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Mackevision Medien Design GmbH Stuttgart	Accounting / financial reports	Annual financial statements for the business year from 07/01/2015 to 06/30/2016	08/07/2017
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Mackevision Medien Design GmbH Stuttgart

Stuttgart

Annual financial statements for the business year from 07/01/2015 to 06/30/2016**Balance sheet as of June 30, 2016****ASSETS**

	06/30/2016 EUR	06/30/2015 EUR
A. FIXED ASSETS		
I. Intangible Assets		
1. Self-developed software	2,281,523.42	741,707.00
2. Purchased software	658,516.87	307,235.00
3. Goodwill	0.50	0.50
4. Advance payments made	5,681.25	92,380.73
	2,945,722.04	1,141,323.23
II. Tangible assets		
1. Technical systems and machines	1,727.00	5,284.00
2. Factory and office equipment	383,685.14	377,036.50
	385,412.14	382,320.50
III. Financial assets		
Shares in affiliated companies	1,732,552.65	1,732,552.65
	5,063,686.83	3,256,196.38
B. CURRENT ASSETS		
I. Inventories		
unfinished tasks	1,478,529.80	735,976.00
II. Receivables and other assets		
1. Trade accounts receivable	3,253,106.41	3,026,393.72
2. Receivables from affiliated companies	10,938,835.31	5,374,540.08
3. Claims against shareholders	120,000.00	276.30
4. Other assets	323,473.36	250,629.57
	14,635,415.08	8,651,839.67
III. Cash in hand, bank balances	1,019,417.09	1,801,105.55
	17,133,361.97	11,188,921.22
C. PREPAID EXPENSES	424,925.55	276,234.94
	22,621,974.35	14,721,352.54

LIABILITIES

	06/30/2016 EUR	06/30/2015 EUR
A. EQUITY		
I. Drawn capital	52,474.00	51,687.00
II. Capital reserve	13,267,910.15	8,088,697.15
III. Profit carried forward	651,289.12	1,747,425.70
IV. Annual surplus / deficit	715,640.30	-1,096,136.58
	14,687,313.57	8,791,673.27
B. PROVISIONS		
1. Tax provisions	0.00	37,400.00
2. Other provisions	2,164,420.56	1,290,198.67

	06/30/2016	06/30/2015
	EUR	EUR
	2,164,420.56	1,327,598.67
C. LIABILITIES		
1. Venture capital	1,000,000.00	1,000,000.00
2. Liabilities to credit institutions	1,668,640.37	1,677,250.00
3. Advance payments received on orders	918,499.00	0.00
4. Trade payables	719,394.28	1,120,322.82
5. Liabilities to affiliated companies	84,899.59	68,311.01
6. Other Liabilities	682,370.98	337,403.63
- of which from taxes EUR 538,939.10 (previous year: EUR 284,121.43)		
- of which in the context of social security EUR 2,777.59 (previous year: EUR 12,594.65)		
	5,073,804.22	4,203,287.46
D. PREPAID EXPENSES	0.00	172,387.08
E. PASSIVE DEFERRED TAXES	696,436.00	226,406.06
	22,621,974.35	14,721,352.54

