



**9-MONTH REPORT 2015**

**USU Software AG**

<b>9 - MONTH REPORT 2015</b>	<b>2015</b>	<b>2014</b>
<i>in Thsd. EUR, except the earnings per share and number of employees</i>	<b>01.01.-30.9.2015</b>	<b>01.01.-30.9.2014</b>
<b>REVENUES</b>	45,985	4,150
<b>ADJUSTED EBIT</b>	4,737	3,591
<b>ADJUSTED NET RESULT</b>	4,405	3,532
<b>ADJUSTED EARNINGS PER SHARE (EUR)</b>	0.42	0.34
<b>EBITDA</b>	5,585	4,138
<b>EBIT</b>	3,943	2,482
<b>NET RESULT</b>	4,376	2,309
<b>EARNINGS PER SHARE (EUR)</b>	0.42	0.22
<b>CASH-FLOW FROM ORDINARY OPERATIONS</b>	4,924	5,004
<b>NUMBER OF EMPLOYEES AT THE END OF THE PERIOD</b>	493	450
	<b>30.09.2015</b>	<b>31.12.2014</b>
<b>CASH AND CASH EQUIVALENTS</b>	16,415	18,920
<b>SHAREHOLDERS EQUITY</b>	56,801	55,608
<b>BALANCE SHEET</b>	82,875	85,174
<b>EQUITY RATIO</b>	68.5%	65,3%

**USU Software AG**

**Spitalhof**

**D-71696 Möglingen**

**Tel. +49 7141 4867-0**

**Fax +49 7141 4867-200**

**[www.usu-software.de](http://www.usu-software.de)**

**Investor Relations**

**Falk Sorge & Dr. Thomas Gerick**

**Tel. +49 7141 4867-440**

**Fax +49 7141 4867-108**

Dear shareholders, dear readers,

The digital transformation of industry means that the economy in Germany and Europe is facing radical structural change. Existing value chains are being exploded – organizations have to question their services and products to identify and leverage new opportunities. Take Heidelberger Druckmaschinen AG, for example, which has developed a completely new business model for industrial big data with the help of USU technologies. This project received an award from the German Customer Service Association (KVD) at the start of November 2015. USU was also awarded two key projects in this research segment in the reporting period, which are being funded by the German Federal Ministry for Economic Affairs and Energy (BMWi) as part of its technology program “Smart Service Welt – Internet-based Services for the Economy”. Overall, after a successful first half of the year, USU Software AG continued its highly positive business performance in Q3 2015 as well. The key area of competence, Business Service Management, saw the certification of the Valuation 4.5 product suite, of USU KnowledgeCenter 6.4 and ZIS system 5.8 in 15 ITIL processes by Pink Elephant. ITIL<sup>®</sup> is the internationally recognized de facto standard for IT service management. The USU Group’s strong position in this segment is also reflected by the fact that worldwide there are only eight manufacturers whose tool is certified according to 15 ITIL<sup>®</sup> processes. USU is one of the few European providers to offer software, implementation consulting and support from a single source in the DACH region. The Group’s new subsidiary SecurIntegration GmbH, whose acquisition by USU was announced at the start of July 2015, has also been included in consolidation since the third quarter. The company has therefore added SAP license optimization to its portfolio in the fastest-growing product segment of software license management. And finally, USU’s 2014 annual report again took top honors in the content for the world’s best annual reports: The League of American Communications Professionals (LACP) bestowed platinum status on the USU 2014 annual report in the “Software” category in the summer.

As in the first six months, business with software licenses from all segments of the company again proved to be the growth driver in the third quarter – both internationally and on the core German market. The Management Board is also confirming its planning for the USU Group as regards the existing forecast. It is therefore anticipating an increase in consolidated sales to between EUR 65 and EUR 68 million in fiscal 2015, together with a strong rise in adjusted EBIT to between EUR 8.5 and EUR 9.5 million.

Yours,

Bernhard Oberschmidt,

CEO of USU Software AG

## **BASIC INFORMATION ON USU SOFTWARE AG AND THE GROUP**

### **Business model, objectives, strategies and controlling system**

USU Software AG and its subsidiaries (hereinafter also referred to as the “USU Group or “USU”) develop and market end-to-end software solutions for knowledge-based service management. The range in the product segment includes solutions in the “Business Service Management” segment for efficient and cost-effective application of the IT infrastructure within companies and in the “Knowledge Solutions” segment for the optimization of knowledge-intensive business processes. The Group also provides consulting services for IT projects and individual application development. In addition to a sharp improvement in service, USU customers also achieve significant savings potential, which means that an investment in USU software solutions pays off in a very short time. Accordingly, the USU Group’s customer base now comprises more than 700 companies from all sectors of the economy, especially from IT-intensive sectors such as insurance and banking, including Allianz, BASF, BOSCH, BMW, Deutsche Telekom, DEVK, EDEKA, Heidelberger Druckmaschinen, Jacobs Engineering, Poste Italiane, Texas Instruments, VW, W&W and ZDF.

USU Software AG has made it its goal to achieve growth in consolidated sales above the average level for the IT market as a whole in the years ahead while also further increasing its profitability. It will focus on organic growth through innovation and by expanding the Group’s international market presence, though growth through acquisitions and equity investments is also a part of the corporate strategy. Medium-term planning is projecting sales growth to more than EUR 100 million and a further increase in the operating earnings margin on the basis of adjusted EBIT by 2017.

As the USU Group’s IFRS consolidated earnings have been and continue to be influenced by various extraordinary items which make it difficult to compare USU’s earnings power from fiscal year to fiscal year, the company has also calculated its adjusted consolidated earnings for information purposes. This shows consolidated earnings adjusted for the amortization of intangible assets capitalized as a result of business combinations and additional non-recurring effects due to acquisitions plus the corresponding tax effects. Furthermore, on the basis of these adjusted consolidated earnings, USU Software AG reports consolidated earnings per share using the average number of shares outstanding. Adjusted EBIT is also reported and serves as an important planning and control parameter. Adjusted consolidated earnings, adjusted EBIT and adjusted earnings per share are not key indicators under IFRS.

### ***Research and development***

In the first nine months of 2015, in order to offer its customers state-of-the-art, practical products and solutions, the USU Group invested a total of EUR 7,446 thousand (Q1-Q3 2014: EUR 7,230 thousand) or 16.2% (Q1-Q3 2014: 17.4%) of consolidated sales in research and development. With 134 employees working in research and development throughout the Group as of September 30, 2015 (September 30, 2014: 148), the USU Group systematically researches the use of new technologies, implements the latest customer-related developments and designs its own innovations in its ongoing drive to improve and expand the Group-wide product portfolio.

