results from the initial consolidation of Fabasoft Xpublisher GmbH in the 2019/2020 fiscal year, Fabasoft Talents GmbH in the 2021/2022 fiscal year and Fabasoft 4teamwork AG in the 2022/2023 fiscal year.

Goodwill from the acquisition of Fabasoft Xpublisher GmbH amounting to kEUR 2,825 (previous year kEUR 2,825), from the acquisition of Fabasoft Talents GmbH amounting to kEUR 111 (previous year kEUR 446) and from the acquisition of Fabasoft 4teamwork AG amounting to kEUR 1,828 (previous year kEUR 1,858) is included in the intangible assets.

These goodwills are allocated to the cash-generating unit (CGU) "Fabasoft Xpublisher GmbH", to the cash-generating unit (CGU) "Fabasoft Talents GmbH" and to the cash-generating unit (CGU) "Fabasoft 4teamwork AG" and are usually tested for impairment annually in the fourth quarter. A triggering event analysis is also performed for each reporting period.

Whereby the recoverable amount of the CGUs are determined by the calculation of the value in use. This is carried out using the discounted cashflow method with a five-year detailed planning phase and subsequent perpetuity. The discount rate used (WACC) for the “Fabasoft Xpublisher GmbH” is 7.96% after taxes (previous year 8.60%) or 10.28% before taxes (previous year 11.04%), the growth rate of the perpetuity was assumed to be 2% (previous year 2%). The discount rate used (WACC) for the CGU “Fabasoft Talents GmbH” is 17.75% after taxes (previous year 17.60%) or 21.25% before taxes (previous year 21.28%), the growth rate of the perpetuity was assumed to be 2% (previous year 2%). For the CGU “Fabasoft 4teamwork AG” the discount rate used (WACC) is 10.49% after taxes (previous year 11.10%) or 12.56% before taxes (previous year 13.24%), the growth rate of the perpetuity was assumed to be 2% (previous year 2%).

The detailed planning phase of five years is based on the budget approved by the Supervisory Board and on management’s estimate of revenue growth. The management estimates are formed on the basis of historical and empirical values. In the detailed planning phase, an average annual growth rate between 11.70% and 12.05% is expected for revenue in all CGUs. The EBIT planning, which forms the basis for the expected cash flows, is based on an expected improvement in the EBIT margin, driven by changes in the product mix and cost savings, as well as moving closer to the Group EBIT margin in the long term.

The discount rate used is based on a risk-free interest rate calculated on the basis of the Svensson method. This is adjusted by a risk premium that reflects the specific risk of the CGU and the heightened risk of an equity investment. This is based on external information that corresponds to the internal estimates of the management.

The impairment test of the CGU “Fabasoft Talents GmbH” resulted in an impairment requirement of kEUR 335, as the current planning shows lower revenue growth than at the time of acquisition. In the CGU “Fabasoft 4teamwork AG”, a sub-division was sold in the 2023/2024 fiscal year, resulting in a goodwill disposal of kEUR 76. The impairment tests carried out for the CGU “Fabasoft Xpublisher GmbH” and the CGU “Fabasoft 4teamwork AG” did not result in any need for impairment.

The following sensitivity analyses indicate the impact of the value in use as at 31 March 2024:

		Change in value in use Fabasoft Xpublisher GmbH	Change in value in use Fabasoft Talents GmbH	Change in value in use Fabasoft 4teamwork AG
Change in the discount rate by	1%	-2,310	-35	-572
	-1%	3,244	40	726
Change in growth in perpetuity by	1%	2,792	25	627
	-1%	-1,989	-22	-495
Change in annual free cashflows by	10%	1,434	47	525
	-10%	-1,434	-47	-525

The sensitivities indicated would only result in a further need for impairment at Fabasoft Talents.