Income statement FOR THE 2015/16 FINANCIAL YEAR

	2015/16	2014/15
	EUR	EUR
1. Sales	21,805,368.08	18,772,828.06
2. Increase in the number of work in progress	742,553.80	211,717.81
3. Other own work capitalized	1,756,619.00	325,000.00
4. Other operating income		
- of which from currency conversion: EUR 12,831.01 (previous year: EUR 62,635.47)	2,919,448.87	1,163,052.46
5. Overall performance	27,223,989.75	20,472,598.33
6. Cost of materials		
Expenses for purchased services	-3,986,066.48	-3,802,084.15
7. Personnel expenses		
a) Wages and salaries	-12,697,184.68	-9,082,598.09
b) Social security and pension expenses	-1,990,295.22	-1,318,425.18
- of which for pensions: EUR 5,798.52 (previous year: EUR 9,500.44)		
	-14,687,479.90	-10,401,023.27
8. Depreciation on intangible assets and property, plant and equipment	-587,528.53	-428,970.81
9. Other operating expenses		
- of which from currency conversion: EUR 27,803.89 (previous year: EUR 64,723.79)	-6,856,805.88	-6,398,541.21
10. Income from operations	1,106,108.96	-558,021.11
11. Other Interest and Similar Income		
- of which from affiliated companies: EUR 264,523.92 (previous year: EUR 126,361.12)	275,996.65	126,361.76
12. Interest and Similar Expenses	-145,398.89	-465,446.59
13. Results of ordinary business activity	1,236,706.72	-897,105.94
14. Income taxes		
- of which expenses from deferred taxes: EUR 470,029.92 (previous year: EUR 65,811.08)	-515,473.56	-195,917.33
15. Other taxes	-5,592.86	-3,113.31
16. Annual surplus / deficit	715,640.30	-1,096,136.58

Appendix for the 2015/16 financial year

A. General information

The present annual financial statements were prepared in accordance with Sections 242 to 256a of the German Commercial Code and Sections 264 to 288 of the German Commercial Code as well as the relevant provisions of the GmbHG. The regulations for medium-sized corporations apply. Size-dependent relief in accordance with Section 288 (2) of the German Commercial Code (HGB) was fully utilized.

The income statement has been prepared using the total cost method.

An amount of € 945 thousand that was not correctly reported under the sales item in the previous year was reclassified to the other operating income item. In addition, a deferred income in the amount of T € 22, which was not correctly reported in the previous year, was classified under other provisions. The previous year's figures have not been adjusted.

B. Accounting and valuation methods

The following accounting and valuation methods were essentially decisive for the preparation of the annual financial statements:

Capital assets

Purchased and self-created intangible assets as well as property, plant and equipment are reduced at acquisition or production cost and, if they are subject to wear and tear, by scheduled depreciation. The production costs of internally generated intangible assets include not only the individual costs but also a proportion of overheads. Unscheduled depreciation to the lower fair value on the balance sheet date is carried out if it is a permanent decrease in value.

Intangible assets are generally amortized on a straight-line basis over their estimated useful life of 5 years. Property, plant and equipment is depreciated using the straight-line method based on the normal useful life in accordance with the tax depreciation table.

Low-value assets (acquisition or production costs of more than € 150.00 net but a maximum of € 410.00 net) have been written off in full in the year of acquisition; their immediate departure was assumed. Assets with acquisition costs of up to € 150.00 are booked as expenses with the acquisition.

The goodwill was amortized on a straight-line basis over a period of 15 years. The last installment of the depreciation took place in the 2014/15 financial year.

Financial assets are valued at acquisition cost. Extraordinary depreciation takes place in the event of an expected permanent decrease in value.

Stocks

The inventories are valued based on the acquisition or production costs according to the strict lower value principle. The work in progress is valued at production costs which, in addition to the direct material and personnel costs, include material and production overheads as well as depreciation to a reasonable extent. The production costs are determined retrospectively.

Receivables and other assets

Receivables and other assets are shown at their nominal value or the lower applicable value on the balance sheet date. Identifiable individual risks are taken into account by means of individual value adjustments. The general bad debt risk is taken into account by creating a general bad debt allowance for receivables from Germany and abroad.

Cash and bank balances

Cash in hand and bank balances are shown at their nominal value.

Active prepaid expenses

Expenses before the balance sheet date are shown as prepaid expenses insofar as they represent expenses for a certain time after this day.