The Business Service Management segment developed the new version 4.6 of its IT management Valuation product suite. ITIL certification led to a range of new or extended functions and a new specialist module in the IT Service Continuity Manager. This risk minimization solution immediately shows which measures must be taken in the event of a disruption to restore the services affected. Other key additions to the new release, which will be available in early 2016, include improved search functions, new reporting and dashboarding options or new ergonomic user guiding in the service shop for users. Furthermore, scheduling functionalities were developed for the Resource Manager module that will allow the planning of various resources moving ahead and the integration of geographic locations and maps.

A further priority was the improvement of the IT analytics solution USU Service Intelligence. A new authorization concept now allows the automatic import of authorization structures from Valuation into the USU Service Intelligence data display. Moreover, adapters will connect the USU analytics tool with IT service management software from third-party providers in the future, thereby enabling smooth data transfers.

In the Business Service Monitoring and Alarm Management sub-segment, the USU Group's team continued the development of version 5.8 of the monitoring software ZIS, including with the transition to the new Java 8 and extended self-service functionalities. Process integration in Valuation in Incident Management was also improved.

Version 4.0.1. of the USU software SmartTrack is now available in license management. The user interface and the use concept were improved in particular, including with a new dashboard that – right on the homescreen – shows individual information based on authorizations. Further optimization work related to the calculation of effective license requirements for the updated Red Hat licensing conditions and extended cost accounting, which now also allows cost distribution according to the use of all selected products.

The knowledge management area was focused on completing USU KnowledgeCenter 6.5. Among other features, this version boasts an action calendar that shows documents with limited validity, e.g. for campaigns, on a time axis. The authorization model was also revised.

Parallel to this, work began on version 6.6. In addition to the integration of a chat function, the highlight of this release will be the “active search”. This significantly increases the information content of the results of a search.

Within the social media application BIG CONNECT, far-reaching ergonomic improvements were made to the user interface and navigation in the reporting quarter to enable more efficient working. Further communities and forums were integrated as well alongside a series of functional improvements.

In addition to this development work, USU is also conducting targeted research to advance, develop and successfully launch future product innovations. In the industrial big data research area the platform developed by USU has reached a level for productive use. This essentially concerns the real-time analysis and processing of industrial mass data to be able to search them for complex error patterns, for example. In the reporting period USU was awarded two further research projects funded by the German Federal Ministry for Economic Affairs and Energy (BMWi) with its innovative concept. As part of the new STEP project for smart technician deployment planning, USU is working with the Karlsruhe Institute of Technology (KIT), FLS GmbH, the TRUMPF Group and Heidelberger Druckmaschinen AG on innovative concepts and intelligent solutions to assist service technicians. The goal is to automate processes as much as possible in technical customer service within the analysis/planning/troubleshooting process chain. Examples of this are integrated spare parts ordering in the ERP system, the selective provision of information or optimal route planning for service trips.

The aim of the GEISER project (from sensor data to Internet-based geo-services) is to create intelligent geo-services for different application areas. Of particular interest here is the dynamic deployment planning of service technicians taking into account current road maps and traffic information. A further application is intelligent parking space searching in major cities.

In the Industrial Smart Services product area, specific customer advancements were made such as the optimization of failure safety and backup concepts to guarantee 24/7 operations. Furthermore, an algorithm was developed to automatically provide field test data for analysis.

## ECONOMIC REPORT

### Overall economic development

According to information from the German Federal Statistical Office<sup>1</sup> (Destatis), the German economy continued its positive growth path in the third quarter of 2015 as well. As per an initial report from Destatis, gross domestic product (GDP) in Germany was 0.3% higher than in the second quarter of 2015 after adjustment for inflation, seasonal and calendar effects. GDP also rose moderately in the first half of the year: by 0.4% in the second quarter and 0.3% in the first quarter of 2015. Destatis reported that positive stimulus was generated by domestic consumer spending in particular. By contrast, capital expenditure was down slightly. According to provisional calculations, growth was also slowed by developments in exports. Economic growth accelerated slightly year-on-year: GDP climbed by 1.8% in the third quarter of 2015 after adjustment for inflation.

### Sector development

Digital transformation is leading to rising investment in high-tech products and services in all areas, according to a recent study by the European IT Observatory (EITO). Above all, cloud computing, big data and mobility are defining the use of new technologies.<sup>2</sup> According to forecasts by BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien), IT will grow by 3.5% in the current year to a total volume of EUR 80.4 billion.<sup>3</sup> Software will benefit most from this, rising by 5.4% to EUR 20.1 billion. IT service business, which includes IT consulting and project business among others, will expand by 3% to EUR 37.3 billion.

### Business performance in Q3 2015

The USU Group generated a 15.6% increase in consolidated sales (IFRS) to EUR 16,060 thousand in Q3 2015 (Q3 2014: EUR 13,889 thousand). This was as a result of very balanced growth in all portfolio components. For example, international business was up and contributed sales of EUR 4,103 thousand in the third quarter of 2015 (Q3 2014: EUR 3,587 thousand). Business in Germany likewise posted strong growth of 16.1% as against the same quarter of the previous year. Sales generated outside Germany therefore accounted for 25.5% of total sales in Q3 2015 (Q3 2014: 25.8%).

<sup>1</sup> Press release no. 419/15 of the German Federal Office of Statistics dated November 13, 2015, published at [www.destatis.de](http://www.destatis.de)

<sup>2</sup> EITO report dated October 29, 2015 – Key Technology Trends in Europe 2015/16, published at [www.eito.com](http://www.eito.com)

<sup>3</sup> BITKOM press release dated July 2, 2015, published at [www.bitkom.org](http://www.bitkom.org)

USU benefited here from a significant expansion of software license business in particular. License income rose by 22.7% year-on-year to EUR 1,896 thousand in the quarter under review (Q3 2014: EUR 1,545 thousand). At the same time, the USU Group also expanded its maintenance business, which comprises income from software maintenance agreements and sales from software-as-a-service (SaaS) projects, by 15.4% to EUR 4,252 thousand (Q3 2014: EUR 3,685 thousand). At EUR 9,561 thousand (Q3 2014: EUR 8,245 thousand), consulting business was also up 16.0% on the figure for the same period of the previous year, mirroring the strong momentum of business as a whole.

The Product Business segment successfully continued the positive trend of previous quarters and increased its segment income by 20.9% to EUR 12,605 thousand (Q3 2014: EUR 10,427 thousand). The share of higher-margin product business in relation to the USU Group's consolidated sales thus also increased from 75.2% in the third quarter of 2014 to 77.9% in the quarter under review. The Service Business segment posted slight growth of 4.1% to EUR 3,542 thousand with segment sales of EUR 3,542 thousand (Q3 2014: EUR 3,404 thousand).