The following sensitivity analyses indicate the impact of the value in use as at 31 March 2023:

		Change in value in use Fabasoft Xpublisher GmbH	Change in value in use Fabasoft Talents GmbH	Change in value in use Fabasoft 4teamwork AG
Change in the discount rate by	1%	-1,031	-118	-665
	-1%	1,403	134	825
Change in growth in perpetuity by	1%	1,139	94	760
	-1%	-839	-82	-610
Change in annual free cashflows by	10%	715	193	721
	-10%	-715	-193	-721

5.1.3. Other financial assets

in kEUR	2023/2024	2022/2023
Start of fiscal year	153	158
Additions	0	7
Reclassification to current receivables	-7	0
Fair value changes	-1	-12
End of fiscal year	145	153

Other financial assets largely consist in their entirety of investment certificates. These are classified as long-term securities as there is no intention of selling them within the next twelve months.

5.1.4. Other non-financial assets

The contract acquisition costs recognized under other non-financial assets in compliance with IFRS 15 developed as follows:

in kEUR	2023/2024	2022/2023
Start of fiscal year	413	452
Dissolution	-310	-291
Allocation	273	252
End of fiscal year	376	413

5.1.5. Deferred income taxes

Deferred income taxes as at 31 March 2024 is calculated as follows:

in kEUR	01/04/2023		First time application IAS 12.22 A	Changes of statement of comprehensive income	31/03/2024	
	Deferred income tax assets	Deferred income tax liabilities			Deferred income tax assets	Deferred income tax liabilities
Provisions for non-current employee obligations	439	0	0	-2*	437	0
Fixed assets	0	-815	0	205	0	-610
Fair value valuation of the securities	1	0	0	0	1	0
Contract assets	0	-679	0	-339	0	-1,018
Contract acquisition costs	0	-98	0	12	0	-86
Loss carryforwards	980	0	0	60	1,040	0
Other provisions	3	0	0	-1	2	0
Vacation provisions	0	0	0	83	83	0
IFRS 16	0	0	61	27	88	0
Deferred income	9	0	0	0	9	0
Unrealized FX gains/losses	0	0	0	-25	0	-25
Contract liabilities	0	-16	0	9	0	-7
	1,432	-1,608			1,660	-1,746
Netting	-942	942			-838	838
Total deferred income taxes	490	-666	61	29	822	-908

* Thereof kEUR 23 were reported as part of other result and offset with the revaluation effects from severance payments.

Deferred income taxes as at 31 March 2023 is calculated as follows:

in kEUR	01/04/2022		First time consolidation Fabasoft 4teamwork AG	Changes of statement of comprehensive income	31/03/2023	
	Deferred income tax assets	Deferred income tax liabilities			Deferred income tax assets	Deferred income tax liabilities
Provisions for non-current employee obligations	771	0	0	-332*	439	0
Fixed assets	0	-715	-262	162	0	-815
Fair value valuation of the securities	0	0	0	1	1	0
Contract assets	0	-491	-6	-182	0	-679
Contract acquisition costs	0	-107	0	9	0	-98
Current-value depreciation pursuant to Section 12 of the Corporate Tax Law	6	0	0	-6	0	0
Loss carryforwards	582	0	6	392	980	0
Other provisions	3	0	0	0	3	0
Deferred income	8	0	0	1	9	0
Contract liabilities	0	-56	-38	78	0	-16
	1,370	-1,369			1,432	-1,608
Netting	-853	853			-942	942
Total deferred income taxes	517	-516	-300	123	490	-666

* Thereof kEUR -86 were reported as part of other result and offset with the revaluation effects from severance payments.

Deferred income tax receivables for loss carryforwards on 31 March 2024 are as follows:

in kEUR	Existing loss carryforwards	Tax rate	Assessed deferred income taxes	Non-assessed deferred income taxes
Mindbreeze Corporation	265	27%	72	0
Fabasoft Xpublisher GmbH	1,698	31%	534	0
Fabasoft 4teamwork AG	762	21%	160	0
Fabasoft Xpublisher Inc.	152	20%	0	30
Fabasoft Talents GmbH	1,098	23%	252	0
Fabasoft Contracts GmbH	94	23%	22	0

The loss carryforwards in Mindbreeze Corporation arose in particular due to the tax-related immediate amortization of additions of property, plant and equipment. The reported loss carryforwards of Mindbreeze Corporation exist both nationwide with an effective tax rate of 21% as well as on the level of a US state with an effective tax rate of 6.15%. The resulting combined tax rate is 25%.