Tax deferrals

To determine deferred taxes due to temporary or quasi-permanent differences between the commercial law valuations of assets, debts and deferred income and their tax values, the amounts of the resulting tax burdens and tax reliefs are valued at the company-specific tax rates at the time the differences are reduced and not discounted.

accruals

The other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are set in the amount of the settlement amount necessary according to reasonable commercial participation (ie including future cost and price increases).

liabilities

The liabilities are carried at the settlement amount.

Basics of currency conversion

Assets and liabilities denominated in foreign currencies were generally converted using the mean spot exchange rate on the reporting date. With a remaining term of more than one year, the realization principle (Section 252 (1) No. 4 half-sentence 2 HGB) and the acquisition cost principle (Section 253 (1) sentence 1 HGB) were observed.

C. Notes to the balance sheet

1. Fixed assets

The development of the individual items of fixed assets during the financial year is shown in the appendix to the notes. Development costs for internally generated intangible assets were capitalized in the amount of T € 1,757 (previous year: T € 325). In total, research and development costs of T € 1,851 (previous year: T € 941) were incurred in the financial year.

Information on shareholdings

in thousands	Percentage ownership		Reporting currency	Equity June 30, 2016	Annual result 2015/16
		%			
Mackevision Medien Design GmbH Munich, Munich	100		EUR	-1,290	-1,201
Mackevision Medien Design GmbH Hamburg, Hamburg	100		EUR	298	159
Mackevision UK Limited, London / Great Britain	100		GBP	-1,958	-1,085
Mackevision Corporation, Rochester / Michigan / USA	100		USD	3,253	2.015
Mackevision Korea Ltd., Seoul / South Korea	100		KRW	-1,871,125	-868,922
Mackevision Singapore Pte. Ltd., Singapore	100		EUR	81	-90
Mackevision CG Technologies and Services (Shanghai) Co., Ltd., China ¹⁾	100		RMB	-3,399	-12,817

¹⁾ this is an indirect investment by Mackevision Singapore Pte. Ltd., Singapore

2. Receivables and other assets

The receivables from affiliated companies include trade receivables of € 6,012 thousand (previous year: € 3,515 thousand) and short-term loan receivables of € 4,926 thousand (previous year: € 1,859 thousand). There are also receivables from shareholders in the amount of € 120 thousand (previous year: € 0 thousand) and loan receivables from a member of the advisory board in the amount of € 60 thousand (previous year: € 0 thousand).

The remaining terms of the receivables and other assets are less than one year.

3. Prepaid expenses

The prepaid expenses include prepayments for software licenses and maintenance in the amount of T € 396 (previous year: T € 124) as well as a damnum in the amount of T € 2 (previous year: T € 2) for a loan taken out.

4. Equity

With a shareholder resolution of February 4, 2016, the share capital was increased by T € 1 to T € 52.

The shareholders' resolution of November 27, 2014 resolved to increase the capital reserve in accordance with Section 272 (2) No. 4 HGB by € 5,000 thousand, which was paid in in the 2015/16 financial year. In addition, the shareholders' resolution of February 4, 2016 resolved to increase the capital reserves in accordance with Section 272 (2) No. 4 HGB by € 179 thousand, which was paid in in the 2015/16 financial year in the amount of € 59 thousand. This increased the capital reserve from T € 8,089 to T € 13,268.

5. Other provisions

The other provisions essentially consist of provisions for outstanding invoices in the amount of T € 868 (previous year: T € 543) and for personnel-related matters in the amount of T € 1,250 (previous year: T € 717).

6. Liabilities

The contribution (venture capital) granted by a silent partner in the amount of T € 500 has a remaining term of more than one year and less than five years.

Of the liabilities to banks, € 1,496 thousand (previous year: € 1,621 thousand) have a remaining term of more than one year and less than five years. All other liabilities are due within one year.

The liabilities to affiliated companies contain only trade accounts payable.

D. Notes on the income statement

1. Other operating income

The other operating income includes T € 115 (previous year: T € 0) out-of-period income from receivables from employees and the release of provisions. An amount of € 945 thousand that was not correctly reported under the sales item in the previous year was reclassified to the other operating income item.