The USU Group's cost base rose by 16.0% year-on-year to EUR 14,292 thousand (Q3 2014: EUR 12,324 thousand). The USU Group's earnings thus improved significantly given the slightly higher rise in sales. USU's EBITDA therefore climbed by 14.3% to EUR 2,044 thousand (Q3 2014: EUR 1,789 thousand). EBIT improved from EUR 1,234 thousand in the third quarter of 2014 to currently EUR 1,395 thousand, an increase of 13.0%. USU generated a positive extraordinary effect in its tax situation as a result of the profit transfer agreement with BIG Social Media GmbH that was approved by the Annual General Meeting of USU Software AG on June 18, 2015. As a result of this profit transfer agreement, USU Software AG capitalized tax loss carryforwards in the third quarter in the amount of deferred tax liabilities resulting from the acquisition of BIG and still in place by the end of the quarter, resulting in cumulative tax income of EUR 501 thousand (Q3 2014: EUR -83 thousand). Overall, the USU Group increased its consolidated net profit (IFRS) by 48.3% as against the previous year to EUR 2,004 thousand (Q3 2014: EUR 1,351 thousand), resulting in earnings per share of EUR 0.19 (Q3 2014: EUR 0.13).

Adjusted for extraordinary effects relating to acquisitions, adjusted EBIT amounted to EUR 1,843 thousand in the third quarter of 2015 (Q3 2014: EUR 1,607 thousand), corresponding to growth as against the same quarter of the previous year of 14.7%. Adjusted consolidated earnings declined from EUR 1,799 thousand in Q3 2014 to EUR 1,634 thousand in the reporting quarter. USU's adjusted earnings per share are reduced to EUR 0.16 (Q3 2014: EUR 0.18).



## Business performance in the first nine months of fiscal 2015

### Development of sales and costs

#### *Consolidated sales*

Over the first nine months USU Software AG increased its consolidated sales (IFRS) by 10.8% as against the previous year to EUR 45,985 thousand (Q1-Q3 2014: EUR 41,496 thousand), due in particular to the continuing international expansion of USU. The sales of the USU Group generated outside Germany rose by 35.1% year-on-year to EUR 14,012 thousand in the reporting period (Q1-Q3 2014: EUR 10,365 thousand). Accordingly, the share of consolidated sales accounted for by international sales at USU climbed to currently 30.5% in the first nine months.

The main growth driver in the period under review was high-margin software license business. USU's license revenue increased by 25.7% year-on-year in the first nine months of 2015 to EUR 7,147 thousand (Q1-Q3 2014: EUR 5,687 thousand). Maintenance business including SaaS revenue contributed EUR 11,909 thousand (Q1-Q3 2014: EUR 10,055 thousand) to consolidated sales in total, an increase of 18.4% compared to the previous year. Consulting business was up 5.5% on the figure for the same period of the previous year at EUR 26,185 thousand (Q1-Q3 2014: EUR 24,817 thousand). Other income, predominantly consisting of sales of third-party hardware and software, amounted to EUR 744 thousand in total (Q1-Q3 2014: EUR 937 thousand).

#### *Sales by segment*

The product range of the Product Business segment includes all activities relating to USU's product portfolio in the market for knowledge-based service management solutions and the social media and knowledge management market. The Service Business segment comprises consulting services for IT projects and individual application development.

The Product Business segment contributed sales of EUR 35,924 thousand in the first nine months of 2015 (Q1-Q3 2014: EUR 31,191 thousand), up 15.2% compared to the previous year. USU benefited here from the significant expansion of license and maintenance business in particular. Consulting sales in the Service Business segment were down 2.0% year-on-year at EUR 9,958 thousand (Q1-Q3 2014: EUR 10,159 thousand) owing to reduced business with freelancers. Accordingly, USU increased the share of consolidated sales attributable to the product segment from 75.2% in the previous year to 78.1% in the period under review. Sales not assigned to the segments amounted to EUR 103 thousand in total in the months January to September 2015 (Q1-Q3 2014: EUR 146 thousand).

### ***Operating costs***

The increase in the operating cost base of the USU Group in the first nine months of the current fiscal year of 9.0% as against the previous year to EUR 41,653 thousand (Q1-Q3 2014: EUR 38,212 thousand) mainly reflects the higher staff costs due to the recruitment of new employees on account of the strong growth.

The cost of sales was up by 10.8% as against the previous year at EUR 22,606 thousand in the period under review (Q1-Q3 2014: EUR 20,407 thousand). This rise was partly due to the year-on-year increase in the consultant team employed of 16.2% as against the previous year to 237 as of September 30, 2015 (September 30, 2014: 204). As a percentage of consolidated sales, the cost of sales remained consistent year-on-year in the first nine months of 2015 at 49.2% (Q1-Q3 2014: 49.2%). Gross income rose accordingly to EUR 23,379 thousand (Q1-Q3 2014: EUR 21,089 thousand), corresponding to a gross margin of 50.8% (Q1-Q3 2014: 50.8%).

Marketing and sales expenses rose by 7.5% compared to the previous year to EUR 6,443 thousand in the first three quarters of 2015 (Q1-Q3 2014: EUR 5,993 thousand), mainly as a result of the headcount increase in sales of 15.5% year-on-year to 67 (June 30, 2014: 58) as of the end of the period under review. By contrast, non-staff operating costs decreased slightly year-on-year. The cost ratio as a percentage of sales for marketing and sales was virtually constant in the first nine months of 2015 at 14.0% (Q1-Q3 2014: 14.4%).

As a result of the higher staff and non-staff operating costs, general and administrative expenses increased by 12.6% in the first three quarters of 2015 to EUR 5,158 thousand (Q1-Q3 2014: EUR 4,582 thousand). In addition to the 12.2% increase in headcount in administration from 49 employees in the previous year to 55 employees as of September 30, 2015, this also reflects the larger Management Board as of the end of the previous year. Relative to consolidated sales, the administrative cost ratio was only slightly lower than in the previous year at 11.2% (Q1-Q3 2014: 11.0%).

After the high investments of the previous year, research and development expenses rose only slightly in the period under review. With a slight reduction of the development team by 3.6% to 134 (September 30, 2014: 139), research and development expenses rose by 3.0% as against the previous year to EUR 7,446 thousand in the first nine months of 2015 (Q1-Q3 2014: EUR 7,230 thousand). The ratio of research and development expenses to consolidated sales declined accordingly from 17.4% in the first nine months of 2014 to currently 16.2%.