The reported loss carryforwards of Fabasoft Xpublisher Inc. exist both nationwide with an effective tax rate of 21% as well as on the level of a US state with an effective tax rate of 0.76%. The resulting combined tax rate is 20%.

Deferred income tax receivables for loss carryforwards on 31 March 2023 were as follows:

in kEUR	Existing loss carryforwards	Tax rate	Assessed deferred income taxes	Non-assessed deferred income taxes
Mindbreeze Corporation	826	17%	143	0
Fabasoft Xpublisher GmbH	1,438	31%	452	0
Fabasoft 4teamwork AG	1,267	21%	267	0
Fabasoft Xpublisher Inc.	94	21%	0	20
Fabasoft Talents GmbH	512	23%	118	0

The loss carryforwards in Mindbreeze Corporation arose in particular due to the tax-related immediate amortization of additions of property, plant and equipment. The reported loss carryforwards of Mindbreeze Corporation exist both nationwide with an effective tax rate of 21% as well as on the level of a US state with an effective tax rate of 7.12%. The resulting combined tax rate is 17%.

The reported loss carryforwards of Fabasoft Xpublisher Inc. exist nationwide with an effective tax rate of 21%.

Further to current planning calculations management assumes that the deferred income tax receivables can be realized.

Realization of deferred tax assets:

in kEUR	31/03/2024	31/03/2023
Deferred income tax assets that are expected to be realized after more than 12 months	1,336	1,420
Deferred income tax assets that are expected to be realized within 12 months	324	12
	1,660	1,432

Realization of deferred income tax liabilities:

in kEUR	31/03/2024	31/03/2023
Deferred income tax liabilities that are expected to be realized after more than 12 months	-615	-412
Deferred income tax liabilities that are expected to be realized within 12 months	-1,131	-1,196
	-1,746	-1,608

In compliance with IAS 12.39 no deferred tax liabilities were recognized for temporary differences in connection with investment in affiliated companies (kEUR 3,740, previous year kEUR 3,596) , because the incurred profits in the subsidiaries are indefinitely invested or are not subject to taxation if sold.

5.2. Current assets

5.2.1. Trade and other receivables

in kEUR	31/03/2024	31/03/2023
Trade receivables	14,306	13,680
Other receivables	459	529
thereof input tax reimbursement	51	76
thereof receivables from tax office	90	0
thereof deposits	94	89
thereof social security	76	263
thereof other receivables	148	101
Accrued costs	1,767	1,444
Total	16,532	15,653
thereof financial receivables	14,548	13,870
thereof non-financial receivables	1,984	1,783

Trade receivables are generally recognized with a term of payment of 30 days. With some individual customers special due dates are agreed which are also categorized short-term. There is no variable offset.

Accrued costs prior to the balance sheet date are declared prepaid expenses if they represent expenses for a specific period after that date.

Maturity structure of trade receivables:

in kEUR	31/03/2024	31/03/2023
Not yet mature	8,693	9,434
Overdue and depreciated (individual)	2	7
Overdue but not depreciated	5,611	4,239
Between 1 and 60 days	3,999	2,743
Between 61 and 90 days	295	372
Between 91 and 180 days	675	519
More than 180 days	642	605

The book values of trade receivables correspond closely to the fair value. Allowances amounting to kEUR 2 (previous year kEUR 5) – see section 2.9 – were formed. There is no further need for value adjustment, in particular due to the branch sector of overdue receivables, payments received after the balance sheet date and a detailed analysis of the overdue analysis of the overdue receivables.

