

Suchergebnis

Name	Bereich	Information	V.-Datum
Swyx Solutions GmbH (vormals: Swyx Solutions AG) Dortmund	Rechnungslegung/ Finanzberichte	Konzernabschluss zum Geschäftsjahr vom 01.01.2018 bis zum 31.12.2018	13.03.2020

**Swyx Solutions GmbH**

Dortmund

Konzernabschluss zum Geschäftsjahr vom 01.01.2018 bis zum 31.12.2018**Consolidated financial statements as of 31 December 2018****AUDITOR'S REPORT****Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund****Consolidated balance sheet as at 31 December 2018****Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund****ASSETS**

in EUR	Note	31 Dec 2018	31 Dec 2017
Non-current assets			
Intangible assets	16	4.983.798	5.692.138
Property, plant and equipment	17	271.690	371.656
Finance Lease	17	322.790	371.821
Other financial assets	20	10.355	10.376
Deferred tax assets	24	15.651	629.630
		5.604.283	7.075.620
Current assets			
Inventories	19	4.725.543	4.152.979
Trade and other receivables	18	24.944.097	12.746.844
Other financial assets	20	259.623	157.317
Cash and cash equivalents	21	3.394.597	4.312.804
		33.323.860	21.369.944
Assets		38.928.143	28.445.564
EQUITY AND LIABILITIES			
Equity			
Subscribed Capital	22	2.892.815	2.881.470
Share Premium	22	11.827.383	11.732.425
Reserves	22	2.724.815	(3.378.265)
Equity attributable to shareholders of Swyx Solutions GmbH		17.445.013	11.235.630
Non-current liabilities			
Other provisions	23	74.800	71.546
Lease Liabilities	25	268.593	322.766
Deferred Income	26	5.298.609	2.427.623

in EUR	Note	31 Dec 2018	31 Dec 2017
Deferred tax liabilities	25	1.607.509	
		7.249.511	2.821.935
Current liabilities			
Provisions for personnel expenses and Other provisions	23	805.310	1.602.393
Current income tax liabilities		1.302.656	0
Financial debt		11.456	3.797
Trade and other payables	25	4.695.238	6.848.308
Lease Liabilities	25	54.003	49.028
Non-financial liabilities	26	5.041.652	4.072.751
Deferred Income	26	2.323.294	1.811.723
		14.233.620	14.387.999
Equity and liabilities		38.928.143	28.445.564

Consolidated income statement for the year ended 31 December 2018

Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund

in EUR	Note	2018	2017
Revenues	7	45.050.785	38.657.473
Own work capitalised	16	710.583	686.086
Other operating income	8	5.160.502	196.549
Cost of materials	9	(16.172.221)	(17.051.190)
Personnel expenses	10	(13.238.745)	(11.851.231)
Amortisation, depreciation for intangible assets and property, plant and equipment	11	(3.255.140)	(2.391.485)
Other operating expenses	12	(8.797.362)	(5.885.698)
Operating profit		9.458.403	2.360.504
Financial result			
Interest result net	13	57.936	(26.131)
Financial result		57.936	(26.131)
Earnings before tax on income		9.516.339	2.334.373
Income tax expenses	14	(3.439.182)	486.245
Group profit		6.071.157	2.820.618
Attributable to:			
Shareholders of Swyx		6.077.157	2.820.618

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund

in EUR	Note	2018	2017
Group profit for the period		6.077.157	2.820.618
Other comprehensive income			
Currency translation differences		25.923	(762)
Recognised in other comprehensive income	3	25.923	(762)
Recognised in profit or loss			
Cashflow hedges	25		(20.215)
Recognised in other comprehensive income		20.215	71.899
Recognised in profit or loss		20.215	51.684
Items that are or may be reclassified subsequently to profit or loss		25.923	(20.977)
Other comprehensive income for the period, net of tax		25.923	(20.977)
Group total comprehensive income		6.103.080	2.799.640
Attributable to:			
Shareholders of Swyx		6.103.080	2.799.640

Consolidated statement of changes in shareholders' equity

Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund

in EUR	Note	Subscribed capital	Reserves	Currency translation differences	Equity
Closing balance at 31 Dec. 2016		2.881.470	5.547.750	6.770	8.435.990
Profit or loss		-	2.820.618	-	2.820.618
Effects Cashflow hedge	25		(20.215)		(20.215)
Other changes	3		-	(762)	(762)
Total comprehensive income		-	2.800.402	(762)	2.799.640
Changes of stock option plans		-	-	-	-
Capital increase/decrease		-	-	-	-
Withdrawals/dividend distribution		-	-	-	-
Closing balance at 31 Dec. 2017		2.881.470	8.348.153	6.008	11.235.631
Profit or loss			6.077.157		6.077.157
Effects Cashflow hedge			-		-
Other changes				25.923	25.923
Total comprehensive income			5.077.157	25.923	6.103.080
Capital increase		11.345	94.958		106.303
Closing balance at 31 Dec. 2018		2.892.815	14.520.268	31.930	17.445.013

Consolidated cash flow statement

Swyx Solutions GmbH (formerly: Swyx Solutions AG), Dortmund

in EUR	Note	2018	2017
Operating activities			
Group profit or loss		6.077.157	2.820.618
Income tax	14	3.439.182	(486.245)
Depreciation, amortisation, impairment losses and write-ups	11	3.255.140	2.391.485
Net interest	13	(57.936)	(1.470)
Other non-cash items		26.770	(40.292)
Changes in provisions		(793.831)	(573.677)
Changes in other assets and liabilities		(10.576.104)	1.128.573
Cashflow from operating activities		1.370.377	5.238.991
Investing activities			
Purchase of intangible assets	16	(2.268.165)	(2.647.200)
Purchase of property, plant and equipment	17	(129.646)	(439.639)
Sale of property, plant and equipment	17	-	386.017
Purchase Finance Lease	17	-	(379.993)
Interest received		75.034	1.470
Cashflow from investing activities		(2.322.776)	(3.079.345)
Financing activities			
Proceeds from issuing equity instruments and capital increase		106.303	-
Changes finance lease	29	(54.173)	-
Interest paid	13	(17.098)	-
Cashflow from financing activities		35.032	-
Change in cash and cash equivalents		(917.367)	2.159.646
Currency translation effects on cash and cash equivalents		(839)	(2.464)
Cash and cash equivalents at beginning of period	21	4.312.804	2.155.622
Cash and cash equivalents at end of period	21	3.394.597	4.312.804

Notes to the consolidated financial statements for the financial year 2018

1 General Notes

1.1 General

Swyx Solutions GmbH (until 10 April 2018: Swyx Solutions AG) head office: Emil-Figge-Str. 86, 44227 Dortmund) is registered in the commercial register (Handelsregister) kept at the local court (Amtsgericht) of Dortmund under reference number HRB 29881. Swyx Solutions GmbH is the parent company of the Swyx Solutions Group. Effective 28 February 2018 all shares in Swyx Solutions GmbH were acquired by Voip Holding GmbH, which in turn is part of the Within Reach Group at year end and for which mandatory consolidated financial statements are provided by Voip Holding BN., Almere, to be found at the Dutch Trade Register under number 70119252.

The Swyx Solutions Group is an international provider of services for the Telecom industry. The Group is among the leading providers of "unified communications" solutions in Europe, which are specifically customised for the needs of medium-sized companies.

1.2 Principles Applied in the IFRS Consolidated Financial Statements

The consolidated financial statements for the year ended 31 December 2018 of the Swyx Solutions Group are prepared in accordance with the International Financial Reporting Standards (IFRS) passed and issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), as adopted by the European Union (EU).

The Swyx Solutions Groups consolidated financial statements are prepared in application of the regulations contained in Directive (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002 concerning the application of international accounting standards. In addition, the supplementary provisions of commercial law were taken into account.

The consolidated financial statements were prepared in EUR.

The income statement was prepared using the nature of expense method. As required by IAS 1, balance sheet items are classified as either current or non-current.

The preparation of consolidated financial statements in accordance with IFRS involves management making estimates and judgments that affect the recognition and measurement of items in the balance sheet and/or income statement and of the disclosure of contingent assets or liabilities.

The Executive Board of Swyx Solutions GmbH prepared the consolidated financial statements as at 31 December 2018. This marks the end of the reporting period.

The consolidated financial statements were authorised to be issued by the Company's Executive Board on 29 May 2019.

2 Application of new and revised standards and interpretations

2.1 Overview

These consolidated financial statements were prepared by applying all standards and interpretations issued by the IASB and IFRS IC as adopted by the EU and being effective as at 31 December 2018.

2.2 Endorsed standards, amendments and interpretations

The following is a list of the new or amended standards and interpretations endorsed in European law and which the Swyx Solutions Group had to apply in 2018 for the first time.