2. Expenditure for purchased services

Expenses for purchased services in the financial year amounted to € 3,986 thousand (previous year: € 3,802 thousand). These relate exclusively to purchased services.

3. Other operating expenses

The other operating expenses mainly contain expenses for consulting (T € 2,081) and rental expenses (T € 2,341). As in the previous year, other operating expenses do not include any expenses relating to other periods.

E. Supplementary explanations to the annual financial statements

1. Other Financial Obligations

The other financial obligations in accordance with Section 285 No. 3a HGB include regular payment obligations from rental agreements.

in thousands of €	Due date			total
	up to 1 year	in 2 to 5 years	over 5 years	
Obligations from rental agreements	2,892	3,883	0	6,775

The order commitment as of June 30, 2016 for investments does not go beyond the normal limits of the company.

2. Contingent Liabilities

The company has undertaken to eliminate or compensate for any liquidity bottlenecks or shortfalls in equity of the affiliated companies Mackevision Medien Design GmbH Hamburg and Mackevision UK Limited, London, Great Britain. The risk of a claim is classified as low due to the expected positive development of the asset, financial and earnings position of these companies.

3. Employees

The average number of employees has developed, as can be seen from the following table.

Average number of employees	2015/16	2014/15
employee	209	158
trainee	10	7th

4. Total remuneration of corporate bodies

The remuneration of the managing directors is not stated in accordance with Section 286 (4) of the German Commercial Code (HGB).

5. Management

The management includes:

- Mr. Armin Pohl, Altdorf, CEO, Sales and Strategy
- Mr. Joachim Lincke, Stuttgart, CCO, production
- Mr Jens Pohl, Ostfildern, since April 19, 2016, COO, Human Resources and Finance

6. Advisory Board

In the 2015/16 financial year, the following people were members of the Advisory Board:

- Dr. Tilman Schad, Dr.-Ing. Communications technology (Chairman of the Advisory Board)
- Mr. Sander van Vreumingen, Master of Science
- Mr. Roland Steinlein, business graduate, tax advisor
- Mr. Andreas Trautmann, business graduate (since November 1, 2015)
- Mr. Benoit Raillard, Master of Business Administration (since January 1, 2016)

Eliminated are:

- Mr. Jens Pohl, Dipl.-Ing. Mechanical engineering (until September 30, 2015)
- Mr. Hansjörg Sage, Dipl.-Ing. Electrical engineering (until December 31, 2015)
- Mr. Jeroen Snepvangers, Master of Business Administration (until December 31, 2015)

For the 2015/16 financial year, the total remuneration of the members of the Advisory Board amounted to € 83 thousand.

In addition, an interest-free loan in the amount of T € 60 was granted to a member of the Advisory Board in the 2015/16 financial year. The loan is related to an option agreement between the company and the advisory board member. The company can exercise its option for the first time on December 31, 2016. The option will automatically expire on December 31, 2020. The advisory board member can exercise the right to tender for the first time on January 1, 2021. The right to tender expires on December 31, 2025 without further notice.

7. Group affiliation

The company has been a subsidiary of Gimv NV, Antwerp, Belgium, since November 27, 2014. Gimv NV directly and indirectly holds 56.7% of the shares in Mackevision Medien Design GmbH Stuttgart.

Gimv NV prepares consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published at www.gimv.com/en/investors/ir-publications/annual-report (Annual report 2015-2016).

8. Ban on distribution

The total amount that is subject to the distribution block in accordance with Section 268 (8) of the German Commercial Code (HGB) is € 1,586 thousand and consists of the capitalization of internally generated intangible assets in the amount of € 2,282 thousand less the related deferred tax liabilities of € thousand 696.

9. Proposal for the use of earnings

For the 2015/16 financial year it is proposed that the annual result of € 716 thousand be carried forward to a new account.