5.2.2. Cash and cash equivalents

in kEUR	31/03/2024	31/03/2023
Cash in hand	4	3
Credit at financial institutions	25,064	26,560
Total	25,068	26,563

5.3. Equity

As at 31 March 2024, 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 Group considers equity as those components to be declared as such in accordance with IFRS. Equity management focusses on being in a position to maintain the companies operated within the Group as going concerns in a secured and independent manner, on assuring the progress of the topic of growth that is critical for the corporate Group with the aid of the equity base and on investing or expanding investment of utilizable equity in future-proof company participations based on responsible entrepreneurial action and thinking.

Consistent with others in the industry, the Group monitors capital on the basis of the equity ratio. The aim is to achieve a stable equity ratio in order to enable any investments and to maintain the Group's general resilience. This ratio is calculated as equity divided by total capital. The equity ratio of the Fabasoft Group on the balance sheet date is 40% (38% on 31 March 2023).

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).

The Managing Board of Fabasoft AG proposes for the fiscal year from 1 April 2023 to 31 March 2024, that a dividend of EUR 0.10 will be disbursed per dividend-bearing no-par value share.

5.3.1. Reserves

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 programs.

5.3.2. 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 was completed on 19 February 2024, whereby treasury shares totaling 98,218 shares (0.9% of the share capital) were acquired. The costs this entailed for the company amounting to kEUR 2,016 are disclosed in a separate adjustment item in equity.

No treasury shares were sold in the period under review.

5.4. Non-current liabilities

5.4.1. Provisions for severance payments

The following significant actuarial assumptions were made:

	2023/2024	2022/2023
Discount rate	3.30%	3.65%
Future salary increases	4.24%	4.20%
Fluctuation	1.08%	1.27%

The calculation of the provisions for severance payments for employees was effected according to actuarial principles based on the biometric guideline tables AVÖ 2018-P. The retirement age results from the minimum from the retirement age as stipulated in the ASVG (the Austrian General Social Security Act) and the early retirement age due to long insurance period. Fluctuation was calculated on the basis of individual company experience.

Plan duration (average weighted period) amounts to 7.55 years (previous year 6.38 years).

Severance payment expenses are derived from the following components:

in kEUR	2023/2024	2022/2023
Service cost	98	300
Interest cost	98	46
Payments into employee severance payment and pension funds	301	255
Total severance payment expenses	497	601
Revaluation effects		
-/+ Profit/loss from change to economic assumptions	139	-262
-/+ Experience gain/loss	-1	-97
Total revaluation effects (gain/loss)	138	-359

The components of severance payment expenses (current service cost, interest cost, severance payments to be made and payments into employee severance payment and pension funds) are disclosed under employee benefit expenses.

The revaluation effects are reported in other result (net deferred income taxes) and concluded through other reserves.

Provisions for severance payments in kEUR	2023/2024	2022/2023
Value as at 31/3 previous year	2,708	3,885
Service cost	98	300
Interest cost	99	46
Severance payments	-	-1,164*
Revaluation effects		
-/+ Profit/loss from change to economic assumptions	139	-262
-/+ Experience gain/loss	-1	-97
Value as at 31/3	3,043	2,708

* The payment of the severance payment in the amount of kEUR 895 was not be made until the fiscal year 2023/2024 and is recognized under other liabilities.

5.4.2. Provisions for pensions

As shown under section 2.12, during the 2014/2015 fiscal year the pension approvals were amended to the effect that the respective claim of the person entitled to the extent of the cover asset on the respective reporting date of the existing pension reinsurance agreements. The gross pension obligation is thus specified in the amount of the asset values of the insurance agreements. The commitment and cover asset (plan assets) are offset on the balance sheet based on the congruency, pledging and the insolvency-proof nature of the asset. There are no portions of the provisions for pensions that are not covered by reinsurances.