USU is constantly investing in the development of its product portfolio and always working on innovative, market-driven software solutions. For further information, please see the

separate research and development report in this Group management report.

Net other operating income and expenses totaled EUR 521 thousand in the months from January to September 2015 (Q1-Q3 2014: EUR 140 thousand) and included extraordinary income due to acquisitions from the final earn-out at BIG.

### **Result of operations**

As a result of the significant expansion of high-margin product business combined with only a moderate rise in costs, the USU Group increased its EBITDA by 34.9% year-on-year to EUR 5,585 thousand in the first nine months of fiscal 2015 (Q1-Q3 2014: EUR 4,138 thousand). Including depreciation and amortization of EUR 1,641 thousand (Q1-Q3 2014: EUR 1,656 thousand), USU generated significant growth in EBIT of 58.9% to EUR 3,943 thousand over the same period (Q1-Q3 2014: EUR 2,482 thousand).

Net financial income climbed from EUR 74 thousand in the previous year to EUR 232 thousand in the first nine months of 2015, primarily as a result of positive exchange rate effects. The USU Group therefore generated EBT of EUR 4,176 thousand (Q1-Q3 2014: EUR 2,556 thousand), corresponding to a rise of 63.3% as against the previous year.

Taking into account the tax income of EUR 201 thousand (Q1-Q3 2014: EUR -247 thousand), consolidated earnings (IFRS) amounted to EUR 4,377 thousand in the first three quarters of 2015 (Q1-Q3 2014: EUR 2,309 thousand). This represents an increase of 89.5% in net income for the period as against the same period of the previous year. USU's earnings per share improved accordingly from EUR 0.22 in the previous year to EUR 0.42 in the period under review.

### **Adjusted consolidated earnings**

Based on EBIT, the table below shows the reconciliation to the non-IFRS key earnings figures of adjusted EBIT, adjusted consolidated earnings and adjusted earnings per share. These are provided for information purposes and represent the USU Group's key figures adjusted for extraordinary effects relating to acquisitions. Adjusted EBIT is also the central key earnings figure for the USU Group.

<b>Adjusted consolidated earnings</b> <i>in EUR thousand</i>	<b>01.01.2015 - 30.9.2015</b>	<b>01.01.2014 - 30.9.2014</b>
<b>Result of ordinary operations (EBIT)</b>	<b>3,943</b>	<b>2,482</b>
Amortization of intangible assets recognized in the course of company acquisitions	909	942
Amortization of goodwill	0	0
Nonrecurring effects relating to acquisitions	-115	167
- stay bonus	75	161
- purchase price adjustments	-223	0
- incidental acquisition costs	33	6
<b>Adjusted EBIT</b>	<b>4,737</b>	<b>3,591</b>
Interest income (as per consolidated income statement)	293	384
Interest expenses (as per consolidated income statement)	-60	-310
Income taxes (as per consolidated income statement)	201	-247
Tax effects relating to adjustments	-766	114
- amortization	-766	114
- deferred taxation from tax loss carryforwards	0	0
Minority interests (as per consolidated income statement)	0	0
<b>Adjusted consolidated earnings</b>	<b>4,405</b>	<b>3,532</b>
<b>Adjusted earnings per share (in EUR):</b>	<b>0.42</b>	<b>0.34</b>
Basic and diluted	10,523,770	10,523,770

USU's adjusted EBIT climbed by 31.9% year-on-year in the first nine months of 2015 to EUR 4,737 thousand (Q1-Q3 2014: EUR 3,591 thousand). At the same time, USU increased its adjusted consolidated earnings by 24.7% compared to the first nine months of 2014 to EUR 4,405 thousand (Q1-Q3 2014: EUR 3,532 thousand). USU's adjusted earnings per share therefore increased from EUR 0.34 in the previous year to EUR 0.42 in the reporting period.

### Net assets and financial position

On the assets side of the statement of financial position, the USU Group's non-current assets amounted to EUR 50,060 thousand as of September 30, 2015 (December 31, 2014: EUR 48,298 thousand). The reported increase in this item essentially resulted from the rise in goodwill by EUR 2,743 thousand to EUR 37,302 thousand on account of the acquisition of SecurIntegration GmbH on July 1, 2015. As the purchase price allocation of SecurIntegration has not yet been finalized, all differences between the carrying amount and fair value as of the acquisition date and assets yet to be identified in final purchase price allocation have been fully allocated to goodwill. Current assets declined from EUR 36,876 thousand as of December 31, 2014 to EUR 32,815 thousand as of the end of the reporting period, mainly as a result of lower cash and cash equivalents. Despite the payment of the remaining purchase price for the final acquisition of BIG of EUR 2,591 thousand, the dividend distribution to

shareholders totaling EUR 3,157 thousand and the first purchase price instalment for SecurIntegration of EUR 560 thousand, cash and cash equivalents declined only slightly as of September 30, 2015 to EUR 16,415 thousand (December 31, 2014: EUR 18,920 thousand).

On the equity and liabilities side, equity was up despite the dividend payment to USU shareholders at EUR 56,801 thousand as of the end of the period under review (December 31, 2014: EUR 55,608 thousand). At the same time, USU reduced its current and non-current liabilities to EUR 26,074 thousand as of September 30, 2015 (December 31, 2014: EUR 29,566 thousand), due in part to the final purchase price payment for BIG. With total assets of EUR 82,875 thousand (December 31, 2014: EUR 85,174 thousand), the equity ratio rose slightly from 65.3% as of December 31, 2014 to 68.5% as of September 30, 2015.

### **Cash flow and capital expenditure**

The USU Group had cash and cash equivalents of EUR 16,415 thousand as of September 30, 2015 (Q1-Q3 2014: EUR 16,276 thousand). This represents a year-on-year increase in Group liquidity of EUR 139 thousand.

At EUR 4,924 thousand (Q1-Q3 2014: EUR 5,004 thousand), the USU Group's cash flow from operating activities was constant in the first nine months of 2015.

The cash flow from investing activities of EUR -1,907 thousand (Q1-Q3 2014: EUR -817 thousand) included investments in property, plant and equipment and intangible assets totaling EUR -792 thousand (Q1-Q3 2014: EUR -828 thousand), offset by income from the disposal of non-current assets of EUR 16 thousand (Q1-Q3 2014: EUR 11 thousand). The largest share of this relates to payments in connection with the purchase of SecurIntegration GmbH in the amount of EUR -1,194 thousand.

Cash flow from financing activities was EUR -5,748 thousand in the period under review (Q1-Q3 2014: EUR -2,631 thousand). This includes the dividend payment to the shareholders of USU Software AG as of June 19, 2015 of EUR 3,157 thousand (Q1-Q3 2014: EUR 2,631 thousand) or EUR 0.30 (Q1-Q3 2014: EUR 0.25) and the repayment of purchase price liabilities for the final earn-out payment for BIG of EUR 2,591 thousand (Q1-Q3 2014: EUR 0 thousand).