Stuttgart, September 12, 2016

The Board

Armin Pohl

Joachim Lincke

Jens Pohl

DEVELOPMENT OF FIXED ASSETS FOR FISCAL YEAR 2015/2016

	acquisition cost				June 30, 2016 EUR
	1.7.2015 EUR	Accesses EUR	Departures EUR	Rebooking EUR	
I. INTANGIBLE ASSETS					
1. Self-developed software	1,104,217.37	1,756,619.42	0.00	0.00	2,860,836.79
2. Purchased software	437,835.59	412,163.39	0.00	97,474.48	947,473.46
3. Goodwill	63,911.48	0.00	0.00	0.00	63,911.48
4. Advance payments made	92,380.73	10,775.00	0.00	-97,474.48	5,681.25
	1,698,345.17	2,179,557.81	0.00	0.00	3,877,902.98
II. PROPERTY, PLANT AND EQUIPMENT					
1. Technical systems and machines	59,812.30	0.00	0.00	0.00	59,812.30
2. Factory and office equipment	825,389.37	215,461.17	0.00	0.00	1,040,850.54
	885,201.67	215,461.17	0.00	0.00	1,100,662.84
III. FINANCIAL ASSETS					
Shares in affiliated companies	1,732,552.65	0.00	0.00	0.00	1,732,552.65
	1,732,552.65	0.00	0.00	0.00	1,732,522.65
	4,316,069.49	2,395,018.98	0.00	0.00	6,711,088.47
Depreciation					
		1.7.2015 EUR	Accesses EUR	Departures EUR	June 30, 2016 EUR
I. INTANGIBLE ASSETS					
1. Self-developed software		362,510.37	216,803.00	0.00	579,313.37
2. Purchased software		130,600.59	158,356.00	0.00	288,956.59
3. Goodwill		63,910.98	0.00	0.00	63,910.98
4. Advance payments made		0.00	0.00	0.00	0.00
		557,021.94	375,159.00	0.00	932,180.94
II. PROPERTY, PLANT AND EQUIPMENT					
1. Technical systems and machines		54,528.30	3,557.00	0.00	58,085.30
2. Factory and office equipment		448,352.87	208,812.53	0.00	657,165.40
		502,881.17	212,369.53	0.00	715,250.70
III. FINANCIAL ASSETS					
Shares in affiliated companies		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		1,059,903.11	587,528.53	0.00	1,647,431.64
Residual book value					
				June 30, 2016 EUR	June 30, 2015 EUR
I. INTANGIBLE ASSETS					
1. Self-developed software				2,281,523.42	741,707.00
2. Purchased software				658,516.87	307,235.00
3. Goodwill				0.50	0.50
4. Advance payments made				5,681.25	92,380.73
				2,945,722.04	1,141,323.23
II. PROPERTY, PLANT AND EQUIPMENT					
1. Technical systems and machines				1,727.00	5,284.00
2. Factory and office equipment				383,685.14	377,036.50
				385,412.14	382,320.50
III. FINANCIAL ASSETS					
Shares in affiliated companies				1,732,552.65	1,732,552.65
				1,732,552.65	1,732,552.65
				5,063,686.83	3,256,196.38

E. REPRODUCTION OF THE AUDIT REPRESENTATIVE

According to the result of our audit of the annual financial statements as of June 30, 2016 attached as Annexes 1 to 3 and the management report for the financial year from July 1, 2015 to June 30, 2016 of Mackevision Medien Design GmbH Stuttgart, Stuttgart, attached as Annex 4, we have issued the following unqualified auditor's report on September 14, 2016:

"We have audited the annual financial statements - consisting of the balance sheet, income statement and notes - including the bookkeeping and the management report of Mackevision Medien Design GmbH Stuttgart, Stuttgart, for the financial year from July 1, 2015 to June 30, 2016.

The bookkeeping and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's legal representatives. Our task is to provide an assessment of the annual financial statements, including the bookkeeping, and the management report on the basis of the audit we have carried out.