The asset values amounted to kEUR 3,069 on the reporting date 31 March 2024 (previous year kEUR 5,552).

in kEUR	2023/2024	2022/2023
Service cost	211	421
Interest cost	101	91
Interest income	-101	-91
Total expenses for pension schemes	211	421
Revaluation effects (gain/loss)	-39	-16

Changes in net liability in kEUR	Defined benefit obligation	Fair value of plan assets	Net liability
Value as at 31/03/2023	5,552	-5,552	0
Service cost	211	0	211
Interest cost/interest income	101	-101	0
Actuarial effects/income from plan assets without interest income	-39	39	0
Contributions paid by the employer	0	-211	-211
Payment made	-2,756	2,756	0
Value as at 31/03/2024	3,069	-3,069	0

5.4.3. Other payables

in kEUR	31/03/2024	31/03/2023
Non-current leasing liabilities	5,623	5,731
Earn-out liability	526	1,234
Total	6,149	6,965

5.5. Current liabilities

5.5.1. Trade and other payables

in kEUR	31/03/2024	31/03/2023
Trade payables	3,392	2,627
Prepayments received	661	1,325
Current leasing liabilities IFRS 16	1,981	1,761
Payables from other taxes	1,073	1,387
Payables for social security payments	635	470
Other current payables	5,962	5,384
thereof short-term employee benefits	5,173	5,359
thereof other payables	789	25
Total	13,704	12,954
thereof financial payables	4,076	2,627
thereof non-financial payables	9,628	10,327

Short-term benefits to employees consist mainly of accruals for as yet non-consumed leave, special payments and performance-related remuneration.

The book values correspond closely to the fair value.

5.5.2. Income tax liabilities

in kEUR	31/03/2024	31/03/2023
Austria	1,646	775
Other countries	149	697
Total	1,795	1,472

5.5.3. Contract liabilities

Contract liabilities include revenue received from software update, cloud service and appliance agreements as well as support agreements, which will not have an effect on profit until 31 March 2024.

Transfer of contract liabilities as at 31 March 2024:

in kEUR	01/04/2023	Dissolution 2023/2024	Allocation 2023/2024	31/03/2024
Contract liabilities in compliance with IFRS 15	18,752	-18,482	19,715	19,985

Transfer of contract liabilities as at 31 March 2023:

in kEUR	01/04/2022	Dissolution 2022/2023	Allocation 2022/2023	31/03/2023
Contract liabilities in compliance with IFRS 15	15,896	-14,832	17,688	18,752

This includes contract liabilities resulting from service contracts pursuant to IFRS 15 amounting to kEUR 739 (31/03/2023: kEUR 264), the remaining amount of kEUR 19,246 (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 terms of the contract liabilities break down as follows:

in kEUR	31/03/2024	31/03/2023
Up to one year	19,698	18,482
Longer than one year	287	270
Total	19,985	18,752

5.6. Investment grants

in kEUR	31/03/2024	31/03/2023
Investment premiums	106	139
Total	106	139

Investment premiums are recognized in the balance sheet item "Investment grants". These are grants from the Austrian Federal Government of up to 14% of the investments made and up to 30% of the investments made in e-charging infrastructure.

Please refer to section 6.2 with regard to the effects of the dissolution of investment grants recognized in income.

6) Notes to the consolidated statement of comprehensive income

6.1. Sales revenue

In 2023/2024 fiscal year revenue for service contracts realized over time amounts to kEUR 6,610 (previous year kEUR 6,652). For further information on sales revenue see the details on segment reporting section 8.

6.2. Other operating income

in kEUR	2023/2024	2022/2023
Income from disposal of property, plant and equipment	2	4
Other income	1,042	559
thereof grants for research projects	463	46
thereof from termination of life and death insurance	169	0
thereof foreign currency gains	0	317
thereof from the dissolution of investment grants	45	53
Total	1,044	563

6.3. Employee benefits expenses

in kEUR	2023/2024	2022/2023
Salaries	34,262	29,156
Expenses for severance payments	497	601
Expenses for pension schemes	250	437
Expenses for statutory social contributions	7,510	6,482
Other social welfare expenditure	974	692
Total	43,493	37,368