### **Orders on hand**

As of September 30, 2015 the USU Group's orders on hand increased by 29.2% as against the previous year to EUR 35,174 thousand (September 30, 2014: EUR 27,226 thousand).

USU increased its orders on hand by 25.1% as against the end of the previous year (December 31, 2014: EUR 28,127 thousand).

Orders on hand as of the end of the quarter show the USU Group's fixed future sales based on binding contracts for the next 12 months. These primarily consist of project-related orders and maintenance and SaaS agreements.

### **Employees**

The USU Group had increased its workforce by 9.6% year-on-year to 493 employees as of the end of the quarter under review (Q1-Q3 2014: 450 employees). The reported rise in the headcount mainly resulted from the expansion of the consultant team, particularly in the US, and the acquisition of SecurIntegration GmbH.

Broken down by functional unit, USU employed a total of 237 people in consulting and services as of the end of the third quarter of 2015 (Q1-Q3 2014: 204), 134 in research and development (Q1-Q3 2014: 139), 67 in sales and marketing (Q1-Q3 2014: 58) and 55 in administration (Q1-Q3 2014: 49). Broken down by segment, there were 375 employees in the Product Business segment (Q1-Q3 2014: 339), 63 in the Service Business segment (Q1-Q3 2014: 66) and 55 in central administration at the USU Group (Q1-Q3 2014: 45).

A continued gradual expansion of the Group's workforce is intended as the current fiscal year progresses.

### **SUPPLEMENTARY REPORT**

There were no transactions of particular significance with a material effect on the development of business of the USU Group after September 30, 2015. Thus, there were no major changes to the net assets, financial position or results of operations of the Group.

## FORECAST, REPORT ON RISKS AND OPPORTUNITIES

### Forecast

#### **General economy**

The German economy is experiencing a modest upswing according to the current “Joint Economic Forecast Fall 2014”<sup>1</sup> by the leading German economic research institutes. Gross domestic product will rise by 1.8% in both this year and the coming year. The expansion will be driven by private consumer spending. Investment is gradually recovering. In view of the moderate expansion of the global economy, institutes are forecasting only a slight increase in exports, especially as the stimulative effect of the euro’s depreciation is slowly diminishing. As in the first half of the year, global production is set to grow at a moderate rate only in the fall of 2015, according to the forecast. The situation is highly robust in most advanced economies. However, the state of the economy has deteriorated again in a series of emerging nations. In particular, there are growing indications that problems are worsening in China, where the structural change is weighing on key areas of the economy such as construction, industry and exports.

#### **Sector**

According to the latest BITKOM forecast<sup>2</sup>, information technology will continue to be the central growth pillar of the ICT market in 2015. BITKOM projects that the IT market volume will increase by 3.5% in 2015 (2014: 4.2%). As in previous years, the software segment will see the biggest growth with an anticipated increase of 5.7% (2014: 5.4%) as against 2014. The central growth drivers in 2015, according to EITO information<sup>3</sup>, will be big data, cloud computing and mobility in particular. The IT services market segment is also expected to perform very well with sales growth of 3.0% (2014: 2.3%). The positive business performance is also reflected in HR requirements. BITKOM<sup>4</sup> is forecasting at least 990,000 workers in the industry, a rise of 21,000 as against the previous year. The market research company Gartner<sup>5</sup> is forecasting declining sales for the global IT market, due solely to the enormous strength of the US dollar relative to other currencies. Gartner therefore expects to see a decline in the IT market volume, measured in US dollars, of 5.5% as against the previous year after growth of 0.9% in 2014. Adjusted for this exchange rate effect, the global IT market would grow by 2.5% in 2015.

<sup>1</sup> Joint Economic Forecast Fall 2015 of the Joint Economic Forecast Project Group, dated October 8, 2015

<sup>2</sup> BITKOM – ICT market figures (October 2015), published at [www.bitkom.org](http://www.bitkom.org)

<sup>3</sup> EITO report dated October 29, 2015 – Key Technology Trends in Europe 2015/16, published at [www.eito.com](http://www.eito.com)

<sup>4</sup> BITKOM press release dated July 2, 2015, published at [www.bitkom.org](http://www.bitkom.org)

<sup>5</sup> Gartner press release dated June 30, 2015, published at [www.gartner.com](http://www.gartner.com)



**Outlook**

The Management Board expects the company's growth trend of the previous years to continue successfully in 2015. Product business is set to keep on growing significantly, both outside Germany and on the core German market. This will be aided by the ongoing penetration of the US market and the expansion of activities in Central Europe. Particularly in the big data areas of license, IT and knowledge management and social business, the Management Board anticipates a significant increase in high-margin product business, from which the USU Group generates license, maintenance and product-related consulting income. The new Group subsidiary SecurIntegration GmbH has also contributed to this from the third quarter of 2015. By contrast, the lower-margin service business, in which USU generates consulting sales from individual projects that are not dependent on specific products, is expected to be slightly lower than in the previous year due to the decline in consulting business with freelancers. The Management Board is confirming its planning for the USU Group based on the consistently strong product business and the current forecast. It is therefore anticipating an increase in consolidated sales to between EUR 65 and EUR 68 million in fiscal 2015, together with a strong rise in adjusted EBIT to between EUR 8.5 and EUR 9.5 million.

On the basis of this forecast, the Management Board is planning to enable the shareholders of USU Software AG to participate in the company's operating success again in 2015, as in previous years, and thus to continue the shareholder-friendly dividend policy in the interests of sustained continuity. With potential on the core German market remaining high on key national and international markets and the growth-oriented acquisition policy of the USU Group, the Management Board is also still assuming the implementation of its medium-term planning for sales of more than EUR 100 million with an adjusted EBIT margin in excess of 15% by 2017.

**Report on risks and opportunities**

There have been no changes in the risks and opportunities affecting USU Software AG or the Group as a whole since December 31, 2014. For more information please see the report on risks and opportunities in the 2014 annual report.



**USU shares (ISIN DE000A0BVU28).**

The shares of USU Software AG are listed in the Prime Standard of the Frankfurt stock exchange under the German Securities Code (WKN) A0BVU2 and International Securities Identification Number (ISIN) DE000A0BVU28, and are admitted to trading on the regulated market of this stock exchange.