Standard/Interpretation	Effective date according to IASB	Effective date in the EU
IFRS 15 Revenue from Contracts with Customers	01.01.2018	01.01.2018
IFRS 9 Financial Instruments	01.01.2018	01.01.2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01.01.2018	01.01.2018
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01.01.2018	01.01.2018
Amendments to IFRS 15: Clarifications	01.01.2018	01.01.2018
Amendments to IAS 40: Transfer of Investment Property	01.01.2018	01.01.2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	01.01.2018	01.01.2018
Annual Improvements to IFRSs 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28	01.01.2018	01.01.2018

Only non-significant consequences from the first-time application of these endorsed standards, interpretations and amendments on the consolidated financial statements were affected due to additional or modified disclosure requirements resulting from the application of those standards, interpretations or amendments.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, to what extent and when revenue is recognised. The standard does not apply to contracts with customers for leases within the scope of IAS 17, financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10 and IFRS 11, IAS 27 and IAS 28, insurance contracts within the scope of IFRS 4 and nonmonetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers.

It provides a single, principles based five-step model to be applied to all contracts with customers. Reporting entities are required to identify contracts with the customer and the performance obligations in these contracts, to determine the transaction price and allocate it to the performance obligations and to recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15 revenue is recognised when a customer obtains control of goods or services.

The determination as to whether control is transferred on a time or period basis requires discretionary decisions.

Where revenue is variable, a new recognition threshold has been introduced by the standard. This threshold requires that variable amounts are only included in revenue if, and to the extent that, it is highly probable that a significant revenue reversal will not occur in the future as a result of re-estimation. However, a different approach is applied for sales and usage-based royalties from licences of intellectual property; for such royalties, revenue is recognised only when the underlying sale or usage occurs.

The standard provides detailed guidance on various issues such as identifying distinct performance obligations, accounting for contract modifications and accounting for the time value of money. Detailed implementation guidance is included on topics such as sales with a right of return, customer options for additional goods or services, principal versus agent considerations, licensing, and bill-and hold arrangements. IFRS 15 also introduces new guidance on costs of fulfilling and obtaining a contract, specifying the circumstances in which such costs should be capitalised. Costs that do not meet the criteria must be expensed when incurred. Finally, the standard introduces new, increased requirements for disclosure of revenue in an IFRS reporter's financial statements.

As of January 1, 2018, the Group applied IFRS 15 for the first time.

Due to the transition methods chosen by the Group for the application of these standards, the comparative information in these financial statements has been adjusted to the requirements of the new standards.

The effects of the first-time application of the standard are mainly attributable to the reclassification of marketing cooperation contributions and retroactive cashbacks to channel partners as well as allowances for phone system replacement Investments of end customers.

IFRS 9: Financial Instruments

As of January 1, 2018, the Group applied IFRS 9 for the first time.

Due to the transition methods adopted by the Group in applying this standard, the comparative information in these financial statements has not been restated to conform to the requirements of the new standard, except for certain hedges and separately disclosed impairment losses on trade receivables and contract assets.

The effects of the first-time application of the standard are mainly due to the increase in impairment losses on financial assets.

IFRS 9 specifies the requirements for the recognition and measurement of financial assets, financial liabilities and certain contracts for the purchase or sale of non-financial contracts. This standard replaces IAS 39 Financial Instruments: Recognition and measurement.

As a result of the introduction of IFRS 9, the Group has implemented consequential amendments to IAS 1 Presentation of Financial Statements, which require an impairment loss on financial assets to be presented in a separate line item in the statement of comprehensive income. Previously, the Group had recognized impairment losses on trade receivables in other expenses. As a result, the Group reclassified impairment losses of EUR 30 thousand recognized in accordance with IAS 39 in the statement of comprehensive income for fiscal year 2017 from other expenses to impairment losses on trade receivables and contract assets. For reasons of materiality, impairments of other financial assets are not shown separately in the statement of comprehensive income, but in the financial result, similar to the presentation in accordance with IAS 39.

The new provisions on the accounting of impairment losses will lead to expected losses having to be recognized earlier than under IAS 39 in some cases. We have calculated expected-credit-losses under IFRS 9, leading to no material effect. Therefore, with regard to materiality, we have not considered additional provisions in the financial statements for fiscal year 2018.

In addition, the Group has made consequential amendments to IFRS 7 Financial Instruments: Disclosures. The amendments to IFRS 7 Financial Instruments: Disclosures were applied to the disclosures in the notes for fiscal year 2018. However, these were generally not also applied to the comparative information.

The Group has elected not to adopt the new general hedge accounting model in IFRS 9. The hedging relationships continue to be accounted for in accordance with the requirements of IAS 39. Cash flow hedges for hedging currency risks will therefore continue unchanged. For further information, we refer to Note 25.

IFRS 9 contains three basic categories for the classification of financial assets: measured at amortized cost, measured at fair value with changes in other comprehensive income (FVOCI) and measured at fair value with changes in profit or loss (FVTPL). Financial assets are classified in accordance with IFRS 9 on the basis of the company's business model for managing financial assets and the characteristics of contractual cash flows. IFRS 9 eliminates the previous categories of IAS 39: held to maturity, loans and receivables and available-for-sale. Under IFRS 9, derivatives embedded in contracts where the basis is a financial asset within the scope of the standard are never accounted for separately. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements of IAS 39 for the classification of financial liabilities.

The first-time application of IFRS 9 had no material impact on the Group's accounting policies with respect to financial liabilities and derivative financial instruments (for derivatives used as hedging instruments). The effects of the first-time application of IFRS 9 on the carrying amounts of financial assets as of January 1, 2018 result exclusively from the new regulations on the recognition of impairment losses.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments concern the initial application of IFRS 9 for insurance companies. Without these adjustments, the circumstance that IFRS 9 and the new standard for insurance contracts (IFRS 17) enter into force at different dates would result in increased volatility for a transition period as well as duplicate conversion efforts. The amendments will not have a significant impact for the Consolidated Financial Statements of Swyx Solutions GmbH.

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments concern the consideration of vesting conditions in the context of the valuation of share-based payments with cash compensation, the classification of share-based payments that provide for a net compensation for taxes to be withheld as well as the accounting in the event of a change in the classification of the remuneration from "cash compensation" to "with compensation by equity instruments". The amendments will not have a significant impact for the Consolidated Financial Statements of Swyx Solutions GmbH.

Amendments to IFRS 15: Clarifications

We refer to the notes on IFRS 15.

Amendment to IAS 40: Transfers of Investment Property

The amendment to IAS 40 is intended to clarify the cases in which the classification of real property as "real property held as a financial investment" begins and ends in the case of such real property still being under construction or in development. The previously conclusive list contained in IAS 40.57 meant that the classification of unfinished real property was hitherto not set out unambiguously. The list is now explicitly deemed to be non-exclusive, with the result that unfinished real property can now also be subsumed under that provision. The amendments will not have a significant impact for the Consolidated Financial Statements of Swyx Solutions GmbH.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses a question concerning application of IAS 21 "Effects of changes in foreign exchange rates". It is being clarified which date is to be used for the exchange rate to be applied to the conversion of transactions in foreign currencies containing prepayments received or made. The exchange rate to be applied to the underlying asset, income or expense is determined by the point in time at which the asset resulting from such prepayment or liability is being recognised for the first time. The amendments will not have a significant impact for the Consolidated Financial Statements of Swyx Solutions GmbH.

Annual Improvements to IFRSs 2014 - 2016 Cycle: Amendments to IFRS 1 and IAS 28

The "annual improvements to IFRSs (2014-2016)" contain three amendments to IFRSs. Of these, the amendments to IFRS 1 and IAS 28 were to be applied for the first time in 2018:

IAS 28 clarifies that the option available for the valuation of an interest in an associated company or a joint venture, which is held by a venture capital Company or other qualifying company, can be exercised differently for each respective interest. Furthermore, short-term exemptions in IFRS 1 Appendix E (IFRS 1.E3-E7) were deleted for first-time adopters. The amendments will not have a significant impact for the Consolidated Financial Statements of Swyx Solutions GmbH.

The following is a list of the new or amended standards and interpretations endorsed in European law and which the Swyx Solutions Group has not voluntarily applied prematurely.

Standard/Interpretation	Effective date according to IASB	Effective date in the EU
IFRS 16 Leases	01.01.2019	01.01.2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	01.01.2019	01.01.2019
Annual Improvements to IFRSs 2015-2017 Cycle	01.01.2019	01.01.2019
IFRIC 23 Uncertainty over Income Tax Treatments	01.01.2019	01.01.2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	01.01.2019	01.01.2019

These standards and interpretations are to be applied in the Consolidated Financial Statements of the Swyx Solutions Group in the 2019 financial year onwards.