We carried out our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institute of Auditors (IDW). Accordingly, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the annual financial statements in accordance with the principles of proper bookkeeping and the management report are given with sufficient certainty be recognized. When determining the audit procedures, knowledge of the business activities and the economic and legal environment of the company as well as expectations of possible errors are taken into account. As part of the audit, the effectiveness of the accounting-related internal control system and evidence of the information in the books and records, the annual financial statements and the management report are assessed primarily on the basis of random samples. The audit includes the assessment of the accounting principles used and the significant estimates made by the legal representatives as well as the appraisal of the overall presentation of the annual financial statements and the management report. We believe Our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the annual financial statements comply with the statutory provisions and, in compliance with the principles of proper bookkeeping, give a true and fair view of the company's assets, financial position and results of operations.

The management report is consistent with the annual financial statements, as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development. "

If the annual financial statements and the management report are published or passed on in a form that deviates from the confirmed version, our renewed statement is required, provided that our auditor's report is quoted or our audit is referred to; we refer in particular to Section 328 of the German Commercial Code (HGB).

Management report for the 2015/16 financial year**A. Basics of society****1. Business model**

The object of the company is the production, sale and development of computer-generated images (CGI), configuration solutions and 3D visualization. In addition, technology solutions for image generation are developed and CGI solutions are supported from data preparation to the end product.

MACKEVISION Medien Design GmbH Stuttgart (MACKEVISION for short) has subsidiaries in Germany, Great Britain as well as the USA, Korea and China.

2. Research and Development

Research and development activities focused primarily on the areas of CGI and configuration solutions. In total, research and development costs of € 1,851 thousand (previous year: € 941 thousand) were incurred in the financial year, mainly for the capitalization of self-developed software € 1,757 thousand (previous year: € 325 thousand).

B. Economic report**1. Macroeconomic and industry-specific framework conditions**

The economic development (source: statistica.com) in Germany was positive in the 2015/16 financial year. In 2015, gross domestic product grew by 1.7% (previous year: 1.6%). The inflation rate was 0.3% (previous year: 0.9%). In the first half of 2016, the economy grew at an annual rate of around 1.7% with an inflation rate of 0.4%.

The automotive industry market relevant for MACKEVISION Medien Design GmbH Stuttgart has developed positively in Germany as well as in Asia and the USA. The competitive environment remains intense due to both new competitors and increased customer requirements.

2. Course of business

Sales increased in the 2015/16 financial year. This is due, on the one hand, to the fact that sales in the field of digital feature film images have grown disproportionately and, on the other hand, to the expansion of additional foreign customer relationships. In geographical terms, sales grew by 16% (previous year: 53%) from Germany, Asia and the USA. The growth was thus above our expectations. The young branch of business for digital feature film images accounted for around 12% of sales in the past financial year (previous year: 14%).

The annual surplus improved to T € 716 in the 2015/2016 financial year (previous year: T € -1,096). In addition to increased sales, this is due to an increase in other operating income and higher own work capitalized. Compared to the previous year, however, personnel expenses have increased.

While in previous years the focus was on processes and structures, the focus in the 2015/2016 financial year was on product development. In spite of initial expenses in this area, considerable license income has already been received. Nevertheless, a negative impact on earnings remains to be seen.

The Belgian investment company Gimv NV, Antwerp, made the agreed addition to the capital reserve as planned in the 2015/2016 financial year. This was invested primarily in product development but also in international growth.

The management assesses the course of business as positive.

3. Presentation of the asset, financial and earnings position**3.1. Financial performance indicators**

The company is controlled via the performance indicators sales revenue or sales growth and EBITDA. The EBITDA is calculated from the result of ordinary business activities plus the financial result and depreciation.