After a positive start to the year with high price gains, movements on the stock markets were volatile in the quarter under review, with prices declining significantly in some cases. Over the three-month period, the Technology All Share remained stable as against the previous quarter, rising by 3.9% to 2,009.32 points as of September 30, 2015 (June 30, 2015: 1,932.86 points), while the DAX fell by 11.7% in the third quarter of 2015 to 9,660.44 points (June 30, 2015: 10,944.97 points). The performance of the shares of USU Software AG was much more positive in the reporting quarter and closed at EUR 16.37 on the electronic exchange XETRA, up 4.9% on the previous quarter (June 30, 2015: EUR 15.60).

Over the nine-month period, the Technology All Share climbed by 23.5% as against December 31, 2014 (1,626.79 points), while the DAX was down by 1.5% as against December 31, 2014 as of September 30, 2015 (9,805.55 points). USU shares also rose by a total of 20.1% in the first nine months of 2015 (December 31, 2014: EUR 13.63).

Möglingen, November 19, 2015

USU Software AG

Bernhard Oberschmidt  
CEO

Bernhard Böhler  
Management Board

Dr. Benjamin Strehl  
Management Board

<b>ASSETS</b> (Thsd. EUR)	<b>9-month report</b> 30.09.2015	<b>Annual report</b> 31.12.2014
<b>Non current assets</b>		
Intangible assets	5,930	6,885
Goodwill	37,302	34,559
Property, plant and equipment	2,154	2,075
Other financial assets	0	0
Deferred tax assets	4,017	4,122
Other assets	657	657
<b>Total non current assets</b>	<b>50,060</b>	<b>48,298</b>
<b>Current assets</b>		
Inventories	792	643
Work in progress	3,344	4,158
Trade receivables	10,434	10,641
Income tax receivables	187	654
Other financial assets	286	233
Other assets	322	249
Prepaid expenses	1,035	1,378
Cash on hand and bank balances	16,415	18,920
<b>Total non current assets</b>	<b>32,815</b>	<b>36,876</b>
<b>Total assets</b>	<b>82,875</b>	<b>85,174</b>

<b>ASSETS</b> (Thsd. EUR)	<b>9-month report</b> 30.09.2015	<b>Annual report</b> 31.12.2014
<b>Shareholders' equity</b>		
Subscribed capital	10,524	10,524
Capital reserve	52,792	52,792
Legal reserve	502	502
Other comprehensive income	-46	-19
Accumulated losses	-6,971	-8,191
Shareholders' equity not including minority interests	56,801	55,608
Minority interests	0	0
<b>Total shareholders' equity</b>	<b>56,801</b>	<b>55,608</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	0	766
Pension provisions	1,939	1,865
<b>Total non-current liabilities</b>	<b>1,939</b>	<b>2,631</b>
<b>Current liabilities</b>		
Provisions for income taxes	561	941
Purchase price liabilities	1,308	2,514
Personnel-related provisions and liabilities	4,556	4,580
Other provisions and liabilities	1,565	2,117
Liabilities from received payments	7,922	10,999
Trade payables	1,374	1,392
Deferred income	6,849	4,392
<b>Total current liabilities</b>	<b>24,135</b>	<b>26,935</b>
<b>Total liabilities and shareholders' equity</b>	<b>82,875</b>	<b>85,174</b>

<b>CONSOLIDATED INCOME STATEMENT</b> <i>(Thsd. EUR)</i>	<b>Quarterly Report</b> <b>III / 2015</b> <b>01.07.2015 -</b> <b>30.09.2015</b>	<b>Quarterly Report</b> <b>III / 2014</b> <b>01.07.2014 -</b> <b>30.09.2014</b>	<b>9-Month Report</b> <b>01.01.2015 -</b> <b>30.09.2015</b>	<b>9-Month Report</b> <b>01.01.2014 -</b> <b>30.09.2014</b>
Sales revenue	16,060	13,889	45,985	41,496
Cost of sales	-7,724	-6,744	-22,606	-20,407
Gross profit	8,336	7,145	23,379	21,089
Sales and marketing expenses	-2,155	-1,813	-6,443	-5,993
General administrative expenses	-1,804	-1,447	-5,158	-4,582
Research and development expenses	-2,609	-2,320	-7,446	-7,230
Other operating income	103	67	713	282
Other operating expenses	-86	-84	-193	-142
Amortization of intangible assets recognized in the course of company acquisitions	-300	-314	-909	-942
Result of ordinary operations (EBIT)	1,485	1,234	3,943	2,482
Interest income	-50	308	293	384
Interest expenses	68	-108	-60	-310
Result before tax (EBT)	1,503	1,434	4,176	2,556
Income taxes	501	-83	201	-247
Net profit / loss	2,004	1,351	4,377	2,309
of which:				
- shareholders of USU Software AG	2,004	1,351	4,377	2,346
- minority interests	0	0	0	-37
Earnings per share (EUR) on the basis of the share of earnings of shareholders of USU Software AG (basic and diluted)	0.19	0.13	0.42	0.22
Weighted average shares (basic and diluted)	10,523,770	10,523,770	10,523,770	10,523,770
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> <i>(Thsd. EUR)</i>	<b>Quarterly Report</b> <b>II / 2014</b> <b>01.07.2014 -</b> <b>30.09.2014</b>	<b>Quarterly Report</b> <b>II / 2013</b> <b>01.07.2013 -</b> <b>30.09.2013</b>	<b>9-Month Report</b> <b>01.01.2014 -</b> <b>30.09.2014</b>	<b>9-Month Report</b> <b>01.01.2013 -</b> <b>30.09.2013</b>
<b>Konzernergebnis</b>	<b>2,004</b>	<b>1,351</b>	<b>4,377</b>	<b>2,309</b>
<b>Items never to be reclassified to profit or loss</b>				
Actuarial gains/losses from pension provisions	0	0	0	0
Deferred taxes from actuarial gains/losses	0	0	0	0
<b>Items that have been or can be reclassified to profit or loss</b>				
Available-for-sale financial instruments (securities)	0	0	0	0
Currency translation difference	-1	2	-27	45
<b>Other comprehensive income</b>	<b>-1</b>	<b>2</b>	<b>-27</b>	<b>45</b>
<b>Overall result</b>	<b>2,003</b>	<b>1,353</b>	<b>4,350</b>	<b>2,354</b>
of which:				
- shareholders of USU Software AG	2,003	1,353	4,350	2,391
- minority interests	0	0	0	-37