IFRS 16: Leases

IFRS 16 will require lessees to account for leases 'on-balance sheet' by recognising a 'right-of-use' asset and a lease liability. For many businesses, however, exemptions for short-term leases and leases of low value assets will greatly reduce the impact. IFRS 16 also changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods, changes the accounting for sale and leaseback arrangements largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements.

Swyx Solutions Group is still assessing the possible impacts of the new standard requirements and can therefore not yet describe the impacts of the new regulations on the financial statements in all details.

However, the Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. Regarding assets of low value the Company plans to elect to account for lease payments as an expense on a straight-line basis over the lease term on a lease-by-lease basis. Moreover the company expects changes in the accounting for office rent and company cars and balance sheet extensions due to the above mentioned changes in lease accounting.

2.3 Non-endorsed standards, amendments and interpretations

The following lists the new or amended standards and interpretations to be applied that have been published by the IASB but have not been endorsed in European law.

Standard/Interpretation	Effective date according to IASB	Effective date in the EU
IFRS 17 Insurance Contracts	01.01.2021	tbd
Amendments to References to the Conceptual Framework in IFRS Standards	01.01.2020	tbd
Amendment to IFRS 3 Business Combinations	01.01.2020	tbd
Amendments to IAS 1 and IAS 8: Definition of Material	01.01.2020	tbd

All other standards, amendments and interpretations in the table above are expected to have no or only marginal impact on the Swyx Solutions Group consolidated financial statements.

3 Group accounting principles

3.1 Subsidiaries

In addition to Swyx Solutions GmbH, the consolidated financial statements include subsidiaries whose voting rights Swyx has the direct majority of. Subsidiaries are entities controlled by the Group. All active subsidiaries are fully owned by Swyx Solutions GmbH and were founded by the parent Company.

The basis of consolidation representing the subsidiaries included in the consolidated financial statements has been based on the control concept of IFRS 10. For the list of consolidated subsidiaries see note 34.

Intercompany transactions, balances and unrealised gains and losses from transactions between consolidated Swyx Solutions Group subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The applied consolidation methods remained unchanged to previous year.

3.2 Foreign currency translation

3.2.1 Functional and reporting currency

Items included in the financial statements of each of the Swyx Solutions Group's entities are measured using the respective functional currency. Functional currencies include EUR and GBP. These are the currencies of the primary economic environment in which the entity operates.

The functional currency of the parent Company of the Swyx Solutions Group is EUR. The consolidated financial statements are presented in EUR.

3.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation date at which items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.2.3 Group companies and exchange rates

The results and balance sheet items of all Group entities that have a functional currency other than the EUR are translated into EUR as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- revenue, income and expenses pursuant to IAS 21.40 are translated at the transaction exchange rate - as far as reasonably approximated with average rates per months and all resulting exchange differences are recognised in other comprehensive income.

The table below shows the utilisation of the relevant foreign exchange rates (EoY) for Swyx Solutions Group's consolidated financial statements of all periods presented:

Balance sheet date	31.12.2018	31.12.2017
GBP/EUR	0.89453	0.88723

4 Summary of accounting policies

4.1 General

The principal accounting and valuation methods applied in preparing the Swyx Solutions Group consolidated financial statements are set out below. The methods described have been consistently applied to the reporting periods presented. Numbers are rounded according to the mercantile rounding method.

4.2 Intangible assets

Intangible assets acquired are measured on initial recognition at acquisition test including incidental acquisition costs, less any price reductions or trade discounts.

Internally generated intangible assets resulting from development are capitalized when the conditions of IAS 38 are met. The development costs are directly attributable to development of identifiable software, which is under control of Swyx. It is probable that the use of the asset is associated with future economic benefit, the completion is technically feasible and the cost of the asset can be reliably measured.

Intangible assets with finite useful lives are amortised by the straight-line method over the estimated useful life. Furthermore, they are tested for possible impairment, insofar as there are any indications that the intangible asset may be impaired.

Prepayments and internally generated intangible assets under development are not amortised until completion.

Acquired software licences are recognised on the basis of the costs incurred for their acquisition as well as for the preparation of the software for its intended use. The costs are amortised over their useful life of three to five years.

The useful lives and amortisation periods are reviewed annually and if necessary prospectively adjusted to reflect altered expectations.

For further explanations we refer to note 16.

4.3 Property, plant and equipment

Property, plant and equipment is recognised at its acquisition cost or at its fair value for lease equipment. For subsequent measurement, acquisition or first time recognised values are reduced by depreciation using the straight-line method. Depreciation is recognised on a pro rata basis in the year of acquisition. The amount of scheduled depreciation is affected by the recoverable residual value at the end of the useful life of an asset.

Furthermore, tests of a possible impairment are made insofar as any events or indications are present that indicate a possible impairment within the framework of an impairment test of property, plant and equipment. Detailed information on impairment testing is provided in section 4.4.

The useful lives used for property, plant and equipment by the Swyx Solutions Group are between three and fifteen years:

Intangible assets	3 - 5 years
Technical plants and machinery	3 - 4 years
IT equipment	3 - 5 years
financial lease	7.75 years
Other equipment and office equipment	3 - 15 years

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the disposal proceeds and the carrying amounts of the other property, plant and equipment, and are recognised in the income statement under other operating income and other operating expenses, respectively.

4.4 impairment testing of non-financial assets

Intangible assets with finite useful lives as well as property, plant and equipment are regularly tested for impairment if relevant events or changes in circumstances indicate that the carrying amount may no longer be recoverable. For this test, the recoverable amount of the respective asset is compared with its carrying amount.

The recoverable amount of an asset is defined as the higher of fair value less the costs of disposal, and the value in use. The fair value represents a market-based measurement and corresponds to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In contrast, the value in use corresponds to the present value of the future cash flows expected from the operational use of the asset. If the carrying amount of the asset exceeds the recoverable amount an impairment loss amounting to the excess of the carrying amount over the recoverable amount is recognised.

Swyx Solutions Group's testing of development projects as non-financial assets is based on future sales of standard product licenses and its directly planned cash flows as well as on an apportionment of indirectly related cash flows in line with the apportionment achieved in the reported period. The recoverable amounts exceed the carrying amounts so that no impairment losses are to be recognised.

In the reported period Swyx Solutions Group does not own any assets with indefinite useful live.

4.5 Financial instruments

4.5.1 Financial Assets classification

Swyx Solutions Group's financial assets are those of the category loans, receivables, and derivative financial.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets unless they fall not due more than twelve months after the balance sheet date. Otherwise they are reported as noncurrent assets.

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value.

Loans and receivables are recognised subsequent to initial recognition at amortised cost using the effective interest method, less impairment amounts. Financial liabilities are recognised at amortised cost (4.5.2). An entity shall recognise a financial asset or a

financial liability in its statement of financial position only when the entity becomes a party to the contractual provisions of the instrument.

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedge item, with cash flow hedges reducing the risk of cash flow variability associated with a recognised asset or liability. Recording the changes in fair values as profit/loss or directly in equity depends on, if the derivative is part of an effective hedge defined in IAS 39. If there is no hedge accounting, the changes of the fair value of the derivatives must be recognised as profit/loss. We refer to notes 25.

Impairment of financial instruments

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate if applicable. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease results from circumstances arising after the initial recognition of the impairment, the reversal of the previously recognised impairment loss is recognised in the income statement.

4.5.2 Financial

On initial recognition, financial liabilities are classified as amortised cost as the Swyx Solutions Group does not make use of the option to designate non-derivative financial liabilities as measured at fair value (fair value option) through profit or loss. On the subsequent measurement of non-derivative financial liabilities, the amortised costs are recognised using the effective interest method.

Liabilities in foreign currencies are translated at the closing rate. Liabilities are classified as short-term liabilities if the payment obligation is due within one year. Otherwise they are recognised as noncurrent liabilities.

4.6 Accounting for leases as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases from the lessee's perspective. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Swyx Solutions Group acts mostly as lessee in operating lease agreements. The leased assets are attributed - from an economic point of view - to the lessor.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance leases from the lessee's perspective. Therefore, finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

4.7 Inventories

Inventories are generally recognised at cost plus any incidental costs on an individual asset cost basis, otherwise on the basis of the average cost method. Inventories are measured at each closing date at the lower of cost or net realisable value.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash balances, bank deposits and other current highly liquid financial assets with an original term of at most three months.

4.9 Equity

The components of equity are accounted for in accordance with the provisions of IAS 32. On initial recognition, financial instruments must be classified as a financial liability, as a financial asset or as equity in accordance with the economic substance of contracts and the definitions in IAS 32.