6.4. Depreciation and amortization expenses

in kEUR	2023/2024	2022/2023
Depreciation charges on property, plant and equipment	6,908	6,191
Depreciation charges on intangible assets	970	577
Total	7,878	6,768

6.5. Other operating expenses

in kEUR	2023/2024	2022/2023
Taxes unless included under income taxes	104	137
Maintenance	603	943
Rental* and operating costs	1,383	1,069
Vehicle and leasing expenses*	440	406
Operating expenses	2,426	2,418
Legal and consulting fees	1,661	1,357
Auditing, bookkeeping and tax advice fees	440	599
Investor relations	210	188
Insurance premiums	285	265
Personnel recruitment	762	621
Information expenses	317	326
Further education	378	532
Other	1,234	843
Administrative expenses	5,287	4,731
Trademark registrations	157	241
Travel expenses	765	609
Advertising	3,468	3,362
Other	40	51
Sales expenses	4,430	4,263
Other operating expenses	12,247	11,549

* excl. IFRS 16 contracts

The leasing expenses for short-term leases, which are accounted for pursuant to IFRS 16.6, amount to kEUR 194 in the 2023/2024 fiscal year (previous year kEUR 120). The leasing expenses for leases of low value, which are accounted for pursuant to IFRS 16.6, amount to kEUR 11 in the 2023/2024 fiscal year (previous year kEUR 7).

6.6. Financial result

in kEUR	2023/2024	2022/2023
Interest income	111	40
Foreign currency income	1	2
Interest expenses	-384	-186
thereof interest expenses for leasing liabilities	-348	-112
Total	-272	-144

In addition to the interest expenses indicated for leasing liabilities, the recognized interest income and expenses result in particular from credit at financial institutions and earn-out accounting.

6.7. Income taxes

in kEUR	2023/2024	2022/2023
Austria	-2,126	-1,491
Other countries	-1,365	-1,727
Current income taxes	-3,491	-3,218
Austria	178	-216
Other countries	-171	416
Deferred income taxes	7	200
Total	-3,484	-3,018

The tax on the Group's pre-tax profit deviates from the theoretical value, which results from the use of the income tax rate of 24% (until 31 December 2023) as well as 23% (as of 1 January 2024) applicable in Austria to the result before tax as follows:

in kEUR	2023/2024	2022/2023
Result before income taxes	13,113	9,843
Tax expenses calculated according to Austrian tax rate 2023/2024: 24% (until 31/12/2023) as well as 23% (as of 01/01/2024) (previous year: 25% (until 31/12/2022) as well as 24% (as of 01/01/2023))	-3,113	-2,436
Tax effects from:		
Foreign tax rates	-420	-432
Effects of future tax rate changes	-17	47
Tax-free income and other tax-free items	72	46
Currency differences	-100	14
Expenses not deductible for tax purposes	-167	-329
Adjustment to deferred income taxes	8	11
Incidental acquisition costs company acquisition	0	-11
Change in deferred income taxes from current-value depreciation pursuant to Section 12 Corporate Tax Law	0	-6
Changes in unapplied deferred income tax assets and liabilities	212	175
Non-periodic income tax	41	-97
Declared income tax expenses	-3,484	-3,018

7) 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.

Change in liabilities from financing activities

Lease liabilities amounted to kEUR 7,492 as at 31/03/2023 and kEUR 7,604 as at 31/03/2024. The change in the 2023/2024 fiscal year is made up of the following items:

- Cash-effective change of kEUR -2,339 (divided into repayment of lease liabilities in the amount of kEUR -1,990 and interest paid in the amount of kEUR -349)
- Non-cash-effective change of kEUR 2,451 (includes new leases and adjustments to existing leases)

In addition to the cash-effective change in leases, the cash flow from financing activities includes changes in equity (see statement of changes in equity).