CONSOLIDATED STATEMENT OF CASH FLOW (Thsd. EUR)	9-month report 01.01.2015 - 30.09.2015	9-month report 01.01.2014 - 30.09.2014
<b>CASH FLOW FROM ORDINARY ACTIVITIES:</b>		
Result bevor taxes (EBT)	4,176	2,556
<b>Adjustments for:</b>		
Financial income / financial expenditure	-233	-74
Depreciation and amortization	1,641	1,656
Income taxes paid	-606	-361
Income taxes refunded	579	0
Interest paid	-6	-8
Interest received	33	12
Other non-cash income and expenses	-331	-75
<b>Change in working capital:</b>		
Inventories	-149	-82
Work in process	814	-773
Trade receivables	407	4085
Prepaid expenses and other assets	239	4
Trade payables	-34	-238
Personnel-related provisions and liabilities and pension provisions	33	-353
Other provisions and liabilities	-1,639	-1,345
<b>Net cash flow form ordinary activities</b>	<b>4,924</b>	<b>5,004</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisition of subsidiaries less cash and cash equivalents acquired	-560	0
Capital expenditure in property, plant and equipment	-636	-714
Capital expenditure in other intangible assets	-93	-114
Repayment of short-term loans	-634	0
Sales of non-current assets	16	11
<b>Net cash flow from investing activities</b>	<b>-1,907</b>	<b>-817</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend payment	-3,157	-2,631
Repayment of purchase price liability in connection with the acquisition of subsidiaries	-2,591	0
<b>Net cash flow from financing activities</b>	<b>-5,748</b>	<b>-2,631</b>
Net effect of currency translation in cash and cash equivalents	226	489
<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>-2,505</b>	<b>2,045</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>18,920</b>	<b>14,231</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>16,415</b>	<b>16,276</b>

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY	Subscribed capital		Capital reserve	Legal reserve	Accumulated losses	Other comprehensive income		Shareholder's equity not including minority	Minority interest	Total
	Shares	Thsd. EUR				Thsd. EUR	Currency Trans-lation			
<b>Consolidated equity as of January 1, 2014</b>	<b>10,523,770</b>	<b>10,524</b>	<b>52,792</b>	<b>470</b>	<b>-10,467</b>	<b>-44</b>	<b>0</b>	<b>53,275</b>	<b>-43</b>	<b>53,232</b>
Group result					2,346			2,346	-37	2,309
Purchase of minority interests					-80			-80	80	0
Other comprehensive income						45		45		45
<b>Overall result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,266</b>	<b>45</b>	<b>0</b>	<b>2,311</b>	<b>43</b>	<b>2,354</b>
Dividend payment					-2,631			-2,631		-2,631
<b>Consolidated equity as of September 30, 2014</b>	<b>10,523,770</b>	<b>10,524</b>	<b>52,792</b>	<b>470</b>	<b>-10,832</b>	<b>1</b>	<b>0</b>	<b>52,955</b>	<b>0</b>	<b>52,955</b>
<b>Consolidated equity as of January 1, 2015</b>	<b>10,523,770</b>	<b>10,524</b>	<b>52,792</b>	<b>502</b>	<b>-8,191</b>	<b>-19</b>	<b>0</b>	<b>55,608</b>	<b>0</b>	<b>55,608</b>
Group result					4,377			4,377	0	4,377
Other comprehensive income						-27		-27		-27
<b>Overall result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,377</b>	<b>-27</b>	<b>0</b>	<b>4,350</b>	<b>0</b>	<b>4,350</b>
Dividend payment					-3,157			-3,157		-3,157
<b>Consolidated equity as of September 30, 2015</b>	<b>10,523,770</b>	<b>10,524</b>	<b>52,792</b>	<b>502</b>	<b>-6,971</b>	<b>-46</b>	<b>0</b>	<b>-56,801</b>	<b>0</b>	<b>-56,801</b>

### **Accounting principles**

USU Software AG is a stock corporation under the law of the Federal Republic of Germany. The company is domiciled at Spitalhof, 71696 Möglingen, Germany and is entered in the commercial register of the Stuttgart Local Court, Dept. B., under no. 206442.

These interim financial statements of USU Software AG are consistent with the International Financial Reporting Standards (IFRS) as applicable in the European Union. The interim financial statements were prepared in accordance with IAS 34 (Interim Financial Reporting). The same accounting policies were applied as in the preparation of the consolidated financial statements for the fiscal year ended December 31, 2014. This unaudited nine-month report for 2015 should therefore be read in conjunction with the audited consolidated financial statements for 2014.

This consolidated interim report contains all the necessary deferrals and, in the opinion of the management, provides a true and fair view of the financial position and financial performance. All deferrals performed are in line with the standard accrual concept.

In preparing interim financial statements in line with IFRS, estimates and opinions relating to the assets and liabilities recognized at the reporting date and the income and expenses for the reporting period are required to a certain extent. Actual results may differ from those estimates.

Income taxes are recognized in the interim period based on the best estimate of the weighted average annual income tax rate expected for the year as a whole. This tax rate is applied to the pre-tax profit of the consolidated companies.

It is not necessarily possible to deduce the annual net profit from the profit of the interim periods.

### **Consolidated group**

On July 1, 2015 USU Software AG acquired 100% of shares in SecurIntegration GmbH, Cologne, and included it in consolidation from this date using the purchase method in accordance with IFRS 3. SecurIntegration is a software company specializing in SAP license optimization whose standard software rounds off the USU Group's existing software license management portfolio. Established in 2001, the company generated sales of around EUR 1.5 million and positive operating earnings in fiscal 2014. SecurIntegration's renowned customers include companies such as Continental, Dätwyler, and AMAG. The purchase price for the shares, which is to be paid in cash, includes a fixed component and an earn-out component and, depending on the future performance of SecurIntegration, will be between around EUR 1 million and EUR 3 million.

Owing to timing reasons, the final purchase price allocation will not be carried out until fiscal 2016. Hence, all differences between carrying amounts and fair values as of the acquisition date and all intangible assets yet to be identified in purchase price allocation have therefore been provisionally assigned in full to goodwill.

Based on its planning, USU Software AG is forecasting a purchase price of around EUR 2 million (present value), around EUR 0.6 million of which will be payable from early July 2015. The two subsequent purchase price payments are due at the end of March 2016 and 2017, depending partly on the EBIT achieved for 2015 and sales for 2015/2016 (earn-out). Based on the estimated purchase price and the outstanding purchase price allocation, there was recognized goodwill of EUR 2.7 million from the first-time consolidation of SecurIntegration as of July 1, 2015. The recognized purchase price liability amounts to EUR 1.3 million.

The following table shows an overview of the calculation of goodwill:

<i>In Thsd. EUR</i>	Previous carrying amounts under IFRS	Fair values
Intangible Assets	2	2
Property, plant and equipment and financial assets	32	32
Trade receivables	200	200
Other (financial) assets	22	22
Provisions	-48	-48
Bank liabilities	-634	-634
Trade payables	-16	-16
Other (financial) liabilities	-337	-337
Deferred income	-101	-101
	<b>-880</b>	<b>-880</b>
Attributable non-tax-deductible goodwill		2,743
<b>Purchase Price</b>		<b>1,863</b>

The acquired provisional non-tax deductible goodwill results from the expected synergy potential in product business and employee expertise.