The other comprehensive income recognised in equity consists of currency translation differences and effects from cash flow hedges which are accounted for not yet affecting profit or loss pursuant to IAS 39.

4.10 Share-based payment

Swyx Solutions Group had an equity-settled share-based payment scheme for executives and managerial employees. Settlement was in Swyx shares. The amount of the equity-settled payment obligation was the fair value of the options at the grant date. This was independently assessed using Black-Scholes valuation models. Swyx recognised share-based payments in personnel expenses on a straight-line basis over the vesting period with a matching increase in additional paid-in capital. The variables incorporated in the valuation model and the fair values of the equity instruments as well as a description of the share-based payment schemes and its conditions are presented in section 22.

On 28 February 2018 all shares in Swyx Solutions AG were acquired by Voip Holding GmbH. All share options were either exercised before the closing date or due to a change of control clause within the scheme converted into a payment entitlement upon closing.

4.11 Other provisions

All other provisions are recognised in accordance with IAS 37, provided the Swyx Solutions Group has a present legal or constructive obligation as a result of a past event, when utilisation of these provisions is more likely than not and the amount can be estimated reliably. The estimate of the settlement amount takes future cost increases into account.

Provisions are recognised at their settlement amount and are not netted with positive earnings contributions.

Where there are a number of similar obligations, the likelihood of recourse is estimated on the basis of the portfolio of these obligations.

Long-term provisions are discounted if the interest effect is material. The discount rate takes account of the current market situation and, if applicable, the specific risks of the liability. The increase in a previously discounted provision due to passage of time is recognised as an interest expense.

4.12 Current and deferred tax

The income tax expense for the period is the total of current and deferred tax. Income tax is recognised in the income statement, unless it relates to items recognised directly in equity or in other comprehensive income. In this case, the tax is likewise recognised in equity or in other comprehensive income.

The current income tax charge comprises the actual tax claims and liabilities for the current and earlier periods. It is measured as the amount expected in refund from the tax authority or as a payment to the tax authority.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements. The measurement of deferred tax takes account of tax rates and tax laws that apply or have been enacted by the balance sheet date and that are expected to apply when the deferred tax is realised. Deferred tax assets arising from temporary differences and loss carry-forwards are recognised only to the extent that it is probable that a future taxable profit will be available against which the temporary difference or the loss carry-forward can be charged. When deferred tax assets are recognised, they are tested annually for impairment.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognised, unless the timing of the reversal of the temporary differences cannot be determined by the Swyx Solutions Group and it is probable that these will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and when the deferred taxes assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.13 Recognition of revenue from contracts with customers

Revenue recognition under IAS 18 (applicable before 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. It is recognised net of value added tax and sales deductions. Generally, revenue is recognised after the goods or services have been provided. Revenue is recognised when the amount of revenue can be reliably measured and when it is sufficiently probable that future economic benefits will accrue to the entity.

Revenues from the Swyx Update Service (SUS) are deferred in so far as they relate to future services to be rendered to customers and are amortised over the corresponding contractual or actual service period. SUS is a subscription based service that enables users of SwyxWare solutions to benefit from software updates and associated new features and enhancements through ongoing SwyxWare releases for the duration of their service contract period.

To more closely match the requirements of individual businesses and to give customers full peace of mind with regards to having access to on-going product enhancements, there are multiple options for the duration of the Swyx Update Service contract i.e. Swyx Update Service licenses are available for one, three or five years.

Revenue recognition under IFRS 15 (applicable from 1 January 2018)

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised when goods are delivered and have been accepted by customers.

Revenues from the Swyx Update Service (SUS) are deferred in so far as they relate to future services to be rendered to customers and are amortised over the corresponding contractual or actual service period. SUS is a subscription based service that enables users of SwyxWare solutions to benefit from software updates and associated new features and enhancements through ongoing SwyxWare releases for the duration of their service contract period.

To more closely match the requirements of individual businesses and to give customers full peace of mind with regards to having access to on-going product enhancements, there are multiple options for the duration of the Swyx Update Service contract i.e. Swyx Update Service licenses are available for one, three or five years.

Interest income is recognised using the effective interest method.

5 Management estimates, assumptions and judgments

5.1 General

The preparation of consolidated financial statements in conformity with IFRS requires the use of accounting estimates, assumptions and judgments. These include complex and subjective assessments and the use of assumptions which by their nature are subject to uncertainty and change.

All these estimates, assumptions and judgments are continually being evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Swyx Solutions Group makes estimates, assumptions and judgments concerning the future. By their nature, resulting estimates will not correspond to subsequent actual circumstances in all cases. The estimates and assumptions that may bear a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are examined below.

5.2 Internally generated intangible assets

For calculation of the development costs to be activated we take into account external third party costs and internal development efforts. These development efforts are calculated based on the actual personal expenses of the internal developers. The distinction between development and maintenance efforts is made to the best of our judgement though to some minor extent discretionary.

5.3 Income tax

The Swyx Solutions Group is under a duty to pay income tax in the tax jurisdictions in which it operates. For this reason, assumptions are needed to calculate international tax provisions. There are business transactions and calculations for which the final tax burden cannot be determined conclusively. The Group measures the level of the provisions for anticipated tax audits on the basis of estimates of whether, and at what level, additional income tax will fall due. Discrepancies between the final tax burden on these business transactions and that initially assumed will have an effect on current and deferred tax in the period in which the tax is finally determined.

Deferred tax assets are recognised only when it is probable that sufficient taxable income will be available in future to offset them. This takes account of planned operating earnings, estimates of the possibility for reversing temporary tax differences and the implementation of various tax strategies by the management of the Swyx Solutions Group. If the Swyx Solutions Group management assumes that deferred tax assets cannot be, or can only partially be realised, that part is not be recognised. More details may be found in section 24.

5.4 Estimates in connection with receivables

impairments on doubtful accounts are recognised on the basis of risk factors such as a customer's financial difficulties or unfavourable changes in the economic situation while observing the maturity structure of the receivables.

Consequently, the impairments on doubtful accounts largely comprise estimates and assessments of individual receivables and groups of receivables based on the creditworthiness of the customer, current economic trends and an analysis of maturity structures and historical receivable defaults. More detailed explanations may be found in section 18, 28.5.4 and 28.5.5.

5.5 Share-based payment

In determining the fair value of equity instruments, Swyx Solutions GmbH applied a suitable valuation technique (Black-Scholes valuation model) that reflected the conditions of its share-based payment scheme. The variables incorporated in the valuation model and the fair values of the equity instruments as well as a description of the share-based payment schemes and its conditions are presented in section 22.

5.5 Other provisions

By their nature, other provisions are subject to significant uncertainties with regard to the amount of the obligations or the time of their occurrence. To some extent, assumptions have to be made on the basis of figures drawn from past experience with regard to the amount, timing and probability of the obligation or future developments. These may be subject to uncertainties, as is the case in particular with long-term provisions.

The Swyx Solutions Group recognises provisions for impending losses on onerous contracts if a loss is likely and its amount can be reliably determined. Owing to the uncertainties connected with this assessment, the actual losses may possibly differ from the original estimates. In the case of provisions for guarantee and liability risks, uncertainty exists in particular in estimating the future claims.

Estimates and underlying assumptions are reviewed continually. Adjustments to the estimates are fundamentally taken into account in profit or loss in the period of the change and in future periods. The development of provisions is shown in section 23.

6 Consolidation

The group of consolidated companies comprises three companies including the parent Swyx Solutions GmbH effective 31 December 2018 and has not changed during last year.

A complete list of subsidiaries of the Swyx Solutions Group is provided in section 35.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

7 Revenues

Revenues consist of the following:

in EUR	2018	2017 restated
Revenues Germany	42,278,452	35,443,667
Revenues Foreign countries	2,772,334	3,213,805
Revenues	45,050,785	38,657,473

Regarding the timing revenues are recognised are recognised at a point in time when the goods are services are delivered or dispatched so that a customer obtains immediate control of goods or services except for Software update services (SUS) which are recognised over time as the services are provided.

in EUR	2018	2017 restated
Hardware	23,445,710	24,005,947
Software	21,569,684	15,183,055
there of SUS	(3,305,438)	(937,543)
Discounts	(3,277,212)	(2,938,277)
Other	3,312,603	2,406,748
Revenues	45,050,785	38,657,473

As of January 1, 2018, the Group applied IFRS 15 for the first time. The following table shows the reclassification due to first time application of IFRS 15:

in EUR	2017 restated	reclassification	2017
Revenues Germany	35,443,667	2,616,393	38,060,060
Revenues foreign countries	3,213,805	-	3,213,805
Other operating expenses	(5,885,698)	(2,616,393)	(8,502,091)
Total	32,771,774	-	32,771,774

8 Other operating income

Other operating income consists of the following:

in EUR	2018	2017
Income from trade and otherreceivables impaired	1,746	-
Income from realised exchange rate differences	129,578	72,981
Other income from marketing services	50,289	46,700
Income from the disposal of non-financial assets	7,361	22,833
Release of deferred income for grants	-	-
reversal of accrued discounts	-	-
Reimbursement	4,903,150	-
Others	68,377	54,035
Other operating income	5,160,502	196,549

Due to the acquisition of Swyx various expenses, especially for legal, financial and technical consulting during the due diligence process occurred in 2018 and before, which had to be borne by the previous shareholders of Swyx and for which Swyx got

reimbursed.