8) Segment reporting

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

2023/2024 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	55,551	39,526	8,254	7,604	110,935
Less intersegmental sales	-27,773	-1,765	-203	-244	-29,985
Sales with external customers	27,778	37,761	8,051	7,360	80,950
Operating result	8,309	4,934	138	4	13,385
Depreciation and amortization expenses	5,367	1,046	533	932	7,878

Reconciliation in kEUR

Operating result segments	13,385
Financial result Group	-272
Result before income taxes	13,113

2022/2023 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	47,795	34,769	4,603	8,778	95,945
Less intersegmental sales	-24,575	-1,632	-147	-364	-26,718
Sales with external customers	23,220	33,137	4,456	8,414	69,227
Operating result	7,775	2,887	-488	-187	9,987
Depreciation and amortization expenses	4,226	1,142	330	1,070	6,768

Reconciliation in kEUR

Operating result segments	9,987
Financial result Group	-144
Result before income taxes	9,843

The main decision makers see the company from a geographical perspective.

The business segments that are subject to reporting generate their sales primarily through the manufacture and sales of software products and the provision of associated services.

Sales amounting to kEUR 11,042 derive from transactions with a single customer in the 2023/2024 fiscal year. These sales are attributable to the segment Germany. Sales amounting to kEUR 9,686 derived from transactions with a single customer in the previous year and these concerned the segment Germany.

The internal reporting is carried out in line with the external reporting according to the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU).

The internal reporting is based primarily on information about profitability. This information is communicated to the main decision makers on a monthly basis in reports which they use as a basis for their decisions.

The “Other countries” segment summarizes the activities of the sales companies of the geographical region USA.

Apart from scheduled depreciation and amortization there were no other significant non-cash items in the individual segments.

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 a 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:

2023/2024 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Recurring revenue	18,695	14,960	4,019	4,964	42,638
Non-recurring revenue	9,083	22,801	4,032	2,396	38,312
thereof software	975	1,847	681	0	3,503
thereof professional services	8,108	20,954	3,351	2,396	34,809
Total	27,778	37,761	8,051	7,360	80,950

2022/2023 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Recurring revenue	15,719	12,227	2,695	5,976	36,617
Non-recurring revenue	7,501	20,910	1,761	2,438	32,610
thereof software	810	800	25	0	1,635
thereof professional services	6,691	20,110	1,736	2,438	30,975
Total	23,220	33,137	4,456	8,414	69,227

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).

Sales revenue are recognized over time, with the exception of one-off licenses, whose revenue is recognized at a point in time (see section 2.14).

Breakdown of non-current assets by region:

in kEUR	31/03/2024	31/03/2023
Austria	23,316	14,546
Germany	5,237	5,392
Switzerland	2,798	3,730
Other countries	777	1,350
Total	32,128	25,018

9) Other statements

9.1. Earnings per share

9.1.1. Diluted and undiluted earnings per share

The diluted and undiluted earnings per share are calculated on the basis of the weighted average of the subscribed capital in the period under review taking into account treasury shares (see section 5.3.2).

	2023/2024	2022/2023
Result for the year attributable to the equity holders of the Parent Company (in kEUR)	9,073	6,290
Average number of shares in circulation (units)	10,971,334	11,000,000
Basic earnings per share (in EUR/unit)	0.83	0.57

9.2. Expenses for research and development

In the 2023/2024 fiscal year, research and development costs totalled kEUR 25,458 (previous year kEUR 21,268). These costs were primarily allocated to employee benefits expenses and depreciation for investments.

No expenditure on research and development was capitalized in the 2023/2024 fiscal year as it was not possible to provide in full the documentation of the requirements for the capitalization as an intangible asset (see section 2.5). Software research and development are cyclical and iteratively closely linked processes. Due to the scrum method applied in the Group these are continuously rolling processes. Moreover, establishing technological feasibility taking competitive costs and customer acceptance into consideration is not possible until shortly before market maturity.