3.2. Financial position

	June 30, 2016		June 30, 2015		change	
	T €	%	T €	%	T €	%
Capital assets	5,064	22.4%	3,256	22.1%	1,808	55.5%
Current assets	17,133	75.7%	11,189	76.0%	5,944	53.1%
Other assets	425	1.9%	276	1.9%	149	53.8%
assets	22,622		14,721		7,901	53.7%

As of June 30, 2016, the balance sheet total was T € 22,622, which is T € 7,901 higher than in the previous year. The increase is mainly due to the significantly higher receivables from affiliated companies (+ T € 5,564) as well as higher work in progress (+ T € 743), which are mainly due to the increase in sales volume. In addition, the self-created assets increased significantly by + T € 1,540.

The main items of current assets are receivables from affiliated companies in the amount of T € 10,939, trade receivables in the amount of T € 3,253 and bank balances totaling T € 1,019. The trade receivables are essentially outstanding payments from regular sales.

Fixed assets mainly include investments in affiliated companies reported under financial assets amounting to € 1,733 thousand.

3.3. Financial condition

	June 30, 2016		June 30, 2015		change	
	T €	%	T €	%	T €	%
equity capital	14,687	64.9%	8,792	59.7%	5,895	67.1%
accruals	2,164	9.6%	1,327	9.0%	837	63.0%
liabilities	5,074	22.4%	4,203	28.6%	871	20.7%
Other liabilities	696	3.1%	399	2.7%	298	74.6%
liabilities	22,622		14,721		7,901	53.7%

Due to the admission of a new shareholder and the payment into the capital reserve by an old shareholder, the subscribed capital and the capital reserve increased by a total of T € 5,180. Taking into account the annual surplus of € 716 thousand generated in the financial year, equity as of June 30, 2016 increased by € 5,896 thousand compared to the previous year.

The other provisions for the 2015/16 financial year mainly contain provisions for outstanding invoices from suppliers and personnel-related issues and have increased by T € 874.

The liabilities side is characterized by total assets of T € 22,622, in addition to equity (T € 14,687), liabilities to banks (T € 1,669) and liabilities from venture capital (T € 1,000). In addition, other provisions (T € 2,164), trade payables (T € 719), advance payments received (T € 918) and other liabilities (T € 682) are reported on the liabilities side. The trade payables are mainly liabilities to suppliers.

In the 2015/16 financial year, the company was financed through the increased capital reserves of a shareholder, in addition to liabilities to banks and venture capital. The liquidity is therefore sufficiently proportioned to ensure sustainable financing.

Investments were mainly made in hardware and software. The focus was on expansion investments, these were mainly obtained through leasing.

MACKEVISION has predominantly fixed-rate loans and venture capital. Only in one case is there a variable interest component. The interest rates are within the usual market framework. Furthermore, the company has committed and unused current account lines. The loan drawdowns with a fixed maturity averaged 2.3 years.

3.4. Earnings situation

Sales in the 2015/16 financial year increased by € 3,032 thousand to € 1 21,805. The increase exceeded our expectations and was mainly achieved through the expansion of two customer relationships.

The gross margin (sales plus inventory changes less cost of materials and personnel expenses) was € 3,874 thousand below the level of the previous year (€ 4,781 thousand). Personnel expenses grew significantly faster than sales, which essentially led to a deterioration in the gross margin. The increase in personnel expenses resulted mainly from administrative personnel costs, some of which are passed on to affiliated companies.

The other operating income for the 2015/16 financial year mainly includes income from allocations passed on to subsidiaries. These essentially relate to charges passed on for management activities, IT infrastructure and charges for employees working for subsidiaries. The increase can essentially be attributed to these expenses passed on to affiliated companies in the amount of approx. T € 1,557.

Compared to the previous year, the number of salaried employees and trainees increased by an average of 54 employees, which means that personnel expenses increased significantly by T € 4,286 to T € 14,687 in the financial year.