9 Cost of materials

The cost of materials comprises in all periods presented the cost of acquired raw materials, consumables and supplies for telecommunication equipment being sold to customers.

10 Personnel expenses

Personnel expenses are comprised of the following:

in EUR	2018	2017
Salaries and wages	11,604,681	10,202,202
Social charges and other costs	1,634,064	1.649,028
Personnel expenses	13,238,745	11,851,231
Annual average number of employees	2018	2017
German employees total	152	154
there of		
Students	26	25
Trainees	1	
International employees total	5	6
Total	157	160

The amount recognised as an expense for defined contribution plans is € 107 thousand (2017: € 111 thousand).

11 Amortisation, depreciation for intangible assets and property, plant and equipment

All depreciation and amortisation are presented within the asset schedules for intangible and tangible assets which are included in section 16 and 17.

12 Other operating expenses

Other operating expenses consist of the following:

in EUR	2018	2017
Marketing and Sales expenses	1,506,092	655,964
Consulting, legal and audit	3,769,860	1,591,880
Rental and lease expenses	913,481	943,971
Research and Development expenses	888,177	913,976
Travel and business expenses	448,002	616,676
Communication and Office supplies	141,495	183,488
Training	81,425	102,942
Others	1,048,328	876,802
Other operating expenses	8,797,361	5,885,698

Consulting, legal and audit expenses were significantly higher in 2018 than in the previous year mainly due to 1.6 Mio of exit related consulting services for which Swyx got reimbursed, 0.5 Mio for synergy projects and 1.0 Mio for management fees for the parent company.

13 Financial result

The financial result can be summarised as follows:

in EUR	2018	2017
Interest income from loans and receivables, cash and cash equivalents	75,034	1,470
Interest expenses	(17,098)	(27,601)
Financial result	57,936	(26,131)

14 income tax

Tax on the Group's pre-tax profit varies from the theoretical amount, which is based on applying the weighted average tax rate for the Group to earnings before tax, as follows:

in EUR	2018	2017
Current income tax	(1,217,084)	(128,344)
Deferred income tax	(2,222,098)	614,589
Income tax	(3,439,182)	486,245

in EUR	2018	2017
Earnings before tax on income	9,516,339	2,334,373
Expected income tax expense (2017: 32,81%, 2016: 32,81%)	(3,122,311)	(765,908)
Tax effects from:		
Changes in the measurement of capitalised deferred tax assets	(2,412,009)	834,377
Deferred tax expenses for temporary differences	189,911	(219,787)
directly attributable to tax loss carry forwards	2,145,515	511,068
non tax-deductible expenses	52,377	85,569
Differences HGB/IFRS net income before tax	(910)	13,536

in EUR	2018	2017
Effects from tax rate differences	(752)	(185)
not to use remaining deferred tax assets	(262,554)	
Other	(28,450)	27,575
Income tax	(3,439,182)	486,245

The average tax rate for the Group amounted to 32.81% (2017: 32.81%) and is based on the annual parents income tax rate.

15 Earnings per share

Due to the change in the ownership of Swyx and because Swyx changed the legal status to a limited liability company no further disclosure will be provided.

NOTES TO THE CONSOLIDATED BALANCE SHEET

16 Intangible assets

Intangible assets developed as follows:

in EUR	Development project	Other intangible assets	Total
Acquisition costs			
31 Dec. 2016	6,492,953	713,135	7,206,089
Additions	2,534,593	112,607	2,647,200
Disposals	(491,079)	-	(491,079)
Currency translation	-	-	-
31 Dec. 2017	8,536,467	825,743	9,362,210
Additions	2,260,470	7,695	2,268,165
Disposals	-	(231,584)	(231,584)
Currency translation	-	-	-
31 Dec. 2018	10,796,937	601,854	11,398,791
Accumulated amortisation			
31 Dec. 2016	(1,639,904)	(404,035)	(2,043,938)
Amortisation	(1,978,270)	(138,943)	(2,117,213)
Disposals	491,079	-	491,079
Currency translation	-	-	-
31 Dec. 2017	(3,127,094)	(542,978)	(3,670,072)
Amortisation	(2,836,013)	(140,492)	(2,976,505)
Disposals	-	231,584	231,584
Currency translation	-	-	-
31 Dec. 2018	(5,963,107)	(451,886)	(6,414,993)
Net book value			
31 Dec. 2016	4,853,050	309,101	5,162,151
31 Dec. 2017	5,409,373	282,765	5,692,138
31 Dec. 2018	4,833,830	149,968	4,983,798

No impairment losses existed at all balance sheet dates presented.

The development costs for the subsequent versions of Swyx Powercloud, the Next Generation Client for Android, iOS and a basic Client for Windows mobile phones as well as desktop client MacOS are capitalised. They are in use with a presumed useful life of three years. The development costs for new features and major improvements of subsequent versions of Powercloud 1.35 - 1.40, Android 2.30 and IOS 2.50 capitalised in 2018 too but not amortised. All open development projects were released until End of April 2019. Additions arising from internal development are € 710,583 and acquired additions are € 1,549,887. No overhead costs were capitalised as they were not material.

17 Property, plant and equipment

Property, plant and equipment developed as follows:

in EUR	Technical plants and machinery	Other equipment and office equipment	financial lease	Total
Acquisition costs				
31 Dec. 2016	112,439	971,343	-	1,083,782
Additions		439,639	379,993	819,632
Disposals	(112,439)	(716,947)	-	(829,386)
Currency translation	-	(286)	-	(286)
31 Dec. 2017	-	693,749	379,993	1,073,742
Additions		129,645.62	-	129,646
Disposals	-	(78,379)	-	(78,379)
Currency translation	-	(8)	-	(8)
31 Dec. 2018	-	745,008	379,993	1,125,001
Accumulated depreciation				

in EUR	Technical plants and machinery	Other equipment and office equipment	financial lease	Total
31 Dec. 2016	(112,439)	(408,990)	-	(521,429)
depreciation		(266,100)	(8,172)	(274,272)
Disposal	112,439	352,853	-	465,292
Currency translation		144	-	144
31 Dec. 2017	-	(322,093)	(8,172)	(330,265)
depreciation	-	(229,604)	(49,031)	(278,635)
Disposals	-	78,379	-	78,379
Currency translation	-	-	-	-
31 Dec. 2018	-	(473,318)	(57,203)	(530,521)
Net book value				
31 Dec. 2016	-	562,354	-	562,354
31 Dec. 2017	-	371,656	371,821	743,477
31 Dec. 2018	-	271,690	322,790	594,479

Except for financial lease other property, plant and equipment have neither been pledged nor are property rights in any manner restricted. No impairment losses existed at all balance sheet dates presented.

The assets shown as financial lease are equipment sold and leased back and therefore shown under other equipment and office equipment as disposal at amortised costs and under financial lease as additions with their fair value. The contract has the term of 93 month.

18 Trade and other receivables

18.1 Trade receivables

Trade receivables contain outstanding balances from deliveries and services to customers. Details of allowances on trade receivables can be found in section 28.5.4.

Information on the aging of overdue but not yet impaired trade and other receivables can be found in section 28.5.5.

19 Inventories

Inventories mainly comprise goods for resale.

Inventories are measured at the lower of cost or net realisable value at each closing date. The carrying amount of inventories increase to € 4,726 thousand (2018: 4,153 thousand) as of 31 December 2018. The amount of inventories carried at fair value less costs to sell measures at € 528 thousand (2018: € 453 thousand). By taking into consideration the impairments during the year, the amount of write downs of inventories are recognised as an expense in the period as follows:

in EUR	31 Dec. 18	31 Dec. 17
Impairment of Inventories	194,544	131,573

20 Other assets

As at 31 December 2018, other financial assets amounted to € 270 thousand (31 Dec. 2017: € 167 thousand), thereof non-current € 10 thousand. These largely comprised prepaid expenses and deposits.

21 Cash and cash equivalents

As at 31 December 2018, cash and cash equivalents amounted to € 3,395 thousand (31 Dec. 2017: € 4,313 thousand) and largely comprised cash at banks and cash in hand.