9.3. Other financial obligations

Obligations due to operating lease contracts and rental contracts (incl. leased assets accounted for in accordance with IFRS 16) amount to:

in kEUR	31/03/2024	31/03/2023
Up to one year	2,554	2,299
Between one and five years	6,460	5,358
Total	9,014	7,657

9.4. Details of affiliated persons and employees

9.4.1. Average number of employees

	2023/2024	2022/2023
Employees	482	419

9.4.2. Breakdown of expenses of severance payments

in kEUR	2023/2024	2022/2023
Members of the Managing Board and senior executives	261	278
Other employees	236	323
Total	497	601

9.4.3. Breakdown of expenses for pensions schemes

in kEUR	2023/2024	2022/2023
Members of the Managing Board	250	421

9.4.4. Managing Board of Fabasoft AG

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

The expenses for continuous emoluments, severance payments and pensions schemes for members of the Managing Board amounted to kEUR 1,406 in the 2023/2024 fiscal year (previous year kEUR 2,051) and are broken down as follows:

in kEUR	2023/2024	2022/2023
Continuous emoluments	955	1,455
Expenses for severance payments recorded in the result for the year	238	174
Expenses for contributions to employee severance payment and pension funds	2	1
Expenses for pensions schemes recorded in the result for the year	211	421
Total	1,406	2,051

9.4.5. 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 DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl, Linz (Second deputy)
 Prof. Dr. Andreas Altmann, Innsbruck (First deputy)
 Mag.^a Michaela Schwinghammer-Hausleithner, Linz (Member)

For the 2023/2024 fiscal year, emoluments amounting to kEUR 90 (previous year kEUR 104) were paid to the members of the Supervisory Board.

No members of the Managing Board or of the Supervisory Board were guaranteed loans and no liabilities were assumed for the benefit of these persons.

The following members of the Supervisory Board are on the Audit Committee of Fabasoft AG:

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

In this context, Prof. Dr. Altmann has special expertise (knowledge and practical experience) in the fields of finance and accounting as well as reporting. Furthermore, Mag.^a Schwinghammer-Hausleithner has special expertise in the field of accounting and em. o. Univ.-Prof. Mag. Dr. Roithmayr has special expertise in the field of auditing.

9.4.6. 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 57, previous year kEUR 56)

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

9.5. Other affiliated companies and employees

Expenses for the auditors amount to kEUR 244 (previous year kEUR 279) and are divided into the following areas of activity:

in kEUR	2023/2024	2022/2023
Audit/Review of annual financial statements of companies included in the consolidated statements	190	166
thereof Fabasoft AG and consolidated financial statements	50	44
thereof Mindbreeze GmbH	15	15
thereof Fabasoft R&D GmbH	15	13
thereof Fabasoft International Services GmbH	5	7
thereof Fabasoft Austria GmbH	15	13
thereof other auditing services	90	74
Review of quarterly statements	20	24
Other services	34	89
Total	244	279

9.6. 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.

9.7. 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.

9.8. Events after the balance sheet date

No significant events for this consolidated financial statement occurred after 31 March 2024.

9.9. Release of consolidated financial statements

These consolidated financial statements were drawn up by the Managing Board on the date specified hereunder and released for publication. The consolidated financial statements and the individual accounts of the Parent Company – which are also included in the consolidated financial statements following adaptation to accounting standards – will be presented to the Supervisory Board for scrutiny on 28 May 2024. The Supervisory Board and, in the event of presentation at the Annual General Meeting, the shareholders may amend the individual accounts of the Parent Company in such a way that also influences the presentation of the consolidated financial statements

Linz, 24 May 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



STATEMENT OF ALL LEGAL REPRESENTATIVES

We, Prof. Dipl.-Ing. Helmut Fallmann, Ing. Oliver Albl and Matthias Wodniok, as Members of the Management Board and legal representatives of Fabasoft AG, hereby confirm that to the best of our knowledge, the annual financial statements of the parent company drawn up in accordance with the applicable accounting principles present the truest and fairest view possible of the asset, financial and profit position of the company and that the course of business, operating profit and the situation of the company are presented in the Management Report in such a way that they present the truest and fairest view possible of the asset, financial and profit situation and that the Management Report also defines all significant opportunities, risks and uncertainties with which the company is confronted.

Linz, 24 May 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

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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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