#### **Accounting standards adopted for the first time and recently announced accounting standards**

The accounting standards effective for the first time in the first nine months of fiscal 2015 had no material effect on the consolidated financial statements.

For more detailed information on new standards not yet effective, please see the consolidated financial statements of USU Software AG for the fiscal year ended December 31, 2014.

### Financial instruments

The following table shows the carrying amounts and fair values of the financial instruments of the Group:

<i>in Thsd. EUR</i>	30.09.2015		31.12.2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Work in progress	3,344	3,344	4,158	4,158
Trade receivables	10,434	10,434	10,641	10,641
Other current financial assets	286	286	233	233
Cash on hand and bank balances	16,415	16,415	18,920	18,920
	<b>30,479</b>	<b>30,479</b>	<b>33,952</b>	<b>33,952</b>

<i>in Thsd. EUR</i>	30.09.2015		31.12.2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial liabilities	0	0	0	0
Trade payables	1,374	1,374	1,392	1,392
Liabilities from advance payments	7,922	7,922	10,999	10,999
Purchase price liabilities	1,308	1,308	2,514	2,514
	<b>10,604</b>	<b>10,604</b>	<b>14,905</b>	<b>14,905</b>

In accordance with IFRS 13, fair value is defined as the price a market participant would receive when selling an asset or would pay to transfer a liability in an orderly transaction on the measurement date.

There is a fair value hierarchy with three measurement levels depending on whether the fair value of financial instruments was determined on the basis of published market prices (level 1), on the basis of data derived from published market prices (level 2) or using non-observable parameters (level 3). Other than the purchase price liability, USU Software AG currently has no other such financial instruments.



## Revenue

Revenue from the sales of goods and services breaks down as follows:

	1.1.-30.9.2015 Thsd. EUR	1.1.-30.9.2014 Thsd. EUR
Consulting	26,185	24,817
Licences / products	7147	5,687
Maintenance / SaaS	11,909	10,055
Other	744	937
	<b>45,985</b>	<b>41,496</b>

## Segment reporting

For the purpose of segment reporting in accordance with IFRS 8, USU operates in “Product Business” and “Service Business”, both of which significantly influence risks and the return on equity. The breakdown of various key ratios by segment in line with IFRS 8 is shown in the table below:

	Product Business		Service Business		Total Segment		Unallocated		Group	
	1.1.- 30.9.15 Thsd. EUR	1.1.- 30.9.14 Thsd. EUR	1.1.- 30.9.15 Thsd. EUR	1.1.- 30.9.14 Thsd. EUR	1.1.- 30.9.15 Thsd. EUR	1.1.- 30.9.14 Thsd. EUR	1.1.- 30.9.15 Thsd. EUR	1.1.- 30.9.14 Thsd. EUR	1.1.- 30.9.15 Thsd. EUR	1.1.- 30.9.14 Thsd. EUR
Revenues	35,924	31,191	9,958	10,159	45,882	41,350	103	146	45,985	41,496
EBITDA	6,757	5,332	1,765	1,252	8,522	6,584	-2,937	-2,446	5,585	4,138
EBIT	5,336	3,920	1,655	1,152	6,991	5,072	-3,048	-2,590	3,943	2,482
Net financial income	-	-	-	-	-	-	232	74	232	74
Taxes	-	-	-	-	-	-	201	-247	201	-247
Net profit / loss	5,336	3,920	1,655	1,152	6,991	5,072	-2,615	-2,763	4,376	2,309
Employees (as of Sept. 30, 2015/14)	375	339	63	66	438	405	55	45	493	450

The USU Software Group generated a total of 30.5% (Q1-Q3 2014: 25.0%) or EUR 14,012 thousand (Q1-Q3 2014: EUR 10,365 thousand) of its consolidated sales outside Germany in the first nine months of fiscal 2015. These data are based on customers' registered offices. By contrast, less than 10% of consolidated assets were held outside Germany. At the same time, investments outside Germany amounted to less than 10% of consolidated total investments. Further details of the geographical data have therefore not been provided for reasons of materiality.

**Shares held by members of executive bodies at USU Software AG**

The following shares in USU Software AG were held by members of the executive corporate bodies of the company as at September 30, 2015:

Holdings of members of corporate bodies	shares 30.09.2015	shares 30.09.2014
<b>Management Board</b>		
Bernhard Oberschmidt	156,518	181,518
Bernhard Böhler	167,572	-
Dr. Benjamin Strehl	0	-
<b>Supervisory Board</b>		
Udo Strehl*	1,989,319	1,989,319
Erwin Staudt	100,000	100,000
Günter Daiss	85,500	85,500

*\* An additional 3,337,868 (2014: 3,487,868) shares of USU Software AG can be allocated to Udo Strehl via AUSUM GmbH as the majority shareholder of the company pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. A further 32,000 (2014: 32,000) shares in USU Software AG are allocated to Udo Strehl through the "Knowledge is the future" foundation of which he is the Managing director pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.*

On April 23, 2015 the CEO of USU Software AG, Bernhard Oberschmidt, sold 25,000 shares in the company to institutional investors on the over-the-counter market and subsequently notified USU Software AG of this securities transaction. The company in turn published the notification regarding securities transactions as required. No stock options or convertible bonds issued by USU Software AG are held by any members of its executive bodies.

**Related party disclosures**

In accordance with IAS 24, all related parties are persons or companies with the ability to control the Group or exercise significant influence over it, or on whom/which the Group can exert significant influence, including the management and the Supervisory Board. Companies that are already included in consolidation in the interim consolidated financial statements are not considered related parties.

There were no significant changes to business relations between USU Software AG and the Chairman of the Supervisory Board and majority shareholder Udo Strehl and his wife as compared to the information in the notes to the consolidated financial statements for fiscal 2014. For more information, please see the consolidated financial statements of USU Software AG for the fiscal year ended December 31, 2014.

Möglingen, November 19, 2015

USU Software AG

Bernhard Oberschmidt  
CEO

Bernhard Böhler  
Management Board

Dr. Benjamin Strehl  
Management Board

**November 23 - 25, 2015****Analyst and investor  
conference at  
*German Equity Forum 2015,  
Frankfurt/Main*****December 8 - 9, 2015****Munich Capital Market Conference  
*GBC AG, Munich*****March 31, 2016****Publication of figures for 2015**