The development of cash and cash equivalents is presented in the cash flow statement.

All accounts with a total value of € 3,395 thousand are pledged and therefore their property rights are restricted. More information is provided in section 27.

22 Equity

The subscribed capital of the company as at 31 December 2018 as well as at all previous balance sheet dates presented amounted to € 2,893 thousand (2,892,815 shares at 1€ per share) and has been fully paid in.

Additional paid-in capital essentially includes premiums from capital increases and the issue of shares of Swyx Solutions GmbH.

To promote the attainment of its business goals, Swyx Solutions GmbH launched share-based payment programmes in 2008. These programmes were a form of long-term compensation with an incentive component and entitled executives and managerial employees to subscribe for a certain number of Swyx Solutions GmbH's shares.

The share-based programmes had a total nominal value of € 55 thousand relating to the exercisable stock options. They had a term of ten years each from the grant date, i.e. until 11 June 2018 and 20 August 2018 for the two tranches that had been granted. Conditional capital of € 19 thousand and € 36 thousand was available as a result of the granting of up to 19,121 respectively 35,570 registered shares with a stake in the share capital of EUR 1.00 per share pursuant to § 192 paragraph 1 No. 3 German Stock Corporation Act (AktG). The conditional capital was registered on 15 July 2008 and 18 August 2008 in the Commercial Register of Dortmund District Court as HRB 19628.

Eligibility to the Stock Option Programmes 2008 was granted to members of the Management Board and employees of Swyx Solutions GmbH.

The grant dates were 12 June 2008 and 21 August 2008 for the two tranches. The granting of options was made without any payment being provided in return.

In accordance with the associated conditions, each subscription right that is granted entitles the beneficiary to acquire one new registered share in the company. The exercise prices correspond to EUR 9.37 per share option on the issue dates 12 June 2008/21 August 2008.

For all options granted the exercise right depends on the termination of a four years vesting period from the respective date of issue. As a prerequisite for the whole or partial exercising of the options, the following performance target has been contractually

fixed:

Exercising of each tranche of the options is possible only if (i) at the beginning of the respective exercise period, the price of a share in Swyx Solutions GmbH exceeds the exercise price by at least 32.32%, or (ii) a minimum of 75% of Swyx Solutions GmbH's shares have been sold within one economically single transaction and within this transaction a sales price for the share could be achieved that exceeds the exercise price by at least 32.32% or (iii) in the case of a sale of all or nearly all assets of Swyx Solutions GmbH to an external party a sales price related to a single share of the company is achieved that exceeds the exercise price by at least 32.32%.

The exercising of all options was limited to an eight years period, extended to ten years in 2017, from the issue of the options onwards after the termination of a three years waiting period after the beginning of the employment at Swyx Solutions GmbH and the four years vesting period, irrespective of any initial public offering of Swyx Solutions GmbH.

After expiry of the relevant vesting period of four years after grant date, the options could be exercised up until the expiry of eight years, extended to ten years, from the date of issue.

As these share option schemes involved share-based remuneration with a settlement with equity instruments only, the transactions pursuant to Swyx Solutions GmbH's share-based remuneration schemes are accounted for under the provisions for share-based remuneration settled with equity instruments (IFRS 2.10-29). Therefore, the value of the share option with a granting date of 12 June 2008 was determined, on the basis of a Black & Scholes model, to have a value of EUR 2.98 per share option (fair value of EUR 113 thousand in total) respectively to have a value of EUR 1.99 per share option (fair value of EUR 71 thousand in total) for the share options with a granting date of 21 August 2008.

The recording of the pro-rata amounts of the fair values was carried out proportionately as personnel expenses and as increases in the capital reserves over the period of accumulation until the end Of the vesting period of Bach emitted tranche of share option (IFRS 2.15).

The following parameters were used for the valuation model of those fair values:

Share option Grant date:	12 June 2008	21 August 2008
Volatility	24.40%	25.30%
Dividend yield	0%	0%
Risk-free interest	4.60%	4.10%
Stock price	8.44	7.11
Time to maturity	8.00	8.00
Strike price	9.37	9.37
Trigger	12.40	12.40

In February 2018 the option rights issued in 2008 as share base payment were exercised. Accordingly, 11.345 new shares were created on February 26th, 2018 and the subscribed capital was increased by € 11.345 to € 2.892.815. The capital reserves were increased by € 94.957,65. Due to a change of contra) clause within the option scheme the remaining option rights entitled their option holder to a payment of the difference between the exercise price per share option and the share purchase price upon closing leading to no further changes in equity.

No further share-based payment schemes are launched in the reporting period or during the preparation period of the consolidated financial statements.

23 Provisions for personnel expenses and other provisions

Provisions developed as follows:

in EUR	01 Jan 17	Additions	Use	Release	31 Dec. 17
provisions for personnel expenses	778,670	1,038,804	(703,254)	(75,417)	1,038,804
other short term provisions	1,031,309	266,068	(663,216)	(341,921)	292,240
provisions for third party expenses	289,984	6,000	(4,500)	(145,484)	146,000
provisions for warranties	105,000	-	-	(105,000)	-
other longterm provisions	42,652	52,447	(23,553)	-	71,546
provision for income tax	-	125,349	-	-	125,349
Total	2,247,615	1,488,667	(1,394,522)	(667,822)	1,673,939

in EUR	01. Jan 18	Additions	Use	Release	31 Dec. 18
provisions for personnel expenses	1,038,804	579,972	(1,027,303)	(11,500)	579,972
other short term provisions	292,240	202,775	(176,067)	(106,611)	212,338
provisions for third party expenses	146,000	7,000	(100,840)	(39,160)	13,000
provisions for warranties	-	-	-	-	-
other long term provisions	71,546	3,254	-	-	74,800
provision for income tax	125,349	1,177,317	-	-	1,302,666
Total	1,673,939	1,970,318	(1,304,210)	(157,271)	2,182,776

Non-current provisions include removal and storage provisions. The increase relates to interest charges (€ 3.3 thousand). Provisions for personnel expenses are accrued bonus commitments. Other provisions comprise various identifiable risks, thereof € 76 thousand for marketing provisions. Current provisions are expected to be settled in the course of the next fiscal year.

24 Deferred tax

Deferred tax and the change in deferred tax assets and liabilities in the periods presented consist of the following:

in EUR	31 Dec. 18	31 Dec. 17
Deferred tax assets	15,651	629,630
Deferred tax liabilities	(1,607,509)	-

in EUR		31 Dec. 18	31 Dec. 17
Deferred tax		(1,591,858)	629,630

In EUR balance sheet item	31 Dec. 18		31 Dec. 17	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	-	1,585,886	-	1,774,439
Property, plant and equipment	-	9,323	-	132,565
Provisions, other liabilities	107,523	119,822	123,919	14,336
Loss carryforwards	15,651	-	2,427,050	-
Total	123,173	1,715,032	2,550,969	1,921,340
Offset	(1,715,032)	(1,715,032)	(1,921,340)	(1,921,340)
After offsetting	-	(1,591,858)	629,630	-

Due to the anticipated profit transfer agreement with Voip Holding GmbH in 2019, the remaining amount end of 2018 (€263 thousand) for deferred tax assets on loss carry-forwards was derecognised.

25 Trade and other payables

Trade payables recognise obligations to pay for goods or services that have been acquired from suppliers as well as debtors with credit balances.

Swyx Solutions Group successfully uses cash flow hedges in the reported period to lower its potential risk of cash flow losses due to foreign currency exchange rate decreases for liabilities fraco purchases in US\$ of goods held for sale.

Within the reporting period twelve hedges could be successfully completed. The amount recognised as other comprehensive income during the reporting period sums up to € 42,666 and was reclassified to profit for the reporting period. There are no ineffective cash flow hedges to be reported.

Receipts and Payments from Derivatives

	Due within one year	Due between 1 and 5 years	Due after 5 years
31 December 2018			
Expected cash flows from derivatives			
Derivative contracts - receipts	-	-	-
Derivative contracts- payments	-	-	-
31 December 2017			
Expected cash flows from derivatives			
Derivative contracts - receipts	4,251,068	-	-
Derivative contracts - payments	4,293,735	-	-

26 Financial and non-financial liabilities including deferred income

Financial liabilities include long-term Swyx update services. As at 31 December 2018, non-financial liabilities mainly relate to VAT liabilities. Deferred income mainly relates to prepaid Swyx update services ("SUS").