The other operating expenses of T € 6,857 increased by 7.2% or T € 458 compared to the previous year. This increase is due on the one hand to the expenses for supporting subsidiaries, the cost of which is reflected in other operating income, but on the other hand to higher expenses for freelancers as well as space and IT leasing costs due to the higher number of employees.

The EBITDA of T € 1,694 (previous year: T € -129) improved significantly in the 2015/16 financial year and was thus above expectations.

4. Personnel and social area / employees

In 2015/16, MACKEVISION had an average of 209 employees and 10 trainees. In the previous year there was an average of 158 employees and 7 trainees.

5. Development of participations

At MACKEVISION UK Limited, London, Great Britain, the annual result deteriorated in the past financial year; from an annual deficit of € 822 thousand in 2014/15 to an annual deficit of € 1,441 thousand for the 2015/16 reporting year. This deficit includes significantly higher than expected sales expenses as well as personnel measures taken.

The annual deficit of MACKEVISION CG Technology and Services, Shanghai, China amounts to T € 1,795 (previous year: T € 577). The development of the annual result went hand in hand with up-front costs for a larger customer order.

The annual deficit of MACKEVISION Korea Ltd., Seoul, South Korea, amounts to T € 670 (previous year, short financial year, T € 1,113). This loss resulted mainly from the costs of setting up production and was in line with expectations.

We assume that the results of the above-mentioned subsidiaries will improve significantly in the 2016/2017 financial year due to contracts concluded with major customers. We assume that our claims against these companies can be repaid in the medium term. In our opinion, the investment book values are valuable.

6. Overall statement on the company's asset, financial and earnings position

Overall, we rate the company's earnings position as of June 30, 2016 as satisfactory. The company was able to increase sales and earnings in the past financial year. Internationalization was further expanded and various structural measures were completed.

We rate the asset and financial situation as consistently positive.

C. Supplementary report

There were no reportable events of particular significance after the balance sheet date of June 30, 2016.

D. Report on opportunities and risks

The market for CGI solutions is characterized by continued high demand for complete solutions for data preparation. In addition, we are observing an increased demand for films based on processed CGI data models. We assume that this demand will continue to grow and that MACKEVISION will benefit from it with its solution expertise and as a system partner.

The competitive situation remains intense and forces constant investments in efficiency and innovations.

1. Risk report

Economic instability in relation to the global economy and markets: Changes in the economic environment in the automotive industry pose a risk to sales and earnings. MACKEVISION continues to pursue a diversification strategy.

Technology, product and marketing risks: This is where the usual risks of IT companies arise, such as shortened product life cycles due to changes in demand, which MACKEVISION counters with product innovations in order to be able to react to changes in the technological environment at an early stage.

IT security problems: Protection against unauthorized access to image data represents a high risk. For this purpose, various certifications were created in the IT landscape.

Employees: The acquisition of qualified employees is an essential success factor. On the one hand, qualification programs have been developed for this purpose. On the other hand, MACKEVISION remains attractive as an employer thanks to the diversification into other industries and thus innovative creative solutions.

Liquidity risk: The company's growth results in a permanent need for capitalization and investment. To this end, MACKEVISION is in close contact with its investors in order to counteract this risk.

Participations: Risks arise from the intrinsic value of the participation book values, the receivables from affiliated companies and from the use of letters of comfort. This risk is reduced through active investment management as well as increasing international cooperation and utilization optimization.

2. Opportunity report

MACKEVISION Medien Design GmbH Stuttgart can assert itself in this competitive environment through innovations. The development of new markets and the increasing visualization of products represent diverse growth areas in which the demand for image material is increasing rapidly.

E. Forecast report

The company expects significant sales growth for the 2016/17 financial year. Due to increased capacity utilization due to international cooperation, the management expects that EBITDA will improve disproportionately to sales growth in the 2016/17 financial year.

Stuttgart, September 12, 2016

The Board

Armin Pohl

Joachim Lincke

Jens Pohl