27 Debts to credit institutions

On 9 May 2018 agreed to become an additional borrower and additional guarantor to a facilities agreement with Pemberton European Mid-Market Debt-Fund II (A), a Compartment of Pemberton Debt-Fund SCS, SICAV-FIS ('Pemberton'). On 28 August 2018 Swyx Solutions GmbH became part of a new facilities agreement with Pemberton European Mid-Market Debt-Fund I SCS, SICAV FIS and Pemberton European Mid-Market Debt-Fund II (A), a Compartment of Pemberton Debt-Fund SCS, SICAV-FIS ('Pecoberton') as original borrower which replaced the aforementioned facility agreement. Swyx Solutions GmbH also became part of an intercreditor agreement. Due to the structure of the facilities agreement Swyx did not recognise own primary liabilities towards the contractual Pemberton funds.

The facility of in total EUR 154.5 million consists of:

- Facility A Commitments, being EUR 107,000,000
- Facility B Commitments, being EUR 40,000,000
- Revolving Facility Commitments, being EUR 7,500,000

Facility A will be available to Within Reach Holding B.V., VOIP Holding GmbH and Swyx Solutions GmbH as Borrowers. Facility B and the Revolving Facility will be available to additional group entities.

Per year-end the Facility A is fully drawn. The other facilities were not drawn per year-end.

The loans are subject to a variable interest rate based on the 3-month Euribor plus a weighted average of surcharge of 5,75% per annum. The effective interest rate is 0,5563% per Month. The term is 7 years. The full principle amounts will be repaid at the end of the term.

The pledges can be detailed as follows:

Security type

Obligor

Security type	Obligor
1. Pledges over:	• Swyx Solutions GmbH
• Shares	
• Bank account and other Claims (including: recourse and subrogation Claims, insurance receivables, intercompany receivables, IP Rights)	
2. Security assignment in respect of, among others, trade receivables, factoring receivables, intercompany receivables, insurance receivables, claims under hedging agreements	• Swyx Solutions GmbH
3. Security assignment over IP	• Swyx Solutions GmbH

28 Financial instruments

28.1 Financial risk management

The internal control and financial risk management system is to detect, assess and prevent future risks from misstatements of financial data of the company.

Swyx has a clearly defined, structured and communicated operational and organisational structure. The organisational structure is functional and sufficiently deep. The identification and delimitation of responsibilities is shown to all employees by the anytime-accessible organisation chart. Process independent checks shall be carried out in particular by the controlling department. In addition, the management reports with key performance indicators as well as weekly and monthly reports with comprehensive forecasts are created internally on a daily basis.

The Shareholder Board is informed by the Directors about the economic situation and the potential risks for the company. In case of exceptional events such as a significant deviation from the predicted plan in addition to official meetings immediate information is given to the members of the Shareholder Board, partly in short telephone conferences or by email. Financial risks of Swyx Solutions Group are centrally monitored by the Group Management.

The company has a standard ERP system (Navision) in place that provides both the separation of individual areas by modules and access restrictions (eg: order processing and purchasing) as well as guarantees the completeness of all recorded transactions in the general ledger by the integration of those modules.

28.2 Market risks

In the Swyx Solutions Group, market risks comprise currency risks. IFRS 7 requires companies to disclose a sensitivity analysis for each type of market risk, showing how profit or loss and equity could be affected by hypothetical changes in relevant risk variables.

Within the Swyx Solutions Group all companies are accounted for their business activities in EUR or GBP and are exposed to fluctuations in GBP. A deviation of +/- 5.00% of the GBP/EUR translation rate would affect the income of the year of the group by € +2/-2 thousand (2017: € +2/-2 thousand).

28.3 Credit risk

From its operational business and from certain other financial instruments, the Swyx Solutions Group is exposed to the risk of its business partners not being able to meet their obligations. A diversified client base and regular checks of creditworthiness help reduce the default risk resulting from financial instruments.

The maximum credit risk at the balance sheet date is largely reflected by the carrying amount of financial assets (without cash and cash equivalents) recognised in the balance sheet and amounts, as at 31 December 2018, to € 24,944 thousand (31 Dec. 2017: € 12,388 thousand). Until today most of the receivables are paid. The credit risk from liquid funds only applies to Banks. For this, the Group maintains short-term money market deposits.

The bank default risk covers all financial instruments concluded with the bank.

To avoid or reduce credit defaults from operational business, the Swyx Solutions Group has a corresponding receivables management system that regularly monitors debtors and the maturity structures of trade receivables.

The Swyx Solutions Group uses the simplified approach to grade credit risks for trade receivables as they are short term only due to the nature of the Swyx Solutions Group's business and are classified in two categories as large customers and other customers. Risk exposure is monitored by an allowance matrix to measure the expected credit losses of trade receivables applying qualitative and quantitative factors including external credit ratings where applicable to come to an overall experienced credit judgement.

Based on the Swyx Solutions Group's risk approach there are no material expected credit losses in trade receivables.

28.4 Liquidity risk

The aim of liquidity management is to ensure that existing and future payment obligations can be met. Group liquidity is managed for this purpose centrally in the Group.

The ability to service the debt and other expense is basically dependent on the future business and earnings development of Swyx Solutions Group.

28.5 Additional information on financial instruments

28.5.1 Overview

This section contains further details on the importance of financial instruments and on items in the balance sheet and statement of comprehensive income that affect financial instruments.

28.5.2 Carrying amount, amounts recognized, and fair values by class and measurement category

28.5.3 Reconciliation of financial assets and financial liabilities from IAS 39 to IFRS 9

31 December
2018

Measurement acc. to IFRS 9

31 December 2018	Measurement category in accordance with IFRS 9	Carrying amount 31 December 2018	Measurement acc. to IFRS 9	Fair value through profit or loss through Fair value	Fair value OCI	Measurement acc. to IAS 17	Fair value 31 December 2018
EUR thousand	Measurement category in accordance with IFRS 9	Carrying amount 31 December 2018	Amortised cost	through profit or loss through Fair value	Fair value OCI	Measurement acc. to IAS 17	Fair value 31 December 2018
EUR thousand	9	31 December 2018	Amortised cost	through profit or loss through	OCI	17	December 2018

Assets

Other non-current financial assets	FVTPL	10,355		10,355			10,355
Trade receivables	AC	24,944,097	24,944,097				24,944,097
Other current financial assets	AC	259,623		259,623			259,623
Cash and cash equivalents	AC	3,394,597	3,394,597				3,394,597
Liabilities							
Financial liabilities - current	AC	11,456	11,456				11,456
Trade payables	AC	4,695,238	4,695,238				4,695,238

31 December 2017

EUR thousand

Assets

Other non-current financial assets	AfS	10,376		10,376			10,376
Trade receivables	LaR	12,746,844	12,746,844				12,746,844
Other current financial assets	LaR	157,317		157,317			157,317
Cash and cash equivalents	LaR	4,312,804	4,312,804				4,312,804
Liabilities							
Financial liabilities-current	FLAC	3,797	3,797				3,797
Trade payables	FLAC	6,848,308	6,848,308				6,848,308

28.5.4 Net gains/losses on financial instruments by category

Net gains/losses on financial instruments comprise interest, recognition and reversal of impairment losses, gains/losses from currency translation and all other effects on earnings from financial instruments. They are disclosed within the financial result of the consolidated income statement as well as in the following section for allowances for accounts receivable.

Additions to allowances on trade and other receivables are generally shown in other operating expenses, while reversals are shown in the respective expense positions.

28.5.5 Allowances on trade and other receivables

Allowances on financial assets are broken down as follows:

in EUR						Trade receivables
Allowances as at 31 Dec. 2016						90,413
IFRS 9 - Adjustments on initial application						-
Additions						8,281
Use						-
Release						-
Currency-related and other changes						(1,725)
Allowances as at 31 Dec. 2017						96,969
IFRS 9 - Adjustments on initial application						-
Additions						18,911
Use						-
Release						(87,630)
Currency-related and other changes						(687)
Allowances as at 31 Dec. 2018						27,563

No allowances on other receivables were made at all balance sheet dates.

28.5.6 Age structure of due, but not impaired, financial assets

The age structure is broken down as follows:

in EUR	Total nominal volumes	of which neither due nor		Of which due and Impaired			
		Impaired	Impaired	up to 30 days	31-60 days	61-90 days	more than 90 days
31 Dec.18							
Trade receivables	24,944,097	23,527,119	27,563	785,195	630,570	-	1,214
- weighted-average loss rate		0%		0%	3%	6%	91%
Other receivables	-	-	-	-	-	-	-
31 Dec. 17							
Trade receivables	12,746,844	12,421,724	96,969	315,617	4,326	2,379	2,798
- weighted-average loss rate		0%		0%	2%	1%	97%
Other receivables	-	-	-	-	-	-	-

Outstanding receivables not yet due were not impaired as there was no indication of default at the financial year end date.

29 Presentation of consolidated cash flow statement

In the consolidated cash flow statement of Swyx Solutions Group, the cash flows from operating activities, investing activities as well as financing activities are separated and the allocation of cash flows to those three sections were made in a consistent way throughout all periods presented.

The cash flow from operating activities was calculated using the indirect method through adjusting income before tax for changes in inventories, trade debtors and creditors, non-cash items and other items showing cash flows in the investing or financing areas.

The cash flows from investing and financing activities were calculated in terms of actual sums paid. Effects from Foreign currency translation were adjusted accordingly.

	01. Jan 17	Cash flows	Non-cash changes			31 Dec. 17
			Acquisition	Foreign exchange movement	Fair value changes	
long- termlease liabilities	-	49,028	.	-	-	49,028
short- termlease liabilities		322,766			-	322,766
Total	-	371,794	-	-	-	371,794

	01. Jan 18	Cash flows	Non-cash changes			31 Dec. 18
			Acquisition	Foreign exchange movement	Fair value changes	
long-term liabilities	49,028		-		4,975	54,003
short-term lease liabilities	322,766	(54,173)	-		-	268,593
Total	371,794	(54,173)	-		4,975	322,596

30 Regional and Segment Reporting

The business activities of the Swyx Solutions Group generally consist of the CPE (Customer Premises Equipment) and Hosted Solutions business. These businesses are maintained as one single operative business and are internally monitored in whole which would exceed the quantitative thresholds of IFRS 8.13, so a one-segment reporting of Swyx Solutions Group is possible. Should there be other separable operative segments in future exceeding the quantitative thresholds of IFRS 8, a segment reporting will then be disclosed.

Swyx Solutions Group's external revenue by region is presented in section 7.

The regional distribution of non-current assets is based on the assets country of location and is presented in the table below:

in EUR	31 Dec. 2018	31 Dec. 2017
Germany	5,577,764	6,432,940
Foreign countries	513	2,674
Total	5,578,277	6,435,615

In 2018 as well as in the previous periods presented, in two cases at least 10 percent of the Swyx Solutions Group revenues were achieved with single customers (2018: € 30,045 thousand and € 5,574 thousand respectively; 2017: € 25,930 thousand and € 5,843 thousand respectively).

OTHER DISCLOSURES

31 Capital management

The Swyx Solutions Group is continually improving its capital structure to safeguard the Group's ability to continue going concern and to provide financial stability. The managed capital equals the equity in the IFRS consolidated balance sheet.

A key performance indicator within the capital management of Swyx Solutions Group is the relationship between equity and the balance sheet total (equity ratio). At the balance sheet date, the equity ratio amounted to 44.8% (31 Dec. 2017: 39,5%).

32 Lease

32.1 Operating-Lease

The group companies lease office space, administrative equipment, as well as vehicles, under operating lease contracts. Future minimum obligations relating to leasing contracts are as follows:

in EUR	Minimum lease payments	31 Dec. 18	31 Dec. 17
payable within 1 year		471,600	521,648
payable within 2 to 5 years		1,254,189	1,333,432
payable in more than 5 years		960,012	1,280,016

in EUR Minimum lease payments	31 Dec. 18	31 Dec. 17
Total of minimum lease payments	2,685,801	3,135,096

Lease expenses from operating lease agreements amounted to € 736 thousand in 2018 (€ 767 thousand in 2017). The Swyx Solutions Group is the lessee in operating lease agreements relating to buildings, company cars and copy machines.

The new office rent contract has a fixed term of 10 years, beginning on 1 January 2017 until 31 December 2026. It can be prolonged two times for 5 years each with no changes to the rental conditions.

32.2 Finance Lease

The group companies lease office equipment under a finance lease contract. Future minimum obligations relating to this leasing contract are as follows:

in EUR	31 Dec. 18	31 Dec. 17
Minimum lease payments		
payable within 1 year	54,173	54,173
payable within 2 to 5 years	216,691	216,691
payable in more than 5 years	85,774	139,946
Total of minimum lease payments	356,638	410,810

Lease expenses from the finance lease agreement amounted to € 54 thousand in 2018 (€9 thousand in 2017).

33 Related parties

Besides the subsidiaries included in the consolidated financial statements, in conducting its business affairs the Swyx Solutions Group is also in direct and indirect relationship with related parties.

The parent company of the Swyx Solutions Group is the executive body of the company. The Executive and Supervisory Board members form further related parties of Swyx Solutions Group. The Executive Board of the Company consists of:

Dr. Ralf Ebbinghaus, Dortmund (CEO Swyx Solutions GmbH)

Dirk Valbert, Essen (CFO Swyx Solutions GmbH)

Martin Claßen, Mönchengladbach (CTO Swyx Solutions GmbH)

The Supervisory Board (until 28 February 2018) consisted of:

Jan de Jong (Chairman Supervisory Board, Managing Director Nedamco Capital)

Michael Boshammer (Managing Director Deutsche Telekom Venture Fund)

Albert Joseph Markus (Management Consultant)

The Supervisory Board (until 10 April 2018, conversion to GmbH) consisted of:

Dr. Carsten Rahlfs, Hamburg (Partner of Waterland Private Equity)

Jan-Patrick Dorries, Munich (Senior Investment Manager of Waterland Private Equity)

Moritz Rutt, Köln (Investment Associate of Waterland Private Equity)

Services received and delivered, as well as outstanding balances with related parties beside remuneration did not occur in all periods presented. Management remuneration includes remuneration of the Executive Board and the Supervisory Board of the Swyx Solutions Group. Those remunerations are short term employee benefits. The management was remunerated as follows:

In EUR	2018	2017
Executive board	2,391,434	871,359
there of salaries	78,000	414,000
thereof bonus	2,295,589	297,057
thereof other benefits	17,845	160,302
Supervisory board	-	-
Total	2,391,434	871,359

Argent Capital Investments III Corp. has made payments on behalf of Swyx with an amount of € 208.728 for consulting.

Caprera II B.V. has made payments on behalf of Swyx with an amount of € 4.883 for travel expenses.

An advisory agreement with Albert J. Markus was in place within the reporting period with terms equivalent to Arm's length.

During the reporting period, Swyx entered into a management service agreement with Voip Holding GmbH. The bills amounted to € 1 Mio and were recognised in other operating expenses.

At year end receivables from Voip Holding GmbH amount to € 4,699 thousand for financing groupwide activities.

34 Events alter the balance sheet date

Swyx Solutions UK Ltd., subsidiary of Swyx Solutions GmbH, acquired as per 5 February 2019 100% of the outstanding share capital of the UK company The Link Consultancy.com Ascot Ltd. (TLC).

TLC is a Platform as a Service (PaaS) company in the United Kingdom (UK), which is promoting the Centile ISTR platform and working as a sales agent for Centile. Swyx Solutions UK Ltd. acquired the company to broaden its product offer in the British market especially through Cloud products for which TLC provides the hosting platform and through groupwide products offered to the existing Swyx Channel which TLC is already selling into the British market.

Swyx Solutions UK Ltd. acquired the company for an amount of € 250 thousand in cash. Based on the preliminary purchase price allocation we expect a goodwill in an amount of € 204 thousand resulting from the business combination, which result from expected synergies. Disclosure of other information by IFRS 3 is impracticable at this date.

Swyx has concluded a profit transfer agreement with Voip Holding GmbH on 20 May 2019.

35 Group of consolidated companies

Name and location of the subsidiary	Share		Consolidation method
	In %	Description of the relationship	
Swyx Solutions GmbH, Dortmund		parent	fully consolidated
Swyx Solutions UK Ltd., Oxbridge	100	subsidiary	fully consolidated
Swyx Solutions SAS, Paris	100	subsidiary	fully consolidated

36 Auditor fees

Total auditor fees are broken down as follows:

in EUR		2018	2017
Annual audit		105,122	80,163
Tax consultation services		9,530	
Total		114,652	80,163

Dortmund, 29 May 2019

Swyx Solutions GmbH**Executive Board**

Dr. Ralf Ebbinghaus

Dirk Valbert

Martin Claßen

Independent Auditor's Report**To Swyx Solutions GmbH, Dortmund****Opinion**

We have audited the consolidated financial statements of Swyx Solutions GmbH, Dortmund and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement for the year ended 31 December 2018, the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018, the consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2018, and notes to the consolidated financial statements for the financial year 2018, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2018, and of its financial performance for the financial year from 1 January to 31 December 2018.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the Opinion

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined 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. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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, as well as to issue an auditor's report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements.

We exercise professional judgement 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 controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements 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 this system.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- 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 the 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 be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU.
- 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 opinion.

Bielefeld, den 29. Mai 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft
Reuter, Wirtschaftsprüfer
[German Public Auditor]
Bröker, Wirtschaftsprüfer
[German Public Auditor